MGM Growth Properties LLC
Form 10-K
February 27, 2019

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

FORM 10-K
(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

OR

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

For the transition period from to

Commission File No. 001-37733 (MGM Growth Properties LLC)
Commission File No. 333-215571 (MGM Growth Properties Operating Properties LP)
MGM Growth Properties LLC
MGM Growth Properties Operating Partnership LP

(Exact name of Registrant as specified in its charter)

DELAWARE (MGM Growth Properties LLC)	47-5513237
DELAWARE (MGM Growth Properties Operating Partnership LP)	81-1162318
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

1980 Festival Plaza Drive, Suite 750, Las Vegas, Nevada 89135
(Address of principal executive office) (Zip Code)

(702) 669-1480
(Registrant's telephone number, including area code)

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

Registrant	Title of each class	Name of each exchange on which registered
MGM Growth Properties LLC	Class A Shares, No Par Value	New York Stock Exchange

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

None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

MGM Growth Properties LLC Yes X No
MGM Growth Properties Operating Partnership LP Yes No X

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

MGM Growth Properties LLC Yes No X
MGM Growth Properties Operating Partnership LP Yes No X

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

MGM Growth Properties LLC Yes X No
MGM Growth Properties Operating Partnership LP Yes X No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

MGM Growth Properties LLC Yes X No
MGM Growth Properties Operating Partnership LP Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K:

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

MGM Growth Properties LLC

Large accelerated filer	X	Accelerated filer		Non-accelerated filer		Smaller reporting company		Emerging growth	

MGM Growth Properties Operating Partnership LP

Large accelerated filer		Accelerated filer		Non-accelerated filer	X	Smaller reporting company		Emerging growth	

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act):

MGM Growth Properties LLC Yes No X
MGM Growth Properties Operating Partnership LP Yes No X

The aggregate market value of the Registrant’s Class A shares held by non-affiliates of the Registrant as of June 30, 2018 (based on the closing price on the New York Stock Exchange Composite Tape on June 29, 2018) was $2.1 billion. As of February 22, 2019, 90,461,166 shares of the Registrant’s Class A shares, no par value, were outstanding.

There is no public trading market for the limited partnership units of MGM Growth Properties Operating Partnership LP. As a result, the aggregate market value of such units cannot be determined.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the MGM Growth Properties LLC's definitive Proxy Statement for its 2019 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K.

EXPLANATORY NOTE

This report combines the Annual Reports on Form 10-K for the year ended December 31, 2018, of MGM Growth Properties LLC, a Delaware limited liability corporation, and MGM Growth Properties Operating Partnership LP, a Delaware limited partnership. Unless otherwise indicated or unless the context requires otherwise, all references in this report to "we," "us," "our," "MGP" or "the Company" refer to MGM Growth Properties LLC together with its consolidated subsidiaries, including MGM Growth Properties Operating Partnership LP. Unless otherwise indicated or unless the context requires otherwise, all references to the "Operating Partnership" refer to MGM Growth Properties Operating Partnership LP together with its consolidated subsidiaries.

MGP is a real estate investment trust, or REIT, and the owner of the sole general partner of the Operating Partnership. As of December 31, 2018, MGP owned approximately 26.7% of the Operating Partnership units in the Operating Partnership. The remaining approximately 73.3% of the Operating Partnership units in the Operating Partnership are owned by subsidiaries of our parent, MGM Resorts International ("MGM"). As the owner of the sole general partner of the Operating Partnership, MGP has the full, exclusive and complete responsibility for the Operating Partnership's day-to-day management and control.

We believe combining the Annual Reports on Form 10-K of MGP and the Operating Partnership into this single report results in the following benefits:

- enhances investors' understanding of MGP and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;

- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure applies to both MGP and the Operating Partnership, which we believe will assist investors in getting all relevant information on their investment in one place rather than having to access and review largely duplicative reports; and

- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are a few differences between MGP and the Operating Partnership, which are reflected in the disclosures in this report. We believe it is important to understand the differences between MGP and the Operating Partnership in the context of how we operate as an interrelated consolidated company. MGP is a REIT, whose only material assets consist of Operating Partnership units representing limited partner interests in the Operating Partnership and its ownership interest in the general partner of the Operating Partnership. As a result, MGP does not conduct business itself, other than acting as the owner of the sole general partner of the Operating Partnership, but it may from time to time issue additional public equity. The Operating Partnership holds all the assets of the Company. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from the offerings of Class A shares by MGP, which were contributed to the Operating Partnership in exchange for Operating Partnership units, the Operating Partnership generates the capital required by the Company's business through the Operating Partnership's operations and by the Operating Partnership's issuance of indebtedness or through the issuance of Operating Partnership units.

The presentation of noncontrolling interest, shareholders' equity and partners' capital are the main areas of difference between the combined consolidated financial statements of MGP and those of the Operating Partnership. The Operating Partnership units held by subsidiaries of MGM are accounted for as limited partners' capital in the Operating Partnership's combined consolidated financial statements and as noncontrolling interest within equity in MGP's combined consolidated financial statements. The Operating Partnership units held by MGP in the Operating Partnership are accounted for as partners' capital in the Operating Partnership's combined consolidated financial statements and within Class A shareholders' equity in MGP's combined consolidated financial statements. The

differences in the presentations between shareholders' equity and partners' capital result from the differences in the equity issued at the MGP and Operating Partnership levels.

To help investors understand the significant differences between MGP and the Operating Partnership, this report presents the combined consolidated financial statements separately for MGP and the Operating Partnership.

As the sole beneficial owner of MGM Growth Properties OP GP LLC, which is the sole general partner with control of the Operating Partnership, MGP consolidates the Operating Partnership for financial reporting purposes, and it does not have any assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities of MGP and the Operating Partnership are the same on their respective combined consolidated financial statements. The separate discussions of MGP and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a combined consolidated basis and how management operates the Company.

In order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that the Company and the Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities

Exchange Act of 1934, as amended (the "Exchange Act") and 18 U.S.C. §1350, this report also includes separate "Item 9A. Controls and Procedures" sections and separate Exhibit 31 and 32 certifications for each of MGP and the Operating Partnership.

All other sections of this report, including Management's Discussion and Analysis of Financial Condition and Results of Operations and Quantitative and Qualitative Disclosures about Market Risk, are presented together for MGP and the Operating Partnership.

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PART I

ITEM 1 BUSINESS

The Company

MGP is one of the leading publicly traded REITs engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose tenants generally offer diverse amenities including casino gaming, hotel, convention, dining, entertainment and retail offerings.

MGP is a limited liability company that was formed in Delaware in October 2015. MGP conducts its operations through the Operating Partnership, a Delaware limited partnership formed by MGM in January 2016 and acquired by MGP on April 25, 2016 (the "IPO Date"). The Company has elected to be treated as a real estate investment trust ("REIT") for U.S. federal income tax purposes commencing with its taxable year ended December 31, 2016.

MGP is organized in an umbrella partnership REIT (commonly referred to as an "UPREIT") structure in which MGP owns substantially all of its assets and conducts substantially all of its business through the Operating Partnership, which is owned by MGP and certain other subsidiaries of MGM and whose sole general partner is one of MGP's subsidiaries. MGM holds a controlling interest in MGP through its ownership of MGP's Class B share, but does not hold any of MGP's Class A shares. The Class B share is a non-economic interest in MGP which does not provide its holder any rights to profits or losses or any rights to receive distributions from the operations of MGP or upon liquidation or winding up of MGP but which represents a majority of the voting power of MGP's shares. The Class B share structure was put in place to align MGM's voting rights in MGP with its economic interest in the Operating Partnership. As further described below, MGM will no longer be entitled to the voting rights provided by the Class B share if MGM and its controlled affiliates' (excluding MGP and its subsidiaries) aggregate beneficial ownership of the combined economic interests in MGP and the Operating Partnership falls below 30%.

MGP, through the Operating Partnership, leases the real estate assets of The Mirage, Mandalay Bay, Luxor, New York-New York, Park MGM (which was branded as Monte Carlo prior to May 2018), Excalibur, The Park, Gold Strike Tunica, MGM Grand Detroit and Beau Rivage (collectively, the "IPO Properties"), as well as Borgata and MGM National Harbor, to a subsidiary of MGM.

As of December 31, 2018, our portfolio consisted of eleven premier destination resorts, as well as the Hard Rock Rocksino Northfield Park, in Northfield, Ohio, which include properties that we believe are among the world's finest casino and resorts, and The Park in Las Vegas.

Business

We generate a substantial portion of our revenue by leasing our properties owned by a wholly owned subsidiary of the Operating Partnership (the "Landlord") to a subsidiary of MGM (the "Tenant") pursuant to a long-term triple-net master lease agreement (the "Master Lease"). Our portfolio consists of premier destination resorts operated by MGM, including properties that we believe are among the world's finest casino resorts, the Hard Rock Rocksino Northfield Park in Northfield, Ohio, The Park in Las Vegas, and Empire City in Yonkers, New York. Our properties include six large-scale entertainment and gaming-related properties located on the Las Vegas Strip (the "Strip"): Mandalay Bay, The Mirage, Park MGM, New York-New York, Luxor and Excalibur, and The Park, a dining and entertainment district located between New York-New York and Park MGM. Outside of Las Vegas, we also own five market-leading casino resort properties: MGM Grand Detroit in Detroit, Michigan, Beau Rivage and Gold Strike Tunica, both of which are located in Mississippi, Borgata in Atlantic City, New Jersey, and MGM National Harbor in Prince George's County, Maryland. We also own the Hard Rock Rocksino Northfield Park in Northfield, Ohio and Empire City in Yonkers, New York. 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.

Northfield Transaction

On July 6, 2018, one of our wholly-owned taxable REIT subsidiaries ("TRS") completed the acquisition of the membership interests of Northfield Park Associates, LLC ("Northfield"), an Ohio limited liability company that owns the real estate assets and operations of the Hard Rock Rocksino Northfield Park (the "Northfield Acquisition") for approximately $1.1 billion. We funded the acquisition through a $200 million draw on the term loan A facility and a $655 million draw under the revolving credit facility, with the remainder of the purchase price paid with cash on hand. Simultaneously with the close of the transaction, we entered into a new agreement with an affiliate of Hard Rock Café International (STP), Inc. ("Hard Rock") to continue to serve as the manager of the property.

On September 18, 2018, we entered into an agreement to sell the operations of Northfield ("Northfield OpCo") to a subsidiary of MGM for approximately $275 million, subject to customary purchase price adjustments. The TRS will concurrently liquidate and the

real estate assets of Northfield will be transferred to the Landlord. Northfield will be added to the existing Master Lease between the Landlord and Tenant. As a result, the annual rent payment will increase by $60 million, prorated for the remainder of the lease year. The transaction is expected to close in the first half of 2019, subject to customary closing conditions. Refer to Note 3 of the accompanying financial statements for additional information.

Empire City Transaction

Subsequent to year end, on January 29, 2019, we acquired the real property associated with the Empire City Casino's race track and casino ("Empire City") from MGM, upon its acquisition of Empire City, for fair value of consideration transferred of approximately $634 million, which included the assumption of approximately $246 million of debt by the Operating Partnership with the balance through the issuance of 12.9 million Operating Partnership units to MGM. Empire City was added to the existing Master Lease between the Landlord and Tenant. As a result, the annual rent payment increased by $50 million, prorated for the remainder of the lease year. Refer to Note 1 of the accompanying financial statements for additional information.

Park MGM Lease Transaction

On December 20, 2018, we entered into a definitive agreement whereby the Company will pay MGM consideration of $637.5 million for renovations undertaken by MGM regarding the Park MGM and NoMad Las Vegas property (the "Park MGM Lease Transaction"). Additionally, at closing the parties will enter into an amendment to the Master Lease whereby the annual rent payment to the Company will increase by $50 million, prorated for the remainder of the lease year. The transaction is expected to close in the first quarter of 2019 and is subject to customary closing conditions. Refer to Note 1 of the accompanying financial statements for additional information.

Overview of MGM

The Tenant is a wholly owned subsidiary of MGM, and MGM guarantees the Tenant's performance and payments under the Master Lease. MGM formed MGP 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.

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 49,000 hotel rooms, 31,500 slot machines and 2,000 table games on a combined basis as of December 31, 2018, which in addition to MGP's properties include Bellagio, MGM Grand, MGM Springfield and MGM's unconsolidated affiliates. MGM also owns an approximate 56% interest in MGM China Holdings Limited, a publicly traded company listed on the Hong Kong Stock Exchange, which owns the MGM Macau resort and casino and MGM Cotai, which opened in February 2018.

Overview of the Master Lease

The Master Lease has an initial lease term of ten years beginning on April 25, 2016 (other than with respect to MGM National Harbor, as described below) 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 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 Springfield, which we may exercise should MGM elect to sell the property in the future, and with respect to any future gaming development by MGM on the undeveloped land adjacent to Empire

City.

On August 1, 2016, the real estate assets of Borgata were acquired from MGM and added to the existing Master Lease between the Landlord and the Tenant (the "Borgata Transaction"). As a result, the initial annual rent amount under the Master Lease increased by $100 million to $650 million, prorated for the remainder of the first lease year after the Borgata Transaction.

On October 5, 2017, the real estate assets of MGM National Harbor were acquired from MGM and added to the existing Master Lease between the Landlord and the Tenant. As a result, the annual rent amount under the Master Lease increased to $756.7 million, prorated for the remainder of the 2017 lease year. In connection with this transaction, the Master Lease was amended to provide that the initial term with respect to MGM National Harbor ends on August 31, 2024. Thereafter, the initial term of the Master Lease with respect to MGM National Harbor may be renewed at the option of the Tenant for an initial renewal period lasting until the earlier of the end of the then-current term of the Master Lease or the next renewal term (depending on whether MGM elects to renew the other properties under the Master Lease in connection with the expiration of the initial ten-year term). If, however, the Tenant chooses not to renew the lease with respect to MGM National Harbor after the initial MGM National Harbor term under the Master Lease, the Tenant would also

lose the right to renew the Master Lease with respect to the rest of the properties when the initial ten-year lease term ends related to the rest of the properties in 2026.

In April 2018, the second fixed annual rent escalator of 2% went into effect and the Base Rent increased to $695.8 million and the Percentage Rent remained at $74.5 million.

Rent under the Master Lease consists of a "base rent" component (the "Base Rent") and a "percentage rent" component (the "Percentage Rent"). The Base Rent represents approximately 90% of the annual rent amount under the Master Lease and the Percentage Rent represents approximately 10% of the annual rent amount under 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 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 adjusted net revenue from the leased properties subject to the Master Lease (excluding net revenue attributable to certain scheduled subleases and, at the Tenant's option, certain reimbursed costs). The Percentage Rent is a fixed amount for approximately the first six lease years and will then be adjusted every five years based on the average annual adjusted 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 adjusted net revenues, excluding net revenue attributable to certain scheduled subleases and, at the Tenant's option, certain reimbursed costs for the trailing five-calendar-year period by 1.4%). The Master Lease includes 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 Securities and Exchange Commission ("SEC") gives us insight into MGM's financial condition on an ongoing basis. The Master Lease also requires 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.

Overview of Management and Governance

We have a dedicated, experienced management team with extensive experience in the real estate and gaming, lodging and leisure industries. This leadership team is bolstered by a board of directors that includes independent directors.

Our operating agreement provides 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 New York Stock Exchange'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 provides that any transaction, individually or in the aggregate, over $25 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, 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).

Our Properties

The following table summarizes certain features of our properties, all as of December 31, 2018. Our properties are diversified across a range of primary uses, including gaming, hotel, convention, dining, entertainment, retail and other resort amenities and activities.

	Location	Hotel Rooms	Approximate Acres	Approximate Casino Square Footage [1]	Approximate Convention Square Footage
REIT Properties					
Las Vegas Strip					
Mandalay Bay	Las Vegas, NV	4,750 [2]	124	152,000	2,121,000 [3]
The Mirage	Las Vegas, NV	3,044	77	94,000	170,000
New York—New York and The Park	Las Vegas, NV	2,024	23	81,000	31,000
Luxor	Las Vegas, NV	4,397	58	101,000	35,000
Park MGM	Las Vegas, NV	2,898 [4]	21	66,000	77,000
Excalibur	Las Vegas, NV	3,981	51	94,000	25,000
Subtotal		21,094	354	588,000	2,459,000
Regional					
MGM Grand Detroit	Detroit, MI	400	24	127,000	30,000
Beau Rivage	Biloxi, MS	1,740	26 [5]	81,000	50,000
Gold Strike Tunica	Tunica, MS	1,133	24	48,000	17,000
Borgata	Atlantic City, NJ	2,767	37 [6]	160,000	106,000
MGM National Harbor	Prince George's County, MD	308	23 [7]	146,000	50,000
Subtotal		6,348	134	562,000	253,000
TRS Properties					
Hard Rock Rocksino Northfield Park	Northfield, OH	—	113	65,000	—
Subtotal		—	113	65,000	—
Total		27,442	601	1,215,000	2,712,000

(1) Casino square footage is approximate and includes the gaming floor, race and sports, high limit areas and casino specific walkways, and excludes casino cage and other non-gaming space within the casino area.

(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.

(4) Includes 293 rooms at NoMad which is located at our Park MGM property.

(5) Ten of the 26 acres at Beau Rivage are subject to a tidelands lease. The ground lease rent is reimbursed or paid directly by Tenant pursuant to the Master Lease.

(6) Eleven of the 37 acres at Borgata are subject to ground leases. The ground lease rent is reimbursed or paid directly by Tenant pursuant to the Master Lease.

(7) All 23 acres at MGM National Harbor are subject to ground lease. The ground lease rent is reimbursed or paid directly by the Tenant pursuant to the Master Lease.

Competition

We compete with other REITs, investment companies, private equity and hedge fund investors, sovereign funds, lenders, gaming companies and other investors. For further discussion of the potential impact of competitive conditions on our business, see “Item 1A. Risk Factors – Risks Related to Our Business and Operations – Our pursuit of investments in, and acquisitions or development of, additional properties may be unsuccessful or fail to meet our expectations.”

Environmental Regulations and Potential Liabilities

Government Regulation Relating to the Environment. Many laws and governmental regulations relating to the environment are applicable to our properties, and changes in these laws and regulations, or their interpretation by agencies and the courts, occur frequently and may adversely affect us.

Costs related to environmental compliance. As an owner of real property, we are subject to various federal, state and local environmental and health and safety laws and regulations. Although we do not operate or manage our properties, 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. We are not aware of any environmental issues that are expected to have a material impact on the operations of any of our properties.

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

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 our initial public offering is retained by the Tenant and the Tenant has indemnified 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 receiving 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.

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.

These regulations impact our business in three important ways: (1) our ownership and operation of the TRS; (2) our ownership of land and buildings in which gaming activities are operated by third party tenants pursuant to long-term leases; and (3) the operations of our gaming tenants. Our ownership and operation of the TRS subjects MGP, its subsidiaries and their officers, directors and limited liability company managers to the jurisdiction of the Ohio State Racing Commission and the Ohio Lottery Commission. Additionally, many gaming and racing regulatory agencies in the jurisdictions in which our gaming tenants operate require MGP and its affiliates to maintain a license as a principal entity, entity qualifier or supplier because of its status as landlord, including Maryland, Michigan, Mississippi, New Jersey, New York and Ohio.

Our businesses are subject to various federal, state and local laws and regulations in addition to gaming regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, environmental matters, employees, health care, currency transactions, taxation, zoning and building codes, and marketing and advertising. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes,

new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results.

Intellectual Property

We have 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 without royalties 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. We are 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.

Corporate Information

MGP is a limited liability company that was formed in Delaware in October 2015. MGP elected on its 2016 U.S. federal income tax return for its taxable year ended December 31, 2016 to be taxed as a REIT and intends to continue to qualify to do so. The Operating Partnership is a Delaware limited partnership that was formed in January 2016. Our principal offices are located at 1980 Festival Plaza Drive, Suite 750, Las Vegas, Nevada 89135 and our main telephone number is (702) 669-1480.

Cautionary Statement Concerning Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. In particular, statements pertaining to our capital resources and the amount and frequency of future distributions contain 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 words and 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. Examples of forward-looking statements include, but are not limited to, statements we make regarding the timing and amount of any future dividends and our ability to further grow our portfolio.

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 are 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.
- We depend on our properties leased to MGM for substantially 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.
- MGP's sole material assets are Operating Partnership units representing 26.7% of the ownership interests in the Operating Partnership, as of December 31, 2018, 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.
- The Master Lease restricts our ability to sell our properties subject thereto.
- We will have future capital needs and may not be able to obtain additional financing on acceptable terms.
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- 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 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 significant number 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 Northfield, the real property associated with Empire City, our rights of first offer with respect to MGM Springfield and with respect to any future gaming developments by MGM on the undeveloped land adjacent to Empire City) may be unsuccessful or fail to meet our expectations.
- 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 Operating Partnership unitholders and 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.
- MGP is 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 may not be a reliable indicator of its future results.
- Our operating agreement contains 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 MGP fails to remain qualified to be taxed as a REIT, it 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.
- Legislative or other actions affecting REITs could have a negative effect on us.
- The anticipated benefits of our anticipated and future acquisitions may not be realized fully and may take longer to realize than expected.
- Our ownership of the TRS, which we formed in connection with the Northfield Acquisition, will be subject to limitations, and a failure to comply with the limits could jeopardize our REIT qualification.
- We may be unable to complete the Northfield OpCo Disposition or the Park MGM Lease Transaction or may not consummate the transactions on the terms described herein.

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."

Any forward-looking statement made by us in this Annual Report on Form 10-K speaks only as of the date on which it is made. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law. If we update one or more forward-looking statements, no inference should be made that we will make additional updates with respect to those or other forward-looking statements.

You should also be aware that while we from time to time communicate with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore,

you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility and are not endorsed by us.

Employees of the Registrants

We are managed by an executive management team. As of December 31, 2018, we employed 1,212 other employees aside from our executive management team and including our 1,209 employees at Northfield. MGM has agreed 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 Agreement provides that the Operating Partnership will reimburse MGM for all costs MGM incurs directly related to providing such services.

The following table sets forth, as of February 27, 2019, the name, age and position of each of our executive officers. Executive officers are elected by and serve at the pleasure of the Board of Directors.

Name	Age	Position
James C. Stewart	53	Chief Executive Officer
Andy H. Chien	43	Chief Financial Officer and Treasurer

Mr. Stewart has been employed as the Chief Executive Officer of MGP and the Operating Partnership since our initial public offering in April 2016. Prior to joining MGP, Mr. Stewart served as a Managing Director of Greenhill & Co., Inc. from 2009 to 2016, 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, 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.

Mr. Chien has been employed as the Chief Financial Officer and Treasurer of MGP and the Operating Partnership since our initial public offering in April 2016. Prior to joining MGP, Mr. Chien worked at Greenhill & Co., Inc. from 2009 to 2016, most recently serving as a Managing Director responsible for the firm's REIT, gaming, lodging and leisure clients. 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 the real estate, gaming, lodging and leisure industries. Mr. Chien's previous experience also includes various roles as a member of the real estate group at Citigroup/Salomon Smith Barney as well as various positions at 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.

Available Information

We maintain a website at www.mgmgrowthproperties.com that includes financial and other information for investors. We provide access to our the Securities and Exchange Commission ("SEC") filings, including filings made by the Operating Partnership and our joint Annual Report on Form 10-K and Quarterly Reports on Form 10-Q (including related filings in XBRL format), filed and furnished current reports on Form 8-K, and amendments to those reports on our website, free of charge, through a link to the SEC's EDGAR database. Through that link, our filings are available as soon as reasonably practicable after we file or furnish the documents with the SEC. These filings are also available on the SEC's website at www.sec.gov.

Reference in this document to our website address does not incorporate by reference the information contained on the website into this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

You should be aware that the occurrence of any of the events described in this section and elsewhere in this report or in any other of our filings with the SEC could have a material adverse effect on our business, financial position, results of operations and cash flows. In evaluating us, you should consider carefully, among other things, the risks described below. Please refer to the section entitled "Cautionary Statement Concerning Forward-Looking Statements."

Risks Related to Our Business and Operations

We are 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. A subsidiary of MGM is the Tenant and lessee of all of the properties pursuant to the Master Lease, which accounts for a substantial portion of our revenues. Additionally, because the Master Lease is a triple-net lease, we depend on the Tenant to pay all insurance, taxes, utilities, 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.

- There can be no assurance that the Tenant will have sufficient assets, income or 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 a significant 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 under the Master Lease. 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 could have the effect of reducing our rental revenues.

- We depend on the properties leased to MGM for substantially all of our anticipated cash flows. Unless and until we acquire additional properties, we will depend on properties operated by subsidiaries of MGM, for substantially 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 our 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 subject thereto, 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 the Tenant, or future tenants on acquired properties, through lease expiration or other circumstances may require us to spend (in addition to other reletting 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 such properties at substantial costs, decrease the rent we charge or provide other concessions to re-lease such 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 have assumed, and in the future may assume, unknown liabilities in connection with acquisitions. Our properties 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 properties, 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.

- MGP's sole material assets are Operating Partnership units representing 26.7% of the ownership interests in the Operating Partnership, as of December 31, 2018, over which MGP has operating control through its ownership of the Operating Partnership's general partner. Because MGP's interest in the Operating Partnership represents its only cash-generating asset, its cash flows and distributions depend entirely on the performance of the Operating Partnership and its ability to distribute cash to MGP. MGP is a holding company whose sole material assets are Operating Partnership units representing 26.7% of the ownership interests in the Operating Partnership, as of December 31, 2018, and its ownership interest in the general partner of the Operating Partnership. The source of MGP's earnings and operating cash flow consists exclusively of cash distributions from the Operating Partnership. Therefore, MGP's ability to make distributions to its Class A shareholders is completely dependent on the performance of the Operating Partnership and its ability to distribute funds to MGP. The Operating Partnership's partnership agreement requires it to distribute to MGP all or such portion of its available cash each quarter as determined by the general partner. The general partner, MGP's 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 MGP so that MGP can make distributions to its Class A shareholders, or to comply with applicable law or any of the Operating Partnership's debt or other agreements.

To the extent that MGP needs 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 MGP's 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 MGP to enable MGP to make distributions on its Class A shares, taxes and other expenses.

- The Master Lease restricts our ability to sell the properties subject thereto. Our ability to sell or dispose of the properties may be hindered by the fact that such properties are 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.

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

- 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 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.

- We will have future capital needs and may not be able to obtain additional financing on acceptable terms. As of December 31, 2018, we had outstanding indebtedness in principal amount of $4.7 billion. We may also incur additional indebtedness in the future to refinance our existing indebtedness or to finance newly acquired properties or for general corporate or other purposes. 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 MGP's 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, which 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.

- Our substantial indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under the notes and our other debt. We have a significant amount of indebtedness. As of December 31, 2018, we and our subsidiaries on a consolidated basis had $4.7 billion principal amount of debt and $800 million available for borrowing under our revolving credit facility. Our substantial indebtedness could have important consequences to our financial health. For example, it could:

  - make it more difficult for us to satisfy our obligations with respect to the notes and our other debt;
  - increase our vulnerability to general adverse economic and industry conditions or a downturn in our business;
  - require us to dedicate a substantial portion of our cash flow from operations to debt service, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
  - limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
  - place us at a competitive disadvantage compared to our competitors that are not as highly leveraged;
  - limit, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds; and
  - result in an event of default if we fail to satisfy our obligations under the notes or our other debt or fail to comply with the financial and other restrictive covenants contained in the indentures or our other debt instruments, which event of default could result in all of our debt becoming immediately due and payable and could permit certain of our lenders to foreclose on our assets securing such debt.

Any of the above listed factors could have a material adverse effect on our business, financial condition and results of operations.

Further, the terms of our existing debt agreements do not, and any future debt may not, fully prohibit us from incurring additional debt. If new debt is added to our current debt levels, the related risks that we now face could intensify.

- 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 contain customary covenants, including restrictions on the Operating Partnership's ability to grant liens on the Operating Partnership's assets, incur indebtedness, sell assets, make investments, engage in acquisitions, mergers or consolidations and pay certain distributions and other restricted payments. In addition, the Operating Partnership is 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 the Operating Partnership's debt instruments could have a material adverse effect on our business, financial position or results of 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. 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 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 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 fail 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 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 the Tenant's option, reimbursed cost revenue) of the 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 significant number 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 significant number 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 the Tenant. We cannot control the number or frequency of flights to or from Las Vegas, but the 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, 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 Northfield, the real property associated with Empire City, our rights of first offer with respect to MGM Springfield and with respect to any future gaming developments by MGM on the undeveloped land adjacent to Empire City) may be unsuccessful or fail to meet our expectations. We 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, particularly if the properties or assets we are seeking to acquire are owned or operated by competitors of MGM. Additionally, although our Master Lease provides us with a right of first

offer with respect to MGM Springfield and any future gaming development by MGM on the undeveloped land adjacent to Empire City, there can be no assurance that MGM will sell these 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 them 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 at least 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, 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. 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 we may 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 gaming 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 restricts the ownership and transfer of MGP's 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 MGP to qualify to be taxed as a REIT, not more than 50% in value of its 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 it elects to qualify to be taxed as a REIT. Additionally, at least 100 persons must beneficially own MGP's 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.

MGP's operating agreement, with certain exceptions, authorizes the board of directors to take such actions as are necessary and desirable to preserve MGP's qualification as a REIT. MGP's operating agreement also provides, 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 MGP's shares (other than the Class B share) or 9.8% of the value of the aggregate outstanding shares of all classes and series of MGP's shares. 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 MGP's shares in violation of these restrictions may result in the transfer being automatically void. MGP's operating agreement also provides 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 the 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, results of operations and our distributions to shareholders. Further, holders of such liens or claims could have priority over MGP's 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 MGP's 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 revenue 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 the Tenant’s 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 results of operations could decrease, which could result in a lower level of

distributions to our unitholders and shareholders than we made prior to such sale or sales. If our distributions were to decrease, the effective dividend yield of MGP's Class A shares (i.e., the yield as a percentage of the then-market price of MGP's Class A shares) could subsequently decrease as well, which could have a material adverse effect on the market price of MGP's Class A shares.

- An increase in market interest rates could increase our interest costs on existing and future debt and could adversely affect the price of MGP's 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 MGP's 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 MGP's Class A shares to expect a higher dividend yield, which would adversely affect the market price of MGP's 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 generally has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter (other than with respect to MGM National Harbor, as described below), solely at the option of the Tenant. The initial term of the Master Lease with respect to MGM National Harbor ends on August 31, 2024. Thereafter, the initial term of the Master Lease with respect to MGM National Harbor may be renewed at the option of the Tenant for an initial renewal period lasting until the earlier of the end of the then-current term of the Master Lease or the next renewal term (depending on whether MGM elects to renew the other properties under the Master Lease in connection with the expiration of the initial ten-year term). If, however, the Tenant chooses not to renew the lease with respect to MGM National Harbor after the initial MGM National Harbor term under the Master Lease, the Tenant would also lose the right to renew the Master Lease with respect to the rest of the properties when the initial ten-year lease term related to the rest of the properties ends in 2026. At the expiration 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 unitholders and 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 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 unitholders and 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 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 the 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 unitholders and 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.

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 and Delaware law both contain 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.

MGP's operating agreement does, among other things:

- provide majority voting rights to the holder of MGP's outstanding Class B share;
- 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 MGP's shares (other than MGP's Class B share) or more than 9.8% in value of the aggregate outstanding shares of all classes and series of MGP's 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 does 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 our 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.

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

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

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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 that could adversely affect our ability to lease space to third parties. Such 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 the Tenant is 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 the 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 borne 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 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.

- The operation of our properties 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.

We have a royalty-free 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 “MGM” mark and the “MGM” logo in our advertising materials without royalties for up to 50 years. We are 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.

We have engaged and may engage in hedging transactions that may limit gains or result in losses. We have used derivatives to hedge certain of our liabilities and we currently have interest rate swap agreements in place. As of December 31, 2018, we have interest rate swap agreements to mitigate the interest rate risk inherent in our senior secured term loan B facility with a total $1.2 billion of notional amount. In December 2018, we entered into additional interest rate swaps on a total notional amount of $400 million, which are effective December 31, 2019. The counterparties of these arrangements are major financial institutions; however, we are exposed to credit risk in the event of non-performance by the counterparties. This has certain risks, including losses on a hedge position, which may reduce the return on our investments. Such losses may exceed the

amount invested in such instruments. In addition, counterparties to a hedging arrangement could default on their obligations. We may have to pay certain costs, such as transaction fees or breakage costs, related to hedging transactions.

Risks Related to Our Affiliation with MGM

- We are controlled by MGM, whose interests in our business may conflict with ours or yours. MGP's Class B share, representing a majority of the voting power of its shares, is owned by MGM, whose interests may differ from or conflict with the interests of MGP's other shareholders. MGM has the ability to exercise control over MGP's affairs, including control over the outcome of all matters submitted to MGP's 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 MGP's Class B share, which could, among other things, discourage a potential acquirer from attempting to obtain control of MGP 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 MGP's board of directors and control all matters submitted to MGP's shareholders for approval even though it does 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 MGP's Class A shares.

Various conflicts of interest between MGM and us could arise. Some of MGP's directors may own more stock in MGM than in our company. Ownership interests of officers and directors of MGM in MGP's 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 maintains control through the Class B share. 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 are prevented from selling or leasing our properties or interests in the Operating Partnership or the Landlord to competitors of MGM. Our operating agreement provides that MGM has 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 MGP's operating agreement, the doctrine of corporate opportunity, or any analogous doctrine, does not apply to, among others, MGM and its affiliates and our directors or executive officers or any of their affiliates. Some of MGP's 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 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.

We have various agreements that govern our relationship with MGM. These agreements include, in addition to the Master Lease, Master Contribution Agreement ("MCA"), Corporate Services Agreement, IP License Agreement and Registration Rights Agreement. Related agreements and other transactions with MGM were determined by MGM and thus may not be representative of what we have achieved on a stand-alone basis or from an unaffiliated third party.

- We are dependent on MGM for the provision of administration services to our operations and assets. The operation of our business depends on the administration services provided by MGM, including, among others, accounting, financial reporting, human resources, information systems, tax and legal services. MGM's personnel and support staff that provide services to us are not 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.

MGP's operating agreement contains provisions that reduce or eliminate duties (including fiduciary duties) of its directors, officers and others. MGP's operating agreement provides that its board of directors, in exercising its rights in its capacity as members of the board of directors, is entitled to consider only such interests and factors as they desire, including MGM's interests, and has no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us and is not subject to any different standards imposed by our operating agreement, the Limited Liability Company Act of Delaware or under any other law, rule or regulation or in equity. Similarly, MGP's operating agreement provides that its 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.

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 unitholders and 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.

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 provides that:

- the doctrine of corporate opportunity, or any analogous doctrine, does 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. We have various agreements that govern our relationship with MGM. These agreements include the MCA, 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 unitholders and 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.

We are a "controlled company" within the meaning of applicable stock market rules and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements that provide protection to shareholders of other companies. MGM owns more than 50% of the voting power of our outstanding shares entitled to vote generally in the election of directors, and we are 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 MGP's REIT Election and Status as a REIT

If MGP fails 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 continue to operate in a manner that will allow MGP to continue to qualify to be taxed as a REIT for U.S. federal income tax purposes. We received opinions of Weil, Gotshal & Manges LLP ("REIT Tax Counsel") that, commencing with our taxable year ended December 31, 2016, MGP was organized in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws and MGP's proposed method of operations will enable it to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ended December 31, 2018 and subsequent taxable years. You 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 was 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 Internal Revenue Code of 1986, as amended (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 MGP's REIT qualification. MGP's qualification to be taxed as a REIT will depend on its satisfaction of

certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. In addition, MGP's ability to satisfy the requirements to qualify to be taxed as a REIT may depend in part on the actions of third parties over which we have no control or only limited influence.

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 MGP to qualify to be taxed as a REIT, not more than 50% in value of its 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 MGP elects to qualify to be taxed as a REIT. Additionally, at least 100 persons must beneficially own MGP's shares during at least 335 days of a taxable year (other than the first taxable year for which it elects to be taxed as a REIT). Also,

subject to limited exceptions, neither MGP nor an actual or constructive owner of 10% or more (by value) of its 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, MGP's operating agreement authorizes its board of directors to take such actions as are necessary and desirable to preserve its qualification to be taxed as a REIT. MGP's operating agreement also provides 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 its shares (other than its Class B share) or 9.8% in value of the aggregate outstanding shares of all classes and series of its shares, including if repurchases by us cause a person’s holdings to exceed such limitations. 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 qualify for a less favorable tax rate than the reduced tax rates available for some dividends. While distributions payable by REITs for tax years beginning after December 31, 2017 are eligible for a new 20% pass-through deduction pursuant to the Tax Act (as defined herein), the resultant net tax rate will generally be higher than the more favorable tax rates applicable to regular corporate qualified dividends. 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 MGP's Class A shares.

REIT distribution requirements could adversely affect our ability to execute our business plan. To maintain REIT status, MGP must meet a number of organizational and operational requirements, including a requirement that it annually distributes 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. 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, MGP will be subject to U.S. federal corporate income tax on its undistributed net taxable income. In addition, MGP will be subject to a nondeductible 4% excise tax if the amount that we actually distribute to Class A shareholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. We intend to make distributions to Class A 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 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 MGP's 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, MGP must meet a number of organizational and operational requirements, including a requirement that it annually distributes to its shareholders at least 90% of its REIT taxable income, determined without regard to the dividends-paid deduction and excluding any net capital gains. 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 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 of MGP's Class A shares.

In addition, our ability to access additional capital may be limited by the terms of the indebtedness we have previously incurred, 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 MGP remains qualified to be taxed as a REIT, we may face other tax liabilities that reduce our cash flow. Even if MGP remains 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. For example, we currently have a TRS that holds the assets and conducts the business of our Northfield operations and such entity is subject to federal, state and local corporate-level income taxes as a regular C corporation. We may in the future own one or more other TRSs similarly subject to taxation 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 TRS) can consist of the securities of any one issuer, and no more than 20% of the value of our total assets can be represented by securities of one or more TRSs. 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 MGP's 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 unitholders and shareholders.

In addition to the asset tests set forth above, to qualify to be taxed as a REIT MGP must continually satisfy tests concerning, among other things, the sources of our income, the amounts we distribute to Class A shareholders and the ownership of MGP's 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. 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 a 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 a 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.

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If MGP fails 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 MGP's REIT status, or MGP may fail to qualify as a REIT. Certain income we receive could be treated as non-qualifying income for purposes of the REIT requirements. 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, MGP may fail to qualify to be taxed as a REIT. Even if MGP has 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 MGP's 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. For instance, it is possible that future legislation could result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be taxed, for federal income tax purposes, as a corporation. 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 MGP's ability to qualify as a REIT or the U.S. federal income tax consequences of such qualification.

- We may be unable to complete the Northfield OpCo Disposition or the Park MGM Lease Transaction or may not consummate the transactions on the terms described herein. On September 18, 2018, MGP entered into an agreement to sell Northfield OpCo to a subsidiary of MGM (such sale, the "Northfield OpCo Disposition"). In addition, on December 20, 2018, MGP entered into a definitive agreement with MGM whereby MGP will pay MGM consideration of $637.5 million for renovations undertaken by MGM regarding Park MGM and the annual rent under the Master Lease will be increased by $50 million. Although the Northfield OpCo Disposition and Park MGM Lease Transaction are expected to close in the first half of 2019, the consummation of each transaction is subject to certain customary closing conditions, which makes its completion and timing uncertain. Accordingly, there can be no assurance that the Northfield OpCo Disposition or Park MGM Lease Transaction will be consummated on the anticipated schedule or at all. If we are unable to complete the Northfield OpCo Disposition, we may be required to identify a new purchaser and renegotiate the sale of the Northfield OpCo, and any such new sale would also be subject to new regulatory and other conditions. Such renegotiation and conditions and the process of obtaining regulatory approvals could have the effect of delaying or impeding consummation of the sale of Northfield OpCo or imposing additional costs or limitations on us following completion of the sale of Northfield OpCo.

A delay or failure to sell Northfield OpCo to MGM or any other potential purchaser or to consummate the Park MGM Lease Transaction could have a material adverse effect on our business, financial position or results of operations.

- Our ownership of the TRS, which we formed in connection with the Northfield Acquisition, will be subject to limitations, and a failure to comply with the limits could jeopardize our REIT qualification. We acquired Northfield using a TRS. This TRS will earn income that would not be qualifying income if earned directly by us. No more than 20% of the value of a REIT's assets may consist of stock and securities of one or more TRSs. In addition, the TRS rules impose a 100% excise tax on certain transactions between a TRS and us that are not conducted on an arm's-length basis.

Our TRS will pay U.S. federal, state and local income tax at regular corporate rates on its taxable income, including any gains that may result from selling the operating assets, and its after-tax net income would be available for distribution to us but will not be required to be distributed to us by such TRS. We will monitor the value of our interests in the TRSs (and any other TRSs that we may form in the future) to ensure compliance with the rule that no more than 20% of the value of our assets may consist of TRS stock and securities (which is applied at the end of each calendar quarter). In addition, we will scrutinize all of our transactions with our TRSs (and any other TRSs that we may form in the future) to ensure that they are entered into on arm's length terms to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the TRS limitations or to avoid application of the 100% excise tax discussed above.

Risks Related to MGP's Class A Shares

- The market price and trading volume of our shares may be volatile. The market price of MGP's Class A shares may be volatile. In addition, the trading volume in MGP's Class A shares may fluctuate and cause significant price variations to occur. We cannot assure you that the market price of MGP's 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 MGP's Class A shares or result in fluctuations in the price or trading volume of MGP's 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 our periodic reports;
- general market and economic conditions; and
- enactment of legislation that could materially reduce or eliminate the tax advantages of REITs.

- 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 are authorized and determined by MGP's board of directors in its sole discretion out of funds legally available therefor. While we anticipate maintaining relatively stable distribution(s) during each year, the amount, timing and frequency of distributions are at the sole discretion of MGP's 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, MGP's 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 MGP's Class A shares, which could result in significant shareholder dilution, or in the form of our debt instruments. While the IRS has issued a revenue procedure treating certain distributions that are paid partly in cash and partly in stock as taxable dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes, no assurances can be provided that we would be able to structure such distributions in a manner that would meet the requirements of the revenue procedure. 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 MGP's Class A shares or debt instruments, a Class A shareholder 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 Class A shareholder.

- Future offerings of debt 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 MGP's 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 MGP's Class A shares, or both. Holders of MGP's Class A shares are not entitled to preemptive rights or other protections against dilution. MGP's 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 MGP's 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 MGP's Class A shares and diluting their shareholdings in us.

- Our earnings and cash distributions could affect the market price of MGP's Class A shares. MGP's 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 MGP's Class A shares. Our failure to meet market expectations with regard to future earnings and cash distributions could adversely affect the market price of MGP's Class A shares.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our portfolio consists of eleven premier destination resorts operated by MGM, including properties that we believe are among the world's finest casino resorts, Hard Rock Rocksino Northfield Park in Northfield, Ohio, Empire City in Yonkers, New York as well a retail and entertainment district, The Park in Las Vegas. As of December 31, 2018, all of the Company's properties, except for Northfield, were leased to the Tenant under the Master Lease, a triple-net operating lease.

The land and substantially all of the assets of our properties, other than MGM National Harbor and Empire City, secure approximately $2.8 billion in aggregate principal amount of the Operating Partnership's senior secured credit facility as of December 31, 2018.

Please see “Item 1. Business” for further information pertaining to the Company’s properties.

ITEM 3. LEGAL PROCEEDINGS

In the ordinary course of business, from time to time, the Company expects to be subject to legal claims and administrative proceedings, none of which are currently outstanding, which the Company believes could have, individually or in the aggregate, a material adverse effect on its business, financial condition or results of operations, liquidity or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities with respect to MGP

Market Information

Our Class A shares are traded on the New York Stock Exchange ("NYSE") under the symbol "MGP." Our shares have been publicly traded since April 20, 2016.

Holders

There were 12 record holders of our Class A shares as of February 22, 2019. A nominee of DTC is one of the record holders for the Class A shares, which holds on behalf of brokers, dealers, banks and other direct participants in the DTC system. Such direct participants may hold securities for their own accounts or for the accounts of their customers.

Distribution Policy

MGP has declared cash dividends each quarter. While we plan to continue to make quarterly dividends, the amount, declaration and payment of any future dividends will be authorized and determined by our board of directors in its sole discretion out of funds legally available therefore and are dependent upon a number of factors, including restrictions under applicable law. If we have underestimated our cash available for distribution, we may need to increase the borrowings made by the Operating Partnership in order to fund our intended dividends. We expect that our dividends may exceed our net income under U.S. GAAP because of non-cash expenses included in net income. Notwithstanding the forgoing, the Operating Partnership's credit agreement and the indentures governing the Operating Partnership's senior notes restrict the Operating Partnership's ability to make restricted payments, including to make distributions and pay dividends on or redeem or repurchase Operating Partnership units. These covenants are subject to a number of important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain the REIT status of MGP.

Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities with respect to the Operating Partnership

Market Information

There is currently no established public trading market for Operating Partnership units.

Holders

There were 14 record holders of our Operating Partnership units as of February 22, 2019 consisting entirely of MGP and other subsidiaries of MGM.

Distribution Policy

The Operating Partnership has made distributions quarterly. While the Operating Partnership plans to continue to make quarterly distributions, no assurances can be made as to the frequency of any future distributions. Distributions

made by the Operating Partnership are authorized and determined by the Operating Partnership's general partner in its sole discretion out of funds legally available therefor, and are dependent upon a number of factors, including restrictions under applicable law. If the Operating Partnership has underestimated its cash available for distribution, it may need to increase its borrowings in order to fund its intended distributions. We expect that its distributions may exceed its net income under U.S. GAAP because of non-cash expenses included in net income. Notwithstanding the forgoing, the Operating Partnership's credit agreement and the indentures governing its senior notes restrict its ability to make restricted payments, including to make distributions on or redeem or repurchase Operating Partnership units. These covenants are subject to a number of important exceptions and qualifications, including, with respect to the restricted payments covenant, the ability to make unlimited restricted payments to maintain the REIT status of MGP.

Recent Sales of Unregistered Securities

The Operating Partnership issued 158.0 million Operating Partnership units to subsidiaries of MGM on the IPO Date pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Operating Partnership units were issued as part of the consideration for the transfer of newly formed subsidiaries holding the real estate assets related to the IPO Properties from subsidiaries of MGM to the Operating Partnership.

The Operating Partnership issued 27.4 million Operating Partnership units to a subsidiary of MGM on August 1, 2016 pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Operating Partnership units were issued as part of the consideration for the transfer of the real estate assets related to Borgata from a subsidiary of MGM to the Landlord.

In connection with the registered offering of 13.2 million Class A shares by the Company on September 11, 2017, the Operating Partnership issued 13.2 million Operating Partnership units to the Company pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

The Operating Partnership issued 9.8 million Operating Partnership units to a subsidiary of MGM on October 5, 2017 pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Operating Partnership units were issued as part of the consideration for the transfer of the real estate assets related to MGM National Harbor from a subsidiary of MGM to the Landlord.

Subsequent to year end, the Operating Partnership issued 12.9 million Operating Partnership units to a subsidiary of MGM on January 29, 2019 pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Operating Partnership units were issued as part of the consideration relating to the acquisition of the real property associated with Empire City from MGM.

Subsequent to year end, in connection with the registered offering of 19.6 million Class A shares by the Company on January 31, 2019, the Operating Partnership issued 19.6 million Operating Partnership units to the Company pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

PERFORMANCE GRAPH

The graph below matches our cumulative 32-month total shareholder return on common stock with the cumulative total returns of the S&P 500 index and the FTSE NAREIT Equity REITs index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends as required by the SEC) from April 20, 2016 to December 31, 2018. The return shown on the graph is not necessarily indicative of future performance.

The following performance graph shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act, nor shall this information be incorporated by reference into any future filing under the Securities Act or the Exchange Act, except to the extent that we specifically incorporate it by reference into a filing.

Index	4/20/16	6/16	9/16	12/16	3/17	6/17	9/17	12/17	3/18	6/18	9/18	12/18
MGM Growth Properties	100.00	122.49	121.43	119.73	129.84	141.99	148.87	145.73	134.78	156.87	154.13	140.35
S&P 500	100.00	102.46	106.40	110.47	117.17	120.79	126.20	134.59	133.57	138.15	148.81	128.69
FTSE NAREIT Equity REITs	100.00	106.96	105.42	102.37	103.56	105.14	106.13	107.72	98.89	108.82	110.16	102.74

ITEM 6. SELECTED FINANCIAL DATA

The following tables set forth selected historical financial data for MGP and the Operating Partnership that should be read in conjunction with "Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations" and the combined and consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K. The historical results set forth below are not necessarily indicative of the results of operations to be expected in the future.

MGM Growth Properties LLC

	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(in thousands, except share and per share data)				
Statement of Operations:					
Total revenues	$1,002,444	$765,695	$467,548	$ —	$ —
Operating income (loss)	475,759	352,785	153,774	(261,954)	(246,242)
Net income (loss)	244,702	165,990	35,346	(261,954)	(246,242)
Net income attributable to Class A shareholders	67,065	41,775	29,938	—	—
Net income per Class A share—basic:					
Net income attributable to Class A shareholders per share	$0.94	$0.68	$0.52	N/A	N/A
Weighted average Class A shares outstanding	70,997,589	61,733,136	57,502,158	N/A	N/A
Net income per Class A share—diluted:					
Net income attributable to Class A shareholders per share	$0.94	$0.67	$0.52	N/A	N/A
Weighted average Class A shares outstanding	71,185,674	61,916,546	57,751,489	N/A	N/A

	As of December 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Balance Sheet:					
Real estate investments, net	$9,742,225	$10,021,938	$9,079,678	$7,793,639	$7,867,812
Total assets	10,951,307	10,351,120	9,506,740	7,793,639	7,867,812
Debt, net	4,666,949	3,934,628	3,621,942	—	—
Class A shareholders’ equity	1,565,971	1,624,650	1,333,817	—	—
Noncontrolling interest	4,279,535	4,443,089	4,274,444	—	—
Total shareholders' equity/Predecessor net Parent investment	5,845,506	6,067,739	5,608,261	6,058,959	6,127,347

	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(in thousands, except per share data)				
Other Data:					
Net cash provided by (used in) operating activities	$580,207	$482,578	$297,781	$(58,473)	$(59,980)
Net cash used in investing activities	(1,036,112)	(462,988)	(138,987)	(129,308)	(90,504)
Net cash provided by (used in) financing activities	256,000	(120,360)	201,698	187,781	150,484
Dividends declared per Class A share	$1.74	$1.60	$1.04	N/A	N/A

MGM Growth Properties Operating Partnership LP

	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(in thousands, except unit and per unit data)				
Statement of Operations:					
Total revenues	$1,002,444	$ 765,695	$ 467,548	$ —	$ —
Operating income (loss)	475,759	352,785	153,774	(261,954)	(246,242)
Net income (loss)	244,702	165,990	35,346	(261,954)	(246,242)
Net income per Operating Partnership unit—basic:					
Net income per unit	$0.92	$ 0.67	$ 0.52	N/A	N/A
Weighted average Operating Partnership units outstanding	266,131,712	249,451,258	232,181,070	N/A	N/A
Net income per Operating Partnership unit—diluted:					
Net income per unit	$0.92	$ 0.66	$ 0.52	N/A	N/A
Weighted average Operating Partnership units outstanding	266,319,797	249,634,668	232,430,401	N/A	N/A

Net income attributable to Operating Partnership units, weighted average Operating Partnership units outstanding and the effect of dilutive securities outstanding are presented for the period including and subsequent to the IPO Date. See Note 13 to the accompanying combined and consolidated financial statements.

	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(in thousands)				
Balance Sheet:					
Real estate investments, net	$9,742,225	$10,021,938	$9,079,678	$7,793,639	$7,867,812
Total assets	10,951,307	10,351,120	9,506,740	7,793,639	7,867,812
Debt, net	4,666,949	3,934,628	3,621,942	—	—
Partners' capital/Predecessor net Parent investment	5,845,506	6,067,739	5,608,261	6,058,959	6,127,347

	Year Ended December 31,				
	2018	2017	2016	2015	2014
	(in thousands, except per unit data)				
Other Data:					
Net cash provided by (used in) operating activities	$580,207	$482,578	$297,781	$(58,473)	$(59,980)
Net cash used in investing activities	(1,036,112)	(462,988)	(138,987)	(129,308)	(90,504)
Net cash provided by (used in) financing activities	256,000	(120,360)	201,698	187,781	150,484
Distributions declared per Operating Partnership unit	$1.74	$1.60	$1.04	N/A	N/A

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations contains forward-looking statements that involve risks and uncertainties. Please see "Forward-Looking Statements" for a discussion of the uncertainties, risks, and assumptions that may cause our actual results to differ materially from those discussed in the forward-looking statements.

The following discussion and analysis is based on, and should be read in conjunction with, the combined and consolidated financial statements and the related notes thereto, of MGP and the Operating Partnership for the years ended December 31, 2018, 2017 and 2016. Prior to April 25, 2016, the historical financial statements have been prepared on a "carve-out" basis from MGM's consolidated financial statements using the historical results of operations,

cash flows, assets and liabilities attributable to the IPO Properties, which were controlled by MGM, and have been determined to be the Predecessor of MGP and the Operating Partnership for accounting purposes (the "Predecessor"). These historical financial statements include allocations of income, expenses, assets and liabilities from MGM that reflect significant assumptions, and the combined and consolidated financial statements do not fully reflect

what the financial position, results of operations and cash flows would have been had MGP or the Operating Partnership been a stand-alone company during the periods presented. As a result, historical financial information prior to the IPO Date is not necessarily indicative of the future results of operations, financial position and cash flows of MGP or the Operating Partnership. The financial position, results of operations and cash flows presented from the IPO Date through December 31, 2016 reflect the results of MGP and the Operating Partnership subsequent to the April 25, 2016 initial public offering.

Executive Overview

MGP is one of the leading publicly traded REITs engaged in the acquisition, ownership and leasing of large-scale destination entertainment and leisure resorts, whose tenants generally offer diverse amenities including casino gaming, hotel, convention, dining, entertainment and retail offerings.

MGP is a limited liability company that was formed in Delaware in October 2015. MGP conducts its operations through the Operating Partnership, a Delaware limited partnership formed by MGM in January 2016 that became a subsidiary of MGP on the IPO Date. The Company has elected to be treated as a real estate investment trust ("REIT") commencing with its taxable year ended December 31, 2016.

We generate a substantial portion of our revenues by leasing our real estate properties through the Landlord, a wholly owned subsidiary of the Operating Partnership, to the Tenant, a subsidiary of MGM, which pursuant to the Master Lease requires the Tenant to pay substantially all costs associated with each property, including real estate taxes, ground lease rent, 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. Base rent and percentage rent that are known at the lease commencement date will be recorded on a straight-line basis over 30 years, which represents the initial ten-year non-cancelable lease term and all four five-year renewal terms under the Master Lease, as we have determined such renewal terms to be reasonably assured.

Additionally, we expect to grow our portfolio through acquisitions with third parties and with MGM. In pursuing external growth initiatives, we will generally seek to acquire properties that can generate stable rental revenue through long-term, triple-net leases with tenants with established operating histories, and we will consider various factors when evaluating acquisitions.

On July 6, 2018, we completed our previously announced acquisition of Northfield for $1.1 billion. We funded the acquisition through a $200 million draw on the term loan A facility and a $655 million draw under the revolving credit facility, with the remainder of the purchase price paid with cash on hand. Refer to Note 3 in the accompanying notes to the financial statements for additional information on the acquisition.

As of December 31, 2018, our portfolio consisted of eleven premier destination resorts operated by MGM, as well as Hard Rock Rocksino Northfield Park in Northfield, Ohio, including properties that we believe are among the world's finest casino and resorts, and The Park in Las Vegas. Empire City in Yonkers, New York joined our portfolio in January 2019 as discussed in Note 1 in the accompanying notes to the financial statements.

Combined Results of Operations for MGP and the Operating Partnership

The following is a comparative discussion of results of operations for the years ended December 31, 2018, 2017 and 2016. The results of operations for the twelve months ended December 31, 2016 reflect the results of operations of the Predecessor through April 24, 2016 combined with the results of operations of MGP and the Operating Partnership from the IPO Date through December 31, 2016.

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Overview

The following table summarizes our financial results for the years ended December 31, 2018, 2017 and 2016:

	Year ended December 31,		
	2018	2017	2016
	(in thousands)		
Total revenues	$1,002,444	$765,695	$467,548
Operating income	475,759	352,785	153,774
Net income	244,702	165,990	35,346
Net income attributable to Class A shareholders	67,065	41,775	29,938

The following table details certain information regarding our results of operations by segment for the years ended December 31, 2018, 2017 and 2016:

	Year ended December 31,		
	2018	2017	2016
	Total Revenues		
	(in thousands)		
REIT	$869,495	$765,695	$467,548
TRS	132,949	—	—
Total	$1,002,444	$765,695	$467,548

	Year ended December 31,		
	2018	2017	2016
	Operating Income		
	(in thousands)		
REIT	$445,578	$352,785	$153,774
TRS	30,181	—	—
Total	$475,759	$352,785	$153,774

Revenues

Rental revenue. Rental revenues, including tenant reimbursements and other, for the years ended December 31, 2018, 2017 and 2016 were $869.5 million, $765.7 million and $467.5 million, respectively. The $103.8 million, or 14%, increase for 2018 compared to 2017 was primarily due to an increase in rental revenues of $71.2 million driven by the MGM National Harbor Transaction in October 2017. The $298.1 million, or 64%, increase for 2017 as compared to 2016 was due to three months of rent in 2017 related to the National Harbor acquisition, a full twelve months of rent related to the Borgata acquisition in August 2016, as well as revenue being generated during the entire 2017 fiscal year given the Company only generated revenues in 2016 from April 25, 2016 through December 31, 2016.

Gaming, food, beverage and other. Gaming, food, beverage and other revenues were $132.9 million for the year ended December 31, 2018, which represents the results of operations of Northfield from July 6, 2018, the date on which the Northfield Acquisition was completed, through December 31, 2018.

Operating Expenses

Gaming, food, beverage and other. Gaming, food, beverage and other expenses were $88.1 million for the year ended December 31, 2018, which represents the results of operations of Northfield from July 6, 2018, the date on which the Northfield Acquisition was completed, through December 31, 2018.

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Depreciation and amortization. Depreciation and amortization expense was $273.0 million, $260.5 million and $220.7 million for the years ended December 31, 2018, 2017 and 2016, respectively. The $12.6 million, or 5%, increase for 2018 as compared to 2017 was primarily the result of a partial year of depreciation relating to the Northfield assets acquired in July 2018 and a full year of depreciation on the MGM National Harbor real estate assets acquired in October 2017. The $39.8 million, or 18%, increase for 2017 as compared to 2016 was the result of a full year of depreciation on the Borgata real estate assets acquired in August 2016 and a partial year of depreciation relating to the MGM National Harbor real estate assets acquired in October 2017.

Property transactions, net. Property transactions, net were $20.3 million in 2018 compared to $34.0 million in 2017 and $4.7 million in 2016. Property transactions, net in all years relate to normal losses on the disposition of assets recognized during the year and fluctuate year over year based on the timing of our disposition of assets.

Reimbursable expenses. Reimbursable expenses were $119.5 million, $88.3 million and $68.1 million for the years ended December 31, 2018, 2017 and 2016, respectively. The $31.3 million, or 35%, increase for 2018 as compared to 2017 was primarily due to the ground lease and property taxes for MGM National Harbor, which was acquired in October 2017. Reimbursable expenses increased $20.2 million, or 30%, for 2017 as compared to 2016 primarily due to the ground leases and property taxes for Borgata, which was acquired in August 2016.

Acquisition-related expenses. Acquisition-related expenses were $8.9 million, $17.3 million and $10.2 million for the years ended December 31, 2018, 2017 and 2016, respectively. The $8.4 million, or 49%, decrease for 2018 as compared to 2017 was primarily due to $16.1 million of real estate transfer taxes related to the MGM National Harbor Transaction in 2017, partially offset by costs incurred related to the Northfield Acquisition and Empire City Transaction in 2018. The $7.1 million, or 70%, increase for 2017 as compared to 2016 was primarily due to $16.1 million of real estate transfer taxes related to the MGM National Harbor Transaction in 2017 partially offset by costs incurred related to the Borgata Transaction in 2016.

General and administrative expenses. General and administrative expenses for the years ended December 31, 2018, 2017 and 2016 were $16.2 million, $12.2 million and $9.9 million, respectively. The $4.0 million, or 33%, increase for 2018 as compared to 2017 was primarily due to an increase in costs incurred for transactions which did not sign or close. The $2.3 million, or 23%, increase for 2017 as compared to 2016 was primarily due to a full year of these costs in 2017 as compared to the partial year of 2016.

Non-Operating Expenses

Total non-operating expenses for the years ended December 31, 2018, 2017 and 2016 were $220.2 million, $181.9 million, and $116.2 million, respectively. The $38.3 million, or 21%, increase for 2018 as compared to 2017 was primarily due to an increase of interest expense on our senior secured credit facility and senior notes, which primarily related to the $550 million net draws on the revolver throughout 2018, the $200 million draw on term loan A in July 2018, and a slight increase in interest rates. The $65.7 million, or 57%, increase for 2017 as compared to 2016 was primarily due to an increase in interest expense as a result of the issuance of $350 million in senior notes in 2017.

Provision for Income Taxes

Our effective tax rate was 4.2%, 2.9%, and 6.0% for the years ended December 31, 2018, 2017 and 2016, respectively. Our effective rate increased in 2018 compared to 2017 primarily due to the operations of the TRS, which are subject to federal, state and local income taxes at the applicable statutory rate. Our effective rate for 2016 was impacted by the accounting for the pre-IPO period during 2016 and is not comparable to 2017 or 2018. Refer to Note 2 and Note 10 of the accompanying financial statements for additional discussion.

Supplemental Data: 2016 Results of Operations Subsequent to the IPO Date

The following table summarizes the combined and consolidated results of operations of MGP and the Operating Partnership for the year ended December 31, 2016:

	Year Ended December 31, 2016	Less: Activity prior to IPO Date	IPO Date to December 31, 2016
	(in thousands, except unit and per unit amounts)		
Revenues			
Rental revenue	$419,239	$ —	$ 419,239
Tenant reimbursements and other	48,309	—	48,309
	467,548	—	467,548
Expenses			
Depreciation	220,667	63,675	156,992
Property transactions, net	4,684	874	3,810
Reimbursable expenses	68,063	19,834	48,229
Amortization of above market lease, net	286	—	286
Acquisition-related expenses	10,178	—	10,178
General and administrative	9,896	—	9,896
	313,774	84,383	229,391
Operating income (loss)	153,774	(84,383)	238,157
Non-operating income (expense)			
Interest income	774	—	774
Interest expense	(116,212)	—	(116,212)
Other non-operating	(726)	—	(726)
	(116,164)	—	(116,164)
Income (loss) before income taxes	37,610	(84,383)	121,993
Provision for income taxes	(2,264)	—	(2,264)
Net income (loss)	35,346	(84,383)	119,729
Less: Net (income) loss attributable to noncontrolling interest	(5,408)	84,383	(89,791)
Net income attributable to Class A shareholders	$29,938	$ —	$ 29,938

Non-GAAP Measures

Funds From Operations (“FFO”) is net income (computed in accordance with U.S. GAAP), excluding gains and losses from
sales or disposals of property (presented as property transactions, net), plus real estate depreciation, as defined by the National Association of Real Estate Investment Trusts (“NAREIT”).

Adjusted Funds From Operations (“AFFO”) is FFO as adjusted for amortization of financing costs and cash flow hedges, amortization of the above market lease, net, non-cash compensation expense, acquisition related expenses, other non-operating expenses, provision for income taxes related to the REIT, other depreciation and amortization, and the net effect of straight-line rents and amortization of deferred revenue.

Adjusted EBITDA is net income (computed in accordance with U.S. GAAP) as adjusted for gains and losses from sales or

disposals of property (presented as property transactions, net), real estate depreciation, other depreciation and amortization, interest income, interest expense (including amortization of financing costs and cash flow hedges), amortization of the above market lease, net, non-cash compensation expense, acquisition related expenses, other non-operating expenses, provision for income taxes and the net effect of straight-line rents and amortization of deferred revenue.

FFO, FFO per unit, AFFO, AFFO per unit and Adjusted EBITDA are supplemental performance measures that have not been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP") that management believes are useful to investors in comparing operating and financial results between periods. Management believes that this is especially true since these measures exclude real estate depreciation and amortization expense and management 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 meaningful measure of the Company's operating results in comparison to the operating results of other REITs. Adjusted EBITDA is useful to investors to further supplement AFFO and FFO and to provide investors a performance metric which excludes interest expense. In addition to non-cash items, the Company adjusts AFFO and Adjusted EBITDA for acquisition-related expenses. While we do not label these expenses as non-recurring, infrequent or unusual, management believes that it is helpful to adjust for these expenses when they do occur to allow for comparability of results between periods because each acquisition is (and will be) of varying size and complexity and may involve different types of expenses depending on the type of property being acquired and from whom.

FFO, FFO per unit, AFFO, AFFO per unit and Adjusted EBITDA 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, FFO per unit, AFFO, AFFO per unit and Adjusted EBITDA 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 table provides a reconciliation of our net income to FFO, AFFO and Adjusted EBITDA:

	Year ended December 31,			IPO Date to December 31, 2016
	2018	2017	2016	
	(in thousands)			
Net income [2]	$244,702	$165,990	$35,346	$ 119,729
Real estate depreciation	261,184	260,455	220,667	156,992
Property transactions, net	20,319	34,022	4,684	3,810
Funds From Operations	526,205	460,467	260,697	280,531
Amortization of financing costs and cash flow hedges	12,572	11,713	7,195	7,195
Non-cash compensation expense	2,093	1,336	510	510
Net effect of straight-line rent and amortization of deferred revenue	16,969	4,063	(1,819)	(1,819)
Other depreciation and other amortization [1]	11,847	—	—	—
Acquisition-related expenses	8,887	17,304	10,178	10,178
Amortization of above market lease, net	686	686	286	286
Other non-operating expenses	7,191	1,621	726	726
Provision for income taxes - REIT	6,922	4,906	2,264	2,264
Adjusted Funds From Operations	593,372	502,096	280,037	299,871
Interest income [2]	(2,501)	(3,907)	(774)	(774)
Interest expense [2]	215,532	184,175	116,212	116,212
Amortization of financing costs and cash flow hedges	(12,572)	(11,713)	(7,195)	(7,195)
Provision for income taxes - TRS	3,913	—	—	—
Adjusted EBITDA	$797,744	$670,651	$388,280	$ 408,114

The following table provides a reconciliation of each segment's net income to FFO, AFFO and Adjusted EBITDA:

	REIT				TRS
	Year ended December 31,			IPO Date to	Year ended December 31,
	2018	2017	2016	December 31, 2016	2018
	(in thousands)				
Net income [2]	$218,434	$165,990	$35,346	$ 119,729	$ 26,268
Real estate depreciation	261,184	260,455	220,667	156,992	—
Property transactions, net	20,319	34,022	4,684	3,810	—
Funds From Operations	499,937	460,467	260,697	280,531	26,268
Amortization of financing costs and cash flow hedges	12,572	11,713	7,195	7,195	—
Non-cash compensation expense	2,093	1,336	510	510	—
Net effect of straight-line rent and amortization of deferred revenue	16,969	4,063	(1,819)	(1,819)	—
Other depreciation and other amortization [1]	—	—	—	—	11,847
Acquisition-related expenses	6,149	17,304	10,178	10,178	2,738
Amortization of above market lease, net	686	686	286	286	—
Other non-operating expenses	7,191	1,621	726	726	—
Provision for income taxes - REIT	6,922	4,906	2,264	2,264	—
Adjusted Funds From Operations	552,519	502,096	280,037	299,871	40,853
Interest income [2]	(2,501)	(3,907)	(774)	(774)	—
Interest expense [2]	215,532	184,175	116,212	116,212	—
Amortization of financing costs and cash flow hedges	(12,572)	(11,713)	(7,195)	(7,195)	—
Provision for income taxes - TRS	—	—	—	—	3,913
Adjusted EBITDA	$752,978	$670,651	$388,280	$ 408,114	$ 44,766

(1) Other depreciation and other amortization includes both real estate and equipment depreciation and amortization of intangible assets from the TRS.
(2) Net income, interest income and interest expense are net of intercompany interest eliminations of $10.9 million for the year ended December 31, 2018.

The following table presents FFO and AFFO per diluted Operating Partnership unit:

	Year Ended December 31, 2018	Year Ended December 31, 2017	IPO Date to December 31, 2016
Weighted average Operating Partnership units outstanding			
Basic	266,131,712	249,451,258	232,181,070
Diluted	266,319,797	249,634,668	232,430,401
Net income per Operating Partnership units outstanding			
Basic	$ 0.92	$ 0.67	$ 0.52
Diluted	$ 0.92	$ 0.66	$ 0.52

FFO per Operating Partnership unit

Diluted	$ 1.98	$ 1.84	$ 1.21
AFFO per Operating Partnership unit			
Diluted	$ 2.23	$ 2.01	$ 1.29

Liquidity and Capital Resources

Rental revenue is our primary source of cash from operations and is dependent on the Tenant’s ability to pay rent. All of our indebtedness is held by the Operating Partnership and MGP does not guarantee any of the Operating Partnership's indebtedness. MGP's principal funding requirement is the payment of distributions on its Class A shares, and its principal source of funding for these distributions is the distributions it receives from the Operating Partnership. MGP's liquidity is therefore dependent upon the Operating Partnership's ability to make sufficient distributions to it. The Operating Partnership's primary uses of cash include payment of operating expenses, debt service and distributions to MGP. We believe that the Operating Partnership currently has sufficient liquidity to satisfy all of its commitments, including its distributions to MGP, the $246 million of indebtedness acquired in connection with the Empire City Transaction in January 2019, which was immediately repaid at closing, and the $637.5 million the Company will pay to MGM Resorts in consideration for the Park MGM Lease Transaction, and in turn, that we currently have sufficient liquidity to satisfy all our commitments in the form of $59.8 million in cash and cash equivalents held by the Operating Partnership as of December 31, 2018, expected cash flows from operations, $800.0 million of borrowing capacity under the Operating Partnership's revolving credit facility as of December 31, 2018, the estimated proceeds received of $740.0 million, net of issuance costs, from the issuance of senior notes issued in January 2019, as well as estimated net proceeds of $548.4 million from the public offering of Class A shares in January 2019. See Note 8 and Note 11 to the accompanying financial statements for a description of our principal debt arrangements and additional details of the Class A share offering, respectively. In addition, we expect to incur additional indebtedness in the future to finance acquisitions or for general corporate or other purposes.

Summary of Cash Flows

Net cash provided by operating activities for the years ended December 31, 2018, 2017 and 2016 was $580.2 million, $482.6 million and $297.8 million, respectively. The $97.6 million increase in 2018 as compared to 2017 was primarily due to an increase in rental payments of $73.6 million year over year as a result of the MGM National Harbor transaction, the impact of the 2.0% fixed annual rent escalators that went into effect on April 1, 2018, as well as an increase in cash provided by operating activities of Northfield subsequent to the acquisition, partially offset by an increase in cash paid for interest. The $184.8 million increase in net cash provided by operating activities in 2017 as compared to 2016 was due primarily to an increase in rental payments as well as 2016 being negatively impacted by operating outflows of $19.8 million related to activities of the Predecessor prior to the IPO Date funded by MGM.

Net cash used in investing activities for the years ended December 31, 2018, 2017 and 2016 was $1.0 billion, $463.0 million and $139.0 million, respectively. The $573.1 million increase in use of cash for 2018 as compared to 2017 was primarily attributable to the Northfield Acquisition in July 2018. The $324.0 million increase in use of cash in 2017 as compared to 2016 was primarily attributable to the MGM National Harbor Transaction in October 2017.

Net cash provided by financing activities for the year ended December 31, 2018 was $256.0 million, which was primarily attributable to net draws on our revolver of $550 million and our delayed draw on Term Loan A of $200 million, partially offset by repayments on our term loans of $22.3 million and our payment of $454.3 million of distributions and dividends. Net cash used in financing activities for the year ended December 31, 2017 was $120.4 million, which was primarily attributable to the $425.0 million repayment of assumed debt relating to the MGM National Harbor Transaction and $385.4 million in distributions and dividends paid, partially offset by the $350.0 million proceeds from the issuance of senior notes by the Operating Partnership and $404.7 million of proceeds from the issuance of Class A shares. Net cash provided by financing activities for the year ended December 31, 2016 was $201.7 million, which was primarily attributable to net proceeds of $3.6 billion from the issuance of indebtedness by the Operating Partnership and net proceeds of $1.1 billion received from the issuance of Class A shares, partially offset by $150.8 million in distributions and dividends paid as well as the $4.5 billion repayment of the bridge facilities that were assumed by the Operating Partnership in connection with the acquisition of the IPO Properties and the Borgata Transaction.

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Dividends and Distributions

The following table presents the distributions declared and paid by the Operating Partnership and the distributions declared and paid by MGP. MGP pays its dividends with the receipt of its share of the Operating Partnership's distributions.

Declaration Date	Record Date	Distribution/ Dividend Per Unit/ Share	Payment Date
(in thousands, except per unit and per share amount)			
2018			
December 14, 2018	December 31, 2018	$ 0.4475	January 15, 2019
September 17, 2018	September 28, 2018	$ 0.4375	October 15, 2018
June 15, 2018	June 29, 2018	$ 0.4300	July 16, 2018
March 15, 2018	March 30, 2018	$ 0.4200	April 13, 2018
2017			
December 15, 2017	December 29, 2017	$ 0.4200	January 16, 2018
September 15, 2017	September 29, 2017	$ 0.3950	October 13, 2017
June 15, 2017	June 30, 2017	$ 0.3950	July 14, 2017
March 15, 2017	March 31, 2017	$ 0.3875	April 13, 2017
2016			
December 15, 2016	December 30, 2016	$ 0.3875	January 16, 2017
September 15, 2016	September 30, 2016	$ 0.3875	October 14, 2016
June 16, 2016	June 30, 2016	$ 0.2632	July 15, 2016

Principal Debt Arrangements

See Note 8 to the accompanying combined and consolidated financial statements for information regarding our debt agreements as of December 31, 2018.

Capital Expenditures

See Note 2 to the accompanying combined and consolidated financial statements for information regarding our capital expenditures, including Non-Normal Tenant Improvements as of December 31, 2018.

Inflation

The Master Lease provides for certain increases in rent as a result of the fixed annual rent escalator or changes in the variable percentage rent as further described above under “—Master Lease.” We expect that inflation will cause the variable percentage rent provisions to result in rent increases over time. However, we could be negatively affected if increases in rent are not sufficient to cover increases in our operating expenses due to inflation. In addition, inflation and increased cost may have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue due to inflation.

Off-Balance Sheet Arrangements

As of December 31, 2018, we do not have any off-balance sheet arrangements except for our Master Lease disclosed in more detail in Note 7 to the accompanying combined and consolidated financial statements.

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Commitments and Contractual Obligations

The following table summarizes our scheduled contractual obligations as of December 31, 2018:

	Payments due by Period						
	2019	2020	2021	2022	2023	Thereafter	Total
	(In millions)						
Long-term debt	$24.4	$30.2	$30.2	$30.3	$997.4	$3,606.6	$4,719.1
Estimated interest payments on long-term debt[1]	219.7	219.3	218.6	224.7	199.6	264.6	1,346.5
Operating leases[2]	19.9	21.1	25.0	25.0	24.9	1,310.3	1,426.2
Total	$264.0	$270.6	$273.8	$280.0	$1,221.9	$5,181.5	$7,491.8

(1) Estimated interest payments are based on principal amounts and expected maturities of debt outstanding at December 31, 2018 and LIBOR rates as of December 31, 2018 for our senior credit facility. We have adjusted estimated interest expense to include the impact of our interest rate swap agreements with a $1.2 billion notional amount, for which we pay an average combined fixed rate of 1.844% and receive the 1-month LIBOR rate. In addition, beginning in 2020, we adjusted for the interest rate swap agreements entered into in December 2018 with a $400 million notional amount, for which we pay fixed rate of 2.735%, as these swaps become effective on December 31, 2019.

(2) Primarily related to non-cancelable commitments under ground leases as further discussed in Note 14 to the accompanying financial statements.

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 make 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, REIT qualification, determining the useful lives of real estate investments and property and equipment used in operations and evaluating the impairment of such assets, and purchase price allocations. The judgment on such estimates and underlying assumptions is based on our experience and various other factors that we believe are reasonable under the circumstances. These form the basis of our judgment on 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 - REIT Qualification

We have elected to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2016, and intend to continue to be organized and to operate in a manner that will permit us to continue 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 for that year and subsequent years be subject to U.S. federal and state 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.

Real Estate Investments, Property and Equipment Used in Operations, and Depreciation

Real estate costs related to the acquisition and improvement of our properties are capitalized and include expenditures that materially extend the useful lives of existing assets. Property and equipment used in operations represents the fixed assets acquired in the Northfield Acquisition and was therefore recognized at fair value at the acquisition date. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the assets. We consider the period of future benefit of an asset to determine its appropriate useful life. Depreciation on our buildings, improvements and integral equipment 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 Real Estate Investments

We continually monitor events and changes in circumstances that could indicate that the carrying amount of our real estate investments 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 a property over its 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.

Business Combinations

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets.

Critical estimates in valuing certain intangible assets include but are not limited to future expected cash flows (primarily from the racing and gaming license) and discount rates. Management’s estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates.

Other estimates associated with the accounting for acquisitions may change as additional information becomes available regarding the assets acquired and liabilities assumed, as more fully discussed in Note 3 of the accompanying combined and consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

Our primary market risk exposure is interest rate risk with respect to our existing variable-rate long-term indebtedness. As of December 31, 2018, we have incurred indebtedness in principal amount of $4.7 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.

The Operating Partnership's term loan B facility bears interest at LIBOR plus 2.00%, with a LIBOR floor of 0%. To manage our exposure to changes in LIBOR rates, as of December 31, 2018, we have interest rate swap agreements

where the Operating Partnership pays a weighted average 1.844% on a total notional amount of $1.2 billion and the variable rate received will reset monthly to the one-month LIBOR, with no minimum floor.

In December 2018, the Operating Partnership entered into additional interest rate swap agreements, in which it will pay a weighted average 2.735% on a total notional amount of $400 million with a 0% floor. These swaps will be effective December 31, 2019, at which point the Operating Partnership will pay a combined weighted average 2.066%. We also expect to manage our exposure to interest rate risk by maintaining a mix of fixed and variable rates for our indebtedness.

We do not hold or issue financial instruments for trading purposes and do not enter into derivative transactions that would be considered speculative positions. As of December 31, 2018, long-term variable rate borrowings including impact from our swap agreements, represented approximately 34.3% of our total borrowings. Assuming a 100 basis-point increase in LIBOR, our annual interest cost would increase by approximately $16 million based on gross amounts outstanding at December 31, 2018 and taking into account

the interest rate swap agreements currently effective. The following table provides information about the maturities of our long-term debt subject to changes in interest rates. Average interest rates presented relate to the interest rate of the debt maturity in the period:

	Debt maturing in							Fair Value December 31,
	2019	2020	2021	2022	2023	Thereafter	Total	2018
	(In millions)							
Fixed-rate	$—	$—	$—	$—	$—	$1,900.0	$1,900.0	$1,797.0
Average interest rate						5.122 %	5.122 %	
Variable rate	$24.4	$30.2	$30.2	$30.3	$997.4	$1,706.6	$2,819.1	$2,717.4
Average interest rate	4.522 %	4.522 %	4.522 %	4.522 %	4.471 %	4.522 %	4.504 %	

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Financial Statements.

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The financial information in the financial statement schedule should be read in conjunction with the consolidated financial statements. We have omitted schedules other than the one listed above because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of MGM Growth Properties LLC

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of MGM Growth Properties LLC and subsidiaries (the "Company") as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets as of December 31, 2018 and 2017, the related combined and consolidated statements operations and comprehensive income, cash flows, and shareholders' equity for each of the three years in the period ended December 31, 2018, and the related notes and the schedule listed in the Table of Contents at Item 15 (collectively referred to as the "financial statements") of the Company, and our report dated February 27, 2019 expressed an unqualified opinion on those financial statements.

As described in Management's Annual Report on Internal Control over Financial Reporting for the Company, management excluded from its assessment the internal control over financial reporting at Northfield Park Associates, LLC ("Northfield"), which was acquired on July 6, 2018 and whose financial statements constitute approximately 10% of total assets and approximately 13% of total revenues of the consolidated financial statement amounts as of and for the year ended December 31, 2018. Accordingly, our audit did not include the internal control over financial reporting at Northfield.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting for the Company. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP
Las Vegas, Nevada
February 27, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of MGM Growth Properties LLC

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MGM Growth Properties LLC and subsidiaries (the “Company”) as of December 31, 2018 and 2017, the related combined and consolidated statements of operations and comprehensive income, cash flows, and shareholders’ equity for each of the three years in the period ended December 31, 2018 and the related notes and the schedule listed in the Table of Contents at Item 15 (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 27, 2019, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP
Las Vegas, Nevada
February 27, 2019

We have served as the Company's auditor since 2014.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the General Partner of MGM Growth Properties Operating Partnership LP

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of MGM Growth Properties Operating Partnership LP and subsidiaries (the "Partnership") as of December 31, 2018 and 2017, the related combined and consolidated statements of statements of operations and comprehensive income (loss), cash flows, and partners' capital, for each of the three years in the period ended December 31, 2018, and the related notes and the schedule listed in the Tables of Contents at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ DELOITTE & TOUCHE LLP
Las Vegas, Nevada
February 27, 2019

We have served as the auditor since 2015.

MGM GROWTH PROPERTIES LLC
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	December 31, 2018	2017
ASSETS		
Real estate investments, net	$9,742,225	$10,021,938
Property and equipment, used in operations, net	784,295	—
Cash and cash equivalents	59,817	259,722
Tenant and other receivables, net	14,990	6,385
Prepaid expenses and other assets	37,837	18,487
Above market lease, asset	43,014	44,588
Goodwill	17,915	—
Other intangible assets, net	251,214	—
Total assets	$10,951,307	$10,351,120
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt, net	$4,666,949	$3,934,628
Due to MGM Resorts International and affiliates	307	962
Accounts payable, accrued expenses and other liabilities	49,602	10,240
Above market lease, liability	46,181	47,069
Accrued interest	26,096	22,565
Dividend and distribution payable	119,055	111,733
Deferred revenue	163,977	127,640
Deferred income taxes, net	33,634	28,544
Total liabilities	5,105,801	4,283,381
Commitments and contingencies (Note 14)		
Shareholders' equity		
Class A shares: no par value, 1,000,000,000 shares authorized, 70,911,166 and 70,896,795 shares issued and outstanding as of December 31, 2018 and December 31, 2017, respectively	—	—
Additional paid-in capital	1,712,671	1,716,490
Accumulated deficit	(150,908)	(94,948)
Accumulated other comprehensive income	4,208	3,108
Total Class A shareholders' equity	1,565,971	1,624,650
Noncontrolling interest	4,279,535	4,443,089
Total shareholders' equity	5,845,506	6,067,739
Total liabilities and shareholders' equity	$10,951,307	$10,351,120

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES LLC
COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,		
	2018	2017	2016
Revenues			
Rental revenue	$746,253	$675,089	$419,239
Tenant reimbursements and other	123,242	90,606	48,309
Gaming, food, beverage and other	132,949	—	—
	1,002,444	765,695	467,548
Expenses			
Gaming, food, beverage and other	88,053	—	—
Depreciation and amortization	273,031	260,455	220,667
Property transactions, net	20,319	34,022	4,684
Reimbursable expenses	119,531	88,254	68,063
Amortization of above market lease, net	686	686	286
Acquisition-related expenses	8,887	17,304	10,178
General and administrative	16,178	12,189	9,896
	526,685	412,910	313,774
Operating income	475,759	352,785	153,774
Non-operating income (expense)			
Interest income	2,501	3,907	774
Interest expense	(215,532)	(184,175)	(116,212)
Other non-operating	(7,191)	(1,621)	(726)
	(220,222)	(181,889)	(116,164)
Income before income taxes	255,537	170,896	37,610
Provision for income taxes	(10,835)	(4,906)	(2,264)
Net income	244,702	165,990	35,346
Less: Net income attributable to noncontrolling interest	(177,637)	(124,215)	(5,408)
Net income attributable to Class A shareholders	$67,065	$41,775	$29,938
Weighted average Class A shares outstanding:			
Basic	70,997,589	61,733,136	57,502,158
Diluted	71,185,674	61,916,546	57,751,489
Per Class A share data			
Net income per Class A share (basic)	$0.94	$0.68	$0.52
Net income per Class A share (diluted)	$0.94	$0.67	$0.52

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES LLC
COMBINED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Year Ended December 31,		
	2018	2017	2016
Net income	$244,702	$165,990	$35,346
Other comprehensive income			
Unrealized gain on cash flow hedges	4,128	9,782	1,879
Other comprehensive income	4,128	9,782	1,879
Comprehensive income	248,830	175,772	37,225
Less: Comprehensive income attributable to noncontrolling interests	(180,665)	(131,236)	(6,842)
Comprehensive income attributable to Class A shareholders	$68,165	$44,536	$30,383

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES LLC
COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2018	2017	2016
Cash flows from operating activities			
Net income	$244,702	$165,990	$35,346
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	273,031	260,455	220,667
Property transactions, net	20,319	34,022	4,684
Amortization of deferred financing costs and debt discount	12,031	11,360	7,195
Loss on retirement of debt	2,736	798	—
Amortization related to above market lease, net	686	686	286
Deemed contributions - tax sharing agreement	5,745	1,730	2,156
Straight-line rental revenues	20,680	6,414	(1,739)
Amortization of deferred revenue	(3,711)	(2,352)	(80)
Share-based compensation	2,093	1,336	510
Deferred income taxes	5,090	3,176	108
Change in operating assets and liabilities:			
Tenant and other receivables, net	(2,016)	3,118	(9,503)
Prepaid expenses and other assets	477	(1,537)	6,747
Due to MGM Resorts International and affiliates	(655)	796	166
Accounts payable, accrued expenses and other liabilities	(4,532)	158	5,101
Accrued interest	3,531	(3,572)	26,137
Net cash provided by operating activities	580,207	482,578	297,781
Cash flows from investing activities			
Capital expenditures for property and equipment	(1,578)	(488)	(138,987)
Acquisition of Northfield, net of cash acquired	(1,034,534)	—	—
MGM National Harbor Transaction	—	(462,500)	—
Net cash used in investing activities	(1,036,112)	(462,988)	(138,987)
Cash flows from financing activities			
Net borrowings (repayments) under bank credit facility	727,750	(41,875)	(16,750)
Proceeds from issuance of debt	—	350,000	3,700,000
Deferred financing costs	(17,490)	(5,598)	(77,163)
Repayment of assumed debt and bridge facilities	—	(425,000)	(4,544,850)
Issuance of Class A shares	—	404,685	1,207,500
Class A share issuance costs	—	(17,137)	(75,032)
Dividends and distributions paid	(454,260)	(385,435)	(150,829)
Net cash transfers from Parent	—	—	158,822
Net cash provided by (used in) financing activities	256,000	(120,360)	201,698
Cash and cash equivalents			
Net (decrease) increase for the period	(199,905)	(100,770)	360,492
Balance, beginning of period	259,722	360,492	—
Balance, end of period	$59,817	$259,722	$360,492
Supplemental cash flow disclosures			
Interest paid	$199,429	$176,033	$82,880
Non-cash investing and financing activities			
Non-Normal Tenant Improvements by Tenant	$19,316	$52,995	$72,402
Accrual of dividend and distribution payable to Class A shareholders and Operating Partnership unit holders	$119,055	$111,733	$94,109

MGM National Harbor Transaction net assets acquired	$—	$721,409	$—
Borgata Transaction net assets acquired	$—	$—	$1,273,230

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES LLC
COMBINED AND CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except per share amounts)

	Class A Shares	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Predecessor Net Parent Investment	Total Class A Shareholders' Equity	Noncontrolling Interest	Total Shareholders' Equity
Balance at January 1, 2016	$ —	$ —	$ —	$ —	$ 6,058,959	$ 6,058,959	$ —	$ 6,058,959
Net loss - January 1, 2016 to April 24, 2016	—	—	—	—	(84,383)	(84,383)	—	(84,383)
Assumption of bridge facilities from MGM	—	—	—	—	(4,000,000)	(4,000,000)	—	(4,000,000)
Other contributions from MGM	—	—	—	—	1,893,502	1,893,502	—	1,893,502
Issuance of Class A shares	—	1,207,500	—	—	—	1,207,500	—	1,207,500
Initial public offering costs	—	(75,032)	—	—	—	(75,032)	—	(75,032)
Noncontrolling interest and additional paid-in capital effective April 24, 2016	—	201,785	—	—	(3,868,078)	(3,666,293)	3,666,293	—
Borgata Transaction	—	28,753	—	—	—	28,753	699,626	728,379
Net income - April 25, 2016 to December 31, 2016	—	—	29,938	—	—	29,938	89,791	119,729
Other comprehensive income - cash flow hedges	—	—	—	445	—	445	1,434	1,879
Share-based compensation	—	124	—	—	—	124	386	510
Deemed contribution - tax sharing agreement	—	—	—	—	—	—	2,156	2,156
Dividends and distributions declared ($1.0382 per class A share)	—	—	(59,696)	—	—	(59,696)	(185,242)	(244,938)
Balance at December 31, 2016	—	1,363,130	(29,758)	445	—	1,333,817	4,274,444	5,608,261
Net income	—	—	41,775	—	—	41,775	124,215	165,990
	—	—	—	2,761	—	2,761	7,021	9,782

Other comprehensive income - cash flow hedges								
MGM National Harbor Transaction	—	19,372	—	11	—	19,383	277,026	296,409
Issuance of Class A shares	—	333,742	(4,125)	(109)	—	329,508	58,040	387,548
Share-based compensation	—	334	—	—	—	334	1,002	1,336
Deemed contribution - tax sharing agreement	—	—	—	—	—	—	1,730	1,730
Dividends and distributions declared ($1.5975 per share)	—	—	(102,840)	—	—	(102,840)	(300,219)	(403,059)
Other	—	(88)	—	—	—	(88)	(170)	(258)
Balance at December 31, 2017	—	1,716,490	(94,948)	3,108	—	1,624,650	4,443,089	6,067,739
Net income	—	—	67,065	—	—	67,065	177,637	244,702
Other comprehensive income - cash flow hedges	—	—	—	1,100	—	1,100	3,028	4,128
Share-based compensation	—	558	—	—	—	558	1,535	2,093
Deemed contribution - tax sharing agreement	—	—	—	—	—	—	5,745	5,745
Dividends and distributions declared ($1.7350 per share)	—	—	(123,025)	—	—	(123,025)	(338,557)	(461,582)
Other	—	(4,377)	—	—	—	(4,377)	(12,942)	(17,319)
Balance at December 31, 2018	$ —	$1,712,671	$(150,908)	$ 4,208	$—	$1,565,971	$4,279,535	$5,845,506

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
CONSOLIDATED BALANCE SHEETS
(in thousands, except unit amounts)

	December 31, 2018	2017
ASSETS		
Real estate investments, net	$9,742,225	$10,021,938
Property and equipment, used in operations, net	784,295	—
Cash and cash equivalents	59,817	259,722
Tenant and other receivables, net	14,990	6,385
Prepaid expenses and other assets	37,837	18,487
Above market lease, asset	43,014	44,588
Goodwill	17,915	—
Other intangible assets, net	251,214	—
Total assets	$10,951,307	$10,351,120
LIABILITIES AND PARTNERS' CAPITAL		
Liabilities		
Debt, net	$4,666,949	$3,934,628
Due to MGM Resorts International and affiliates	307	962
Accounts payable, accrued expenses and other liabilities	49,602	10,240
Above market lease, liability	46,181	47,069
Accrued interest	26,096	22,565
Distribution payable	119,055	111,733
Deferred revenue	163,977	127,640
Deferred income taxes, net	33,634	28,544
Total liabilities	5,105,801	4,283,381
Commitments and contingencies (Note 14)		
Partners’ capital		
General partner	—	—
Limited partners: 266,045,289 and 266,030,918 Operating Partnership units issued and outstanding as of December 31, 2018 and December 31, 2017, respectively.	5,845,506	6,067,739
Total partners’ capital	5,845,506	6,067,739
Total liabilities and partners’ capital	$10,951,307	$10,351,120

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
COMBINED AND CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per unit amounts)

	Year Ended December 31,		
	2018	2017	2016
Revenues			
Rental revenue	$746,253	$675,089	$419,239
Tenant reimbursements and other	123,242	90,606	48,309
Gaming, food, beverage and other	132,949	—	—
	1,002,444	765,695	467,548
Expenses			
Gaming, food, beverage and other	88,053	—	—
Depreciation and amortization	273,031	260,455	220,667
Property transactions, net	20,319	34,022	4,684
Reimbursable expenses	119,531	88,254	68,063
Amortization of above market lease, net	686	686	286
Acquisition-related expenses	8,887	17,304	10,178
General and administrative	16,178	12,189	9,896
	526,685	412,910	313,774
Operating income	475,759	352,785	153,774
Non-operating income (expense)			
Interest income	2,501	3,907	774
Interest expense	(215,532)	(184,175)	(116,212)
Other non-operating	(7,191)	(1,621)	(726)
	(220,222)	(181,889)	(116,164)
Income before income taxes	255,537	170,896	37,610
Provision for income taxes	(10,835)	(4,906)	(2,264)
Net income	$244,702	$165,990	$35,346
Weighted average Operating Partnership units outstanding:			
Basic	266,131,712	249,451,258	232,181,070
Diluted	266,319,797	249,634,668	232,430,401
Per Operating Partnership unit data			
Net income per Operating Partnership unit (basic)	$0.92	$0.67	$0.52
Net income per Operating Partnership unit (diluted)	$0.92	$0.66	$0.52

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
COMBINED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Year Ended December 31,		
	2018	2017	2016
Net income	$244,702	$165,990	$35,346
Other comprehensive income			
Unrealized gain on cash flow hedges	4,128	9,782	1,879
Other comprehensive income	4,128	9,782	1,879
Comprehensive income	$248,830	$175,772	$37,225

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2018	2017	2016
Cash flows from operating activities			
Net income	$244,702	$165,990	$35,346
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	273,031	260,455	220,667
Property transactions, net	20,319	34,022	4,684
Amortization of deferred financing costs and debt discount	12,031	11,360	7,195
Loss on retirement of debt	2,736	798	—
Amortization related to above market lease, net	686	686	286
Deemed contributions - tax sharing agreement	5,745	1,730	2,156
Straight-line rental revenues	20,680	6,414	(1,739)
Amortization of deferred revenue	(3,711)	(2,352)	(80)
Share-based compensation	2,093	1,336	510
Deferred income taxes	5,090	3,176	108
Change in operating assets and liabilities:			
Tenant and other receivables, net	(2,016)	3,118	(9,503)
Prepaid expenses and other assets	477	(1,537)	6,747
Due to MGM Resorts International and affiliates	(655)	796	166
Accounts payable, accrued expenses and other liabilities	(4,532)	158	5,101
Accrued interest	3,531	(3,572)	26,137
Net cash provided by operating activities	580,207	482,578	297,781
Cash flows from investing activities			
Capital expenditures for property and equipment	(1,578)	(488)	(138,987)
Acquisition of Northfield, net of cash acquired	(1,034,534)	—	—
MGM National Harbor Transaction	—	(462,500)	—
Net cash used in investing activities	(1,036,112)	(462,988)	(138,987)
Cash flows from financing activities			
Net borrowings (repayments) under bank credit facility	727,750	(41,875)	(16,750)
Proceeds from issuance of debt	—	350,000	3,700,000
Deferred financing costs	(17,490)	(5,598)	(77,163)
Repayment of assumed debt and bridge facilities	—	(425,000)	(4,544,850)
Proceeds from issuance of OP units by MGP	—	387,548	1,132,468
Distributions paid	(454,260)	(385,435)	(150,829)
Net cash transfers from Parent	—	—	158,822
Net cash provided by (used in) financing activities	256,000	(120,360)	201,698
Cash and cash equivalents			
Net (decrease) increase for the period	(199,905)	(100,770)	360,492
Balance, beginning of period	259,722	360,492	—
Balance, end of period	$59,817	$259,722	$360,492
Supplemental cash flow disclosures			
Interest paid	$199,429	$176,033	$82,880
Non-cash investing and financing activities			
Non-Normal Tenant Improvements by Tenant	$19,316	$52,995	$72,402
Accrual of distribution payable to Operating Partnership unit holders	$119,055	$111,733	$94,109
MGM National Harbor Transaction net assets acquired	$—	$721,409	$—
Borgata Transaction net assets acquired	$—	$—	$1,273,230

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
COMBINED AND CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(in thousands, except per unit amounts)

	General Partner	Limited Partners	Predecessor Net Parent Investment	Total Partners' Capital
Balance at January 1, 2016	$ —	$ —	$ 6,058,959	$ 6,058,959
Net loss - January 1, 2016 to April 24, 2016	—	—	(84,383)	(84,383)
Assumption of bridge facilities from MGM	—	—	(4,000,000)	(4,000,000)
Other contributions from MGM	—	—	1,893,502	1,893,502
Limited Partnership Interest effective April 24, 2016	—	3,868,078	(3,868,078)	—
Purchase of OP units by MGM	—	1,132,468	—	1,132,468
Borgata Transaction	—	728,379	—	728,379
Net income - April 25, 2016 to December 31, 2016	—	119,729	—	119,729
Other comprehensive income - cash flow hedges	—	1,879	—	1,879
Share-based compensation	—	510	—	510
Deemed contribution - tax sharing agreement	—	2,156	—	2,156
Distributions declared ($1.0382 per unit)	—	(244,938)	—	(244,938)
Balance at December 31, 2016	—	5,608,261	—	5,608,261
Net income	—	165,990	—	165,990
Other comprehensive income - cash flow hedges	—	9,782	—	9,782
MGM National Harbor Transaction	—	296,409	—	296,409
Issuance of OP units	—	387,548	—	387,548
Share-based compensation	—	1,336	—	1,336
Deemed contribution - tax sharing agreement	—	1,730	—	1,730
Distributions declared ($1.5975 per unit)	—	(403,059)	—	(403,059)
Other	—	(258)	—	(258)
Balance at December 31, 2017	—	6,067,739	—	6,067,739
Net income	—	244,702	—	244,702
Other comprehensive income - cash flow hedges	—	4,128	—	4,128
Share-based compensation	—	2,093	—	2,093
Deemed contribution - tax sharing agreement	—	5,745	—	5,745
Distributions declared ($1.7350 per unit)	—	(461,582)	—	(461,582)
Other	—	(17,319)	—	(17,319)
Balance at December 31, 2018	$ —	$ 5,845,506	$ —	$ 5,845,506

The accompanying notes are an integral part of these combined and consolidated financial statements.

MGM GROWTH PROPERTIES LLC AND MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP
NOTES TO COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 — BUSINESS

Organization. MGM Growth Properties LLC ("MGP" or the "Company") is a limited liability company that was organized in Delaware in October 2015. MGP conducts its operations through MGM Growth Properties Operating Partnership LP (the "Operating Partnership"), a Delaware limited partnership that was formed in January 2016 and acquired by MGP on April 25, 2016 (the "IPO Date") in connection with MGP's formation transactions, including its initial public offering of Class A shares as discussed further below. The Company has elected be treated as a real estate investment trust ("REIT") commencing with its taxable year ended December 31, 2016.

MGM Resorts International ("MGM" or the "Parent") is a Delaware corporation that acts largely as a holding company and, through its subsidiaries, owns and operates large-scale destination entertainment and leisure resorts. Prior to the IPO Date, the real estate assets of The Mirage, Mandalay Bay, Luxor, New York-New York, Park MGM (which was branded as Monte Carlo prior to May 2018), Excalibur, The Park, Gold Strike Tunica, MGM Grand Detroit and Beau Rivage (collectively, the "IPO Properties"), which comprised the Company's real estate investments prior to the acquisition of Borgata (as described below), were owned and operated by MGM. On the IPO Date, MGM engaged in a series of formation transactions in which subsidiaries of MGM transferred the IPO Properties to newly formed subsidiaries and subsequently transferred 100% ownership interest in such subsidiaries to the Operating Partnership pursuant to a Master Contribution Agreement (the "MCA") in exchange for Operating Partnership units representing limited partner interests in the Operating Partnership and the assumption by the Operating Partnership of $4 billion of indebtedness from the contributing MGM subsidiaries.

On the IPO Date, MGP completed the initial public offering of 57.5 million of its Class A shares representing limited liability company interests. MGP contributed the proceeds from its initial public offering to the Operating Partnership in exchange for 26.7% of the Operating Partnership units and the general partner interest in the Operating Partnership. Certain subsidiaries of MGM acquired the remaining 73.3% of the outstanding Operating Partnership units on such date. MGM retained ownership of MGP's outstanding Class B share. The Class B share is a non-economic interest in MGP which does not provide its holder any rights to profits or losses or any rights to receive distributions from the operations of MGP or upon liquidation or winding up of MGP but which represents a majority of the voting power of MGP's shares. As a result, MGP continues to be controlled by MGM through its majority voting rights, and is consolidated by MGM. If the holder of the Class B share and its controlled affiliates' (excluding MGP and its subsidiaries) aggregate beneficial ownership of the combined economic interests in MGP and the Operating Partnership falls below 30%, the Class B share is no longer entitled to any voting rights. To the extent that the Class B share is entitled to majority voting power pursuant to MGP's operating agreement, MGM may only transfer the Class B share (other than transfers to us and MGM's controlled affiliates) if and to the extent that such transfer is approved by special approval by an independent conflicts committee, not to be unreasonably withheld. When determining whether to grant such approval, the conflicts committee must take into account the interests of MGP's Class A shareholders and MGP ahead of the interests of the holder of the Class B share. No par value is attributed to the MGP's Class A and Class B shares.

As discussed in Note 3 and Note 11, the Operating Partnership issued additional Operating Partnership units in connection with the Borgata Transaction, follow-on public offerings of Class A shares and the MGM National Harbor Transaction. As of December 31, 2018, there were approximately 266.0 million Operating Partnership units outstanding in the Operating Partnership of which MGM owned approximately 195.1 million Operating Partnership units or 73.3% of the Operating Partnership units in the Operating Partnership. MGP owns the remaining 26.7% of the Operating Partnership units in the Operating Partnership. MGM's Operating Partnership units are exchangeable into Class A shares of MGP on a one-to-one basis, or cash at the fair value of a Class A share. The determination of settlement method is at the option of MGP's independent conflicts committee. MGM's indirect ownership of these

Operating Partnership units is recognized as a noncontrolling interest in MGP's financial statements. A wholly owned subsidiary of MGP is the general partner of the Operating Partnership and operates and controls all of its business affairs. As a result, MGP consolidates the Operating Partnership and its subsidiaries.

MGP is a publicly traded REIT primarily engaged through its investment in the Operating Partnership in the real property business, which consists of owning, acquiring and leasing large-scale destination entertainment and leisure resorts, whose tenants generally offer casino gaming, hotel, convention, dining, entertainment and retail. One of the Company's wholly-owned taxable REIT subsidiaries ("TRS"), MGP OH, Inc. owns the Hard Rock Rocksino Northfield Park (the "Rocksino") in Northfield, Ohio. A wholly owned subsidiary of the Operating Partnership (the "Landlord") leases all of its real estate properties, other than Northfield, back to a wholly owned subsidiary of MGM (the "Tenant") under a master lease agreement (the "Master Lease").

Northfield Acquisition

On July 6, 2018, the TRS completed its previously announced acquisition of the membership interests of Northfield Park Associates, LLC ("Northfield"), an Ohio limited liability company that owns the real estate assets and operations of the Rocksino (the "Northfield Acquisition") from Milstein Entertainment LLC. Simultaneously with the close of the transaction, Northfield entered into a

new agreement with an affiliate of Hard Rock Café International (STP), Inc. (“Hard Rock”) to continue to serve as the manager of the property. Refer to Note 2 and Note 3 for additional details.

On September 18, 2018, the Company entered into an agreement to sell the operations of Northfield (“Northfield OpCo”) to a subsidiary of MGM. Northfield will be added to the existing Master Lease between the Landlord and Tenant. The transaction is expected to close in the first half of 2019, subject to customary closing conditions. Refer to Note 3 for additional information.

Empire City Transaction

On January 29, 2019, the Company acquired the real property associated with the Empire City Casino’s race track and casino (“Empire City”) from MGM upon its acquisition of Empire City for fair value of consideration transferred of approximately $634 million, which included the assumption of approximately $246 million of debt by the Operating Partnership with the balance through the issuance of 12.9 million Operating Partnership units to MGM (“Empire City Transaction”). Empire City was added to the existing Master Lease between the Landlord and Tenant. As a result, the annual rent payment to MGP increased by $50 million, prorated for the remainder of the lease year. Consistent with the Master Lease terms, 90% of this rent will be fixed and contractually grow at 2% per year until 2022. In addition, pursuant to the Master Lease, MGP has a right of first offer with respect to certain undeveloped land adjacent to the property to the extent MGM develops additional gaming facilities and chooses to sell or transfer the property in the future.

Park MGM Lease Transaction

On December 20, 2018, the Company entered into a definitive agreement with MGM whereby the Company will pay MGM consideration of $637.5 million for renovations undertaken by MGM regarding the Park MGM and NoMad Las Vegas property (the “Park MGM Lease Transaction”). Additionally, at closing the parties will enter into an amendment to the Master Lease whereby the annual rent payment to the Company will increase by $50.0 million, prorated for the remainder of the lease year. Consistent with the Master Lease terms, 90% of this rent will be fixed and contractually grow at 2% per year until 2022. The transaction is expected to close in the first quarter of 2019 and is subject to customary closing conditions.

Segments

The Company has two reportable segments: REIT and TRS. See Note 15 for additional information about the Company's segments.

NOTE 2 — BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation. The accompanying combined and consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) set forth in the Accounting Standards Codification (“ASC”), as published by the Financial Accounting Standards Board (“FASB”), and with the applicable rules and regulations of the Securities and Exchange Commission (“SEC”).

For periods prior to the IPO Date, the accompanying combined and consolidated financial statements of MGP and the Operating Partnership represent the IPO Properties, which were controlled by MGM, and have been determined to be MGP’s and the Operating Partnership’s predecessor for accounting purposes (the “Predecessor”). The accompanying combined and consolidated financial statements include Predecessor financial statements that have been “carved out” of MGM’s consolidated financial statements and reflect significant assumptions and allocations. The financial statements do not fully reflect what the Predecessor’s results of operations, financial position and cash flows would have been if the Predecessor had been a stand-alone company during the periods presented. As a result, historical financial

information is not necessarily indicative of the future results of operations, financial position and cash flows of MGP or the Operating Partnership.

For periods subsequent to the IPO Date, the accompanying combined and consolidated financial statements of MGP and the Operating Partnership represent the results of operations, financial positions and cash flows of MGP and the Operating Partnership, including their respective subsidiaries. Certain reclassifications have been made to conform the prior period presentation. Property tax expense and property insurance expense were separately classified in prior periods and now are classified within “reimbursable expenses” in the accompanying combined and consolidated statements of operations.

Principles of consolidation. The Company identifies entities for which control is achieved through means other than voting rights and to determine which business enterprise is the primary beneficiary of variable interest entities (“VIE”). A VIE is an entity in which either (i) the equity investors as a group, if any, lack the power through voting or similar rights to direct the activities of such entity that most significantly impact such entity’s economic performance or (ii) the equity investment at risk is insufficient to finance that entity’s activities without additional subordinated financial support. The Company identifies the primary beneficiary of a VIE as the enterprise that has both of the following characteristics: (i) the power to direct the activities of the VIE that most significantly impact the entity’s economic performance; and (ii) the obligation to absorb losses or receive benefits of the VIE that could potentially be significant to the

entity. The Company consolidates its investment in a VIE when it determines that it is its primary beneficiary. The Company may change its original assessment of a VIE upon subsequent events such as the modification of contractual arrangements that affect the characteristics or adequacy of the entity's equity investments at risk and the disposition of all or a portion of an interest held by the primary beneficiary. The Company performs this analysis on an ongoing basis. The combined and consolidated financial statements of MGP include the accounts of the Operating Partnership, a VIE of which the Company is the primary beneficiary, as well as its wholly owned and majority-owned subsidiaries, which represents all of MGP's assets and liabilities. As MGP holds what is deemed a majority voting interest in the Operating Partnership through its ownership of the Operating Partnership's sole general partner, it qualifies for the exemption from providing certain of the required disclosures associated with investments in VIEs. The combined and consolidated financial statements of the Operating Partnership include the accounts of its wholly owned subsidiary, the Landlord, which owns the real estate, a VIE of which the Operating Partnership is the primary beneficiary. As of December 31, 2018, on a consolidated basis, the Landlord had total assets of $9.8 billion primarily related to its real estate assets and total liabilities of $247.5 million primarily related to its deferred revenue and above market lease liability.

For entities not determined to be VIEs, the Company consolidates such entities in which the Company owns 100% of the equity. For entities in which the Company owns less than 100% of the equity interest, the Company consolidates the entity if it has the direct or indirect ability to control the entities' activities based upon the terms of the respective entities' ownership agreements. All intercompany balances and transactions are eliminated in consolidation.

Noncontrolling interest. MGP presents noncontrolling interest and classifies such interest as a component of consolidated shareholders' equity, separate from the Company's Class A shareholders' equity. Noncontrolling interest in MGP represents Operating Partnership units currently held by subsidiaries of MGM. Net income or loss of the Operating Partnership is allocated to its noncontrolling interest based on the noncontrolling interest's ownership percentage in the Operating Partnership except for income tax expenses as discussed in Note 10. Ownership percentage is calculated by dividing the number of Operating Partnership units held by the noncontrolling interest by the total Operating Partnership units held by the noncontrolling interest and the Company. Issuance of additional Class A shares and Operating Partnership units changes the ownership interests of both the noncontrolling interest and the Company. Such transactions and the related proceeds are treated as capital transactions.

MGM may tender its Operating Partnership units for redemption by the Operating Partnership in exchange for cash equal to the market price of MGP's Class A shares at the time of redemption or for unregistered Class A shares on a one-for-one basis. Such selection to pay cash or issue Class A shares to satisfy an Operating Partnership unitholder's redemption request is solely within the control of MGP's independent conflicts committee.

Use of estimates. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company's most significant assumptions and estimates relate to the useful lives of real estate assets, real estate impairment assessments, and valuation of derivative financial instruments. These estimates are based on historical experience and other assumptions which management believes are reasonable under the circumstances. Management evaluates its estimates on an ongoing basis and makes revisions to these estimates and related disclosures as experience develops or new information becomes known. Actual results could differ from these estimates.

Real estate investments. Real estate investments consist of land, buildings, improvements and integral equipment. The contribution or acquisition of the real property by the Operating Partnership from MGM represent transactions between entities under common control, and as a result, such real estate was initially recorded by the Company at MGM's historical cost basis, less accumulated depreciation (i.e., there was no change in the basis of the contributed assets), as of the contribution or acquisition dates. Costs of maintenance and repairs to real estate investments are the

responsibility of the Tenant under the Master Lease.

Although the Tenant is responsible for all capital expenditures during the term of the Master Lease, if, in the future, a deconsolidation event occurs, the Company 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 (“Non-Normal Tenant Improvements”), subject to an initial cap of $100 million in the first year of the Master Lease increasing annually by $75 million each year thereafter. The Company 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 Company 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. Examples of Non-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, as well as equipment that would be a necessary improvement at any of the properties, including initial installation of elevators, air conditioning systems or electrical wiring. Such Non-Normal Tenant Improvements are capitalized and depreciated over the asset’s remaining life. Inception-to-date, Non-Normal Tenant Improvements were $144.7 million through December 31, 2018.

Property and Equipment used in operations. Property and equipment used in operations are stated at cost. The property and equipment used in operations was acquired through the Northfield Acquisition and therefore recognized at fair value at the acquisition date.

The Company evaluates its property and equipment, real estate investments, and other long-lived assets for impairment based on its classification as held for sale or to be held and used. Several criteria must be met before an asset is classified as held for sale, including that management with the appropriate authority commits to a plan to sell the asset to a third-party at a reasonable price in relation to its fair value and is actively seeking a buyer. For assets held for sale, the Company recognizes the asset at the lower of carrying value or fair market value less costs to sell, as estimated based on comparable asset sales, offers received, or a discounted cash flow model. For assets to be held and used, the Company reviews for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment charge is recorded based on the fair value of the asset, typically measured using a discounted cash flow model. All recognized impairment losses, whether for assets held for sale or assets to be held and used, are recorded as operating expenses. There were no impairment charges related to long lived assets recognized during the years ended December 31, 2018, 2017, and, 2016.

Depreciation and property transactions. Depreciation expense is recognized over the useful lives of real estate investments and property and equipment used in operations applying the straight-line method over the following estimated useful lives, which are periodically reviewed:

Buildings and building improvements	20 to 40 years
Land improvements	10 to 20 years
Furniture, fixtures and equipment	3 to 20 years

Property transactions, net are comprised of transactions related to long-lived assets, such as normal losses on the disposition of assets.

Cash and cash equivalents. Cash and cash equivalents include investments and interest bearing instruments with maturities of 90 days or less at the date of acquisition. Such investments are carried at cost, which approximates market value.

Revenue recognition. Rental revenue under the Master Lease is recognized on a straight-line basis over the non-cancelable term and reasonably assured renewal periods, which includes the initial lease term of ten years and all four additional five-year terms under the Master Lease, for all contractual revenues that are determined to be fixed and measurable. The difference between such rental revenue earned and the cash rent due under the provisions of the Master Lease is recorded as deferred rent receivable and included as a component of tenant and other receivables, net or as deferred revenue if cash rent due exceeds rental revenue earned.

Tenant reimbursement revenue arises from costs which the Company is the primary obligor that are required to be paid by the Tenant or reimbursed to the Company pursuant to the Master Lease. This revenue is recognized in the same periods as the expense is incurred.

Northfield generates gaming, food, beverage and other revenue, which primarily consists of video lottery terminal (“VLT”) wager transactions and food and beverage transactions. The transaction price for a VLT wager is the difference between gaming wins and losses (net win). The Company accounts for VLT revenue on a portfolio basis given the similar characteristics of wagers by recognizing net win per gaming day versus on an individual wager basis. The transaction price of food and beverage contracts is the amount collected from customer or stand-alone selling price for such goods and services and is recorded when the delivery is made. Sales and usage-based taxes are excluded from revenues.

Deferred revenue. The Company receives nonmonetary consideration related to Non-Normal Tenant Improvements as they become MGP's property pursuant to the Master Lease and recognizes the cost basis of Non-Normal Tenant Improvements as real estate investments and deferred revenue. The Company depreciates the real estate investments over their estimated useful lives and amortizes the deferred revenue as additional rental revenue over the remaining term of the Master Lease once the related real estate assets are placed in service.

Goodwill and other intangible assets. Goodwill represents the excess of purchase price over fair market value of net assets acquired in business combinations. Goodwill and indefinite-lived intangible assets must be reviewed for impairment at least annually and between annual test dates in certain circumstances. The Company performs its annual impairment tests in the fourth quarter of each fiscal year. No impairments were indicated or recorded as a result of the annual impairment review for goodwill and indefinite-lived intangible assets in 2018.

Accounting guidance provides entities the option to perform a qualitative assessment of goodwill and indefinite-lived intangible assets (commonly referred to as step zero) in order to determine whether further impairment testing is necessary. In performing the step zero analysis the Company considers macroeconomic conditions, industry and market considerations, current and forecasted financial performance, entity-specific events, and changes in the composition or carrying amount of net assets of reporting units for goodwill. In addition, the Company takes into consideration the amount of excess of fair value over carrying value determined in the last quantitative analysis that was performed, as well as the period of time that has passed since the last quantitative analysis. If the step zero analysis indicates that it is more likely than not that the fair value is less than its carrying amount, the entity would proceed to a quantitative analysis.

Under the quantitative analysis, goodwill for relevant reporting units is tested for impairment using a discounted cash flow analysis based on the estimated future results of the Company's reporting units discounted using market discount rates and market indicators of terminal year capitalization rates, and a market approach that utilizes business enterprise value multiples based on a range of multiples from the Company's peer group. An impairment charge is recognized for the amount by which the carrying value exceeds the reporting unit's fair value, not to exceed the total amount of goodwill allocated to that reporting unit. Under the qualitative analysis, the license rights are tested for impairment using a discounted cash flow approach. If the fair value of an indefinite-lived intangible asset is less than its carrying amount, an impairment loss is recognized equal to the difference.

Reimbursable expenses. Reimbursable expenses arise from costs which the Company is the primary obligor that are required to be reimbursed or paid directly by Tenant pursuant to the Master Lease including property taxes of the properties and ground lease rent. Reimbursable expenses also includes property insurance in the periods presented prior to the IPO Date.

Acquisition-related expenses. The Company expenses transaction costs associated with completed or announced acquisitions in the period in which they are incurred. These costs are included in acquisition-related expenses within the combined and consolidated statements of operations.

General and administrative. General and administrative expenses primarily includes the salaries and benefits of employees and external consulting costs. In addition, pursuant to a corporate services agreement between the Operating Partnership and MGM (the "Corporate Services Agreement"), MGM provides the Operating Partnership and its subsidiaries with financial, administrative and operational support services, 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. MGM is reimbursed for all costs it incurs directly related to providing the services thereunder. The Operating Partnership incurred expenses pursuant to the Corporate Services Agreement for the years ended December 31, 2018 and 2017 of $1.9 million and $1.6 million, respectively. The Operating Partnership incurred expenses pursuant to the Corporate Services Agreement from the IPO Date through December 31, 2016 of $0.9 million.

Net income per share. Basic net income per share includes the weighted average number of Class A shares outstanding during the period. Dilutive net income per share includes the weighted average number of Class A shares and the dilutive effect of share-based compensation awards outstanding during the period, when such awards are dilutive.

Net income per unit. Basic net income per unit includes the weighted average number of Operating Partnership units outstanding during the period. Dilutive net income per unit includes the weighted average number of Operating Partnership units and the dilutive effect of share-based compensation awards outstanding during the period, when such awards are dilutive.

Deferred financing costs. Deferred financing costs were incurred in connection with the issuance of the term loan facilities, revolving credit facility and senior notes. Costs incurred in connection with term loan facilities and senior notes are capitalized and offset against the carrying amount of the related indebtedness. Costs incurred in connection with the Operating Partnership’s revolving credit facility are capitalized as a component of prepaid expenses and other assets. These costs are amortized over the term of the indebtedness and are included in interest expense in the combined and consolidated statement of operations.

Derivative financial instruments. The Company accounts for its derivatives in accordance with FASB ASC Topic 815, Derivatives and Hedging, in which all derivative instruments are reflected at fair value as either assets or liabilities. For derivative instruments that are designated and qualify as hedging instruments, the Company records the gain or loss on the hedge instruments as a component of accumulated other comprehensive income.

Fair value measurements. Fair value measurements are utilized in the accounting impairment assessments of the Company's long-lived assets, assets acquired and liabilities assumed in a business combination, and goodwill and other intangible assets. Fair value measurements also affect the Company's accounting for certain of its financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and is measured according to a hierarchy that includes: Level 1 inputs, such as quoted prices in an active market; Level 2 inputs,

which are observable inputs for similar assets; or Level 3 inputs, which are unobservable inputs. The Company used the following inputs in its fair value measurements:

- Level 2 inputs for its long-term debt fair value disclosures. See Note 8;
- Level 2 inputs when measuring the fair value of its interest rate swaps. See Note 9; and
- Level 2 and Level 3 inputs when assessing the fair value of assets acquired and liabilities assumed during the Northfield acquisition. See Note 3.

Income taxes. The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

Concentrations of credit risk. Substantially all of the Company’s real estate properties have been leased to a wholly owned subsidiary of MGM, and 87% of the Company’s revenues for the period ending December 31, 2018 are derived from the Master Lease. All of the Company's revenues for the period ending December 31, 2017 and 2016 were derived from the Master Lease. Management does not believe there are any other significant concentrations of credit risk.

Geographical risk. A significant number of the Company’s real estate properties are located in Las Vegas, Nevada. Accordingly, future negative trends in local economic activity or natural disasters in this area might have a more significant effect on the Company than a more geographically diversified entity and could have an adverse impact on its financial condition and operating results.

Recently issued accounting standards. In January 2017, FASB issued Accounting Standards Update (“ASU”) No. 2017-04, Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment (“ASU 2017-04”). ASU 2017-04 simplifies the subsequent measurement of goodwill by eliminating step two from the goodwill impairment test. Under the amended guidance, the Company will perform its annual goodwill impairment tests (and interim tests if any are determined to be necessary) by comparing the fair value of its reporting units with their carrying value, and an impairment charge, if any, will be recognized for the amount by which the carrying value exceeds the reporting unit’s fair value, not to exceed the total amount of goodwill allocated to that reporting unit. The Company early adopted ASU 2017-04 and it did not have a material effect on the Company’s consolidated financial statements.

In August 2017, the FASB issued ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities (“ASU 2017-12”). ASU 2017-12 is effective for fiscal years beginning after December 15, 2018, and interim periods within those years. ASU 2017-12 amends the hedge accounting recognition and presentation requirements in order to improve the transparency and understandability of information about an entity’s risk management activities, and simplifies the application of hedge accounting. The Company early adopted ASU 2017-12 and it did not have a material impact on its consolidated financial statements and footnote disclosures.

In February 2018, the FASB issued ASC 842 “Leases (Topic 842),” which replaces the existing guidance in ASC 840, “Leases,” (“ASC 842”). ASC 842 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. ASC 842 requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use (“ROU”) asset and a corresponding lease liability. For finance leases, the lessee will recognize interest expense and amortization of the ROU asset and for operating leases the lessee will recognize a straight-line total lease expense. The Company will adopt ASC 842 on January 1, 2019, utilizing the simplified

transition method and accordingly will not recast comparative period financial information. The Company will elect the package of practical expedients available under ASC 842, which includes that the Company need not reassess the lease classification for existing contracts. Accordingly, the Master Lease will continue to be classified as an operating lease. ASC 842 requires lessors to exclude from variable payments, and therefore from revenue, lessor costs paid by lessees directly to third parties. Under the Master Lease, the lessee pays property tax and insurance directly to third parties; accordingly, the Company will no longer reflect such costs as “Tenant reimbursements” within revenues or “Reimbursable expenses” within expenses. The Company is also a lessee in lease arrangements for which the most material leases are ground leases that will continue to be classified as operating leases.

In May 2014, the FASB issued ASC 606, Revenue from Contracts with Customers (Topic 606) which outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods and services. The Company adopted ASC 606 on January 1, 2018 and it did not have a material impact on the Company’s financial statements.

NOTE 3 — ACQUISITIONS

Northfield Acquisition. As discussed in Note 1, on July 6, 2018 the TRS completed its acquisition of 100% of the membership interests of Northfield for a purchase price of approximately $1.1 billion. The Company funded the acquisition through a $200 million draw on the term loan A facility and a $655 million draw under the revolving credit facility, with the remainder of the purchase price paid with cash on hand. The acquisition will expand MGP's real estate assets and diversify MGP's geographic reach.

The Company recognized 100% of the assets and liabilities of Northfield at fair value at the date of the acquisition. Under the acquisition method, the fair value was allocated to the assets acquired and liabilities assumed in the transaction. The allocation of fair value for substantially all of the assets and liabilities is preliminary and may be adjusted up to one year after the acquisition. Specifically, as of December 31, 2018, the Company is finalizing valuation work related to the asset classes that comprise the property and equipment acquired.

The following table sets forth the preliminary purchase price allocation at July 6, 2018 (in thousands):

Fair value of assets acquired and liabilities:	
Property and equipment used in operations	$792,807
Cash and cash equivalents	35,831
Racing and gaming licenses	228,000
Customer list	25,000
Goodwill	17,915
Other assets	9,598
Other liabilities	(38,786)
	$1,070,365

As discussed above, the Company recognized the identifiable intangible assets at fair value. The estimated fair values of the intangible assets were preliminarily determined using methodologies under the income approach based on significant inputs that were not observable. The goodwill is primarily attributable to the synergies expected to arise after the acquisition.

Consolidated results. For the period from July 6, 2018 through December 31, 2018, Northfield's net revenue was $132.9 million and operating income and net income were both $33.0 million.

Pro forma information (unaudited). The operating results for Northfield are included in the accompanying consolidated statements of operations from the date of acquisition. The following unaudited pro forma consolidated financial information for the Company has been prepared assuming the Northfield Acquisition had occurred as of January 1, 2017. The unaudited pro forma financial information below is not necessarily indicative of either future results of operations or results that might have been achieved had the acquisition been consummated as of January 1, 2017.

The pro forma results include adjustments related to purchase accounting, primarily interest expense related to debt used to fund the acquisition, and the conformance of accounting policies. The following table represents MGP's and the Operating Partnership's unaudited pro forma information for the years ended December 31, 2018 and 2017:

	2018	2017
	(unaudited, in thousands, except per share amounts)	
Net revenues	$1,142,045	$1,016,040
Net income	259,427	166,365
Net income attributable to Class A shareholders	70,990	41,875

Basic net income per Class A share	1.00	0.68
Diluted net income per Class A share	1.00	0.68

As discussed in Note 1, on September 18, 2018, the Company entered into an agreement to sell the operations of Northfield to a subsidiary of MGM for approximately $275 million, subject to customary purchase price adjustments. The TRS will concurrently liquidate and the real estate assets of Northfield will be transferred to the Landlord. The Landlord will lease such real estate assets to the Tenant pursuant to an amendment to the Master Lease. As a result, the annual rent payment will increase by $60 million, prorated for the remainder of the lease year. Consistent with the Master Lease terms, 90% of this rent will be fixed and contractually grow at 2.0% per year until 2022. The transaction is expected to close in the first half of 2019, subject to customary closing conditions. The Northfield

OpCo sale will be accounted for as a transaction between entities under common control and therefore the Company will continue to carry the Northfield OpCo operating assets and liabilities as held and used until the close of the transaction.

MGM National Harbor Transaction. On October 5, 2017, MGP completed the purchase of the long-term leasehold interest and real property improvements associated with MGM National Harbor casino resort ("MGM National Harbor") for consideration consisting of the assumption of $425 million of debt, which was immediately paid off on the closing date, $462.5 million of cash and the issuance of 9.8 million Operating Partnership units to a subsidiary of MGM. The real estate assets related to MGM National Harbor were leased by the Landlord to the Tenant via an amendment to the Master Lease. As a result, the initial rent under the Master Lease increased by $95 million, $85.5 million of which relates to the base rent for the initial term and the remaining $9.5 million of which relates to the percentage rent. See Note 7 for further discussion of the Master Lease.

The MGM National Harbor Transaction was accounted for as a transaction between entities under common control, and therefore the Company recorded the MGM National Harbor real estate assets at the carryover value of $1.18 billion from MGM. In addition, the Operating Partnership was assigned ground leases for an approximate 23 acres underlying MGM National Harbor, which the terms extends through 2082. Under the terms of the Master Lease, the Tenant is responsible for the rent payments related to the ground leases during the term of the Master Lease.

Borgata Transaction. On August 1, 2016, MGM completed the acquisition of Boyd Gaming Corporation's ownership interest in Borgata. Concurrently, MGM, MGP, the Operating Partnership, the Landlord and the Tenant completed the transfer of the real estate assets related to Borgata, located at Renaissance Pointe in Atlantic City, New Jersey, from a subsidiary of MGM to the Landlord (the "Borgata Transaction"). A subsidiary of MGM operates Borgata. The consideration that was paid by MGP to a subsidiary of MGM consisted of 27.4 million newly issued Operating Partnership units and the assumption by the Operating Partnership of $545 million of indebtedness from such subsidiary of MGM. The real estate assets related to Borgata were leased by the Landlord to the Tenant via an amendment to the Master Lease. As a result, the initial rent under the Master Lease increased by $100 million, $90 million of which relates to the base rent for the initial term and the remaining $10 million of which relates to the percentage rent. Following the closing of the Borgata Transaction, the base rent under the Master Lease became $585 million for the initial term and the percentage rent became $65 million. See Note 7 for further discussion of the Master Lease.

NOTE 4 — REAL ESTATE INVESTMENTS

The carrying value of real estate investments is as follows:

	December 31,	
	2018	2017
	(in thousands)	
Land	$4,143,513	$4,143,513
Buildings, building improvements, land improvements and integral equipment	8,405,479	8,512,334
	12,548,992	12,655,847
Less: Accumulated depreciation	(2,806,767)	(2,633,909)
	$9,742,225	$10,021,938

NOTE 5 — PROPERTY AND EQUIPMENT USED IN OPERATIONS

The carrying value of property and equipment used in operations of the TRS is as follows:

2018

	(in thousands)
Land	$ 392,500
Buildings, building improvements and land improvements	382,843
Furniture, fixtures and equipment	18,770
	794,113
Less: Accumulated depreciation	(9,818)
	$ 784,295

NOTE 6 — GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and other intangible assets consisted of the following:

	2018 (in thousands)
Goodwill	$ 17,915
Indefinite-lived intangible assets:	
Racing and gaming licenses	228,000
Total indefinite-lived intangible assets	228,000
Finite-lived intangible assets:	
Customer lists	25,000
Less: Accumulated amortization	(1,786)
	23,214
Total finite-lived intangible assets, net	23,214
Total other intangible assets, net	$ 251,214

Goodwill. A summary of changes in the Company's goodwill by reportable segment is as follows:

	2018		
	Balance at January 1	Acquisitions	Balance at December 31
	(in thousands)		
Goodwill, net by reportable segment:			
TRS	$ —	$ 17,915	$ 17,915

Other intangible assets, net. The Company recognized an indefinite-lived intangible asset for the racing and gaming licenses acquired in the Northfield Acquisition and recognized an intangible asset related to Northfield's customer list, which is amortized on a straight-line basis over its estimated useful life of 7 years.

Total amortization expense related to intangible assets was $1.8 million for the year ending December 31, 2018. Remaining estimated future amortization is as follows:

	(in thousands)
Years ending December 31,	
2019	$ 3,571
2020	3,571
2021	3,571
2022	3,571
2023	3,571
Thereafter	5,359
	$ 23,214

NOTE 7 — LEASES

Master Lease. Pursuant to the Master Lease, the Tenant has leased the Company's real estate properties from the Landlord. The Master Lease is accounted for as an operating lease and 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 real estate 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 the lease, including real estate taxes, insurance, utilities and routine maintenance, in addition to the base rent. Additionally, the Master Lease provides MGP with a right of first offer with respect to MGM Springfield, which MGP may exercise should MGM elect to sell this property in the future, and with respect to any future gaming development by MGM on the undeveloped land adjacent to Empire City.

In connection with the commencement of the third lease year on April 1, 2018, the base rent under the Master Lease increased to $695.8 million, resulting in total annual rent under the Master Lease of $770.3 million. Rent under the Master Lease consists of a "base rent" component and a "percentage rent" component. As of December 31, 2018, the base rent represents approximately 90% of the rent payments due under the Master Lease and the percentage rent represents approximately 10% of the rent payments due under 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 subsidiary sublessees of the Tenant (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 the Tenant's option, reimbursed cost revenue). 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 the 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 the Tenant's option, reimbursed cost revenue, for the trailing five calendar-year period by 1.4%).

In connection with the MGM National Harbor Transaction on October 5, 2017, the base rent under the Master Lease increased to $682.2 million and the percentage rent to $74.5 million, prorated for the remainder of the second lease year, resulting in total annual rent under the Master Lease of $756.7 million. As a result of this transaction, the Master Lease was amended to provide that the initial term with respect to MGM National Harbor ends on August 31, 2024. Thereafter, the initial term of the Master Lease with respect to MGM National Harbor may be renewed at the option of the Tenant for an initial renewal period lasting until the earlier of the end of the then-current term of the Master Lease or the next renewal term (depending on whether MGM elects to renew the other properties under the Master Lease in connection with the expiration of the initial ten-year term). If, however, the Tenant chooses not to renew the lease with respect to MGM National Harbor after the initial MGM National Harbor term under the Master Lease, the Tenant would also lose the right to renew the Master Lease with respect to the rest of the properties when the initial ten-year lease term ends related to the rest of the properties in 2026.

In connection with the Borgata Transaction on August 1, 2016, rent under the Master Lease increased by $100 million from the initial rent of $550 million, $90 million of which relates to the base rent for the initial term and the remaining $10 million of which relates to the percentage rent. Following the closing of the Borgata Transaction, the base rent under the Master Lease became $585 million for the initial term and the percentage rent became $65 million, prorated for the remainder of the first lease year after the Borgata Transaction.

Straight-line rental revenues from the Master Lease for the years ended December 31, 2018 and 2017 were $746.3 million and $675.1 million, respectively. The Company also recognized revenue related to tenant reimbursements and other of $123.2 million and $90.6 million for the years ended December 31, 2018 and 2017, respectively.

Straight-line rental revenues from the Master Lease for the year ended December 31, 2016 were $419.2 million. Rental revenues from the Master Lease for the year ended December 31, 2016 represents activity from the IPO Date through December 31, 2016. The Company also recognized revenue related to tenant reimbursements and other of $48.3 million for the year ended December 31, 2016.

Under the Master Lease, future non-cancelable minimum rental payments, which are the payments under the initial 10-year term and does not include the four five-year renewal options and through August 31, 2024 as it relates to MGM National Harbor, are as follows as of December 31, 2018:

Year ending December 31,	(in thousands)

2019	$780,782
2020	794,907
2021	809,315
2022	757,060
2023	738,435
Thereafter	1,568,769
Total	$5,449,268

Refer to Note 1 and Note 3 for transactions that have been entered into but not yet occurred as of December 31, 2018.

NOTE 8 — DEBT

Debt consists of the following:

	December 31,	
	2018	2017
	(in thousands)	
Senior secured credit facility:		
Senior secured term loan A facility	$470,000	$273,750
Senior secured term loan B facility	1,799,125	1,817,625
Senior secured revolving credit facility	550,000	—
$1,050 million 5.625% senior notes, due 2024	1,050,000	1,050,000
$500 million 4.50% senior notes, due 2026	500,000	500,000
$350 million 4.50% senior notes, due 2028	350,000	350,000
	4,719,125	3,991,375
Less: Unamortized discount and debt issuance costs	(52,176)	(56,747)
	$4,666,949	$3,934,628

Operating Partnership credit agreement. At December 31, 2018, the Operating Partnership senior credit facility consisted of a $470 million term loan A facility, a $1.8 billion term loan B facility, and a $1.4 billion revolving credit facility. In March 2018, the Operating Partnership repriced its term loan B interest rate to LIBOR plus 2.00% and extended the maturity of the term loan B facility to March 2025, which became effective in August 2018. In addition, the Operating Partnership will receive a further reduction in pricing to LIBOR plus 1.75% upon a corporate rating upgrade by either S&P or Moody's.

In June 2018, the Operating Partnership amended its credit agreement to provide for a $750 million increase of the revolving facility to $1.4 billion, a $200 million increase on the term loan A facility, and extension of the maturities of the revolving facility and the term loan A facility to June 2023. Additionally, the revolving and term loan A facilities were repriced to LIBOR plus 1.75% to 2.25% determined by reference to the total net leverage ratio pricing grid. In addition, amortization payments under the term loan A facility will start on the last business day of each calendar quarter beginning September 30, 2019, for an amount equal to 0.625% of the aggregate principal amount of the term loan A outstanding as of the amendment effective date.

Prior to the amendment, the term loan A facility was subject to amortization in equal quarterly installments of 2.5% of the initial aggregate principal amount to be payable each year. The Operating Partnership permanently repaid $3.8 million of the term loan A facility for the year ended December 31, 2018. The term loan B facility is subject to equal quarterly installments of 1.0% of the initial aggregate principal amount each year. The Operating Partnership permanently repaid $18.5 million of the term loan B facility in the year ended December 31, 2018 in accordance with the scheduled amortization. As of December 31, 2018, $550.0 million was drawn on the revolving credit facility. At December 31, 2018, the interest rate on the term loan A facility was 4.52%, the interest rate on the term loan B facility was 4.52% and the interest rate on the revolver facility was 4.43%. See Note 9 for further discussion of the Operating Partnership's interest rate swap agreements related to the term loan B facility. No letters of credit were outstanding under the Operating Partnership senior credit facility at December 31, 2018.

The credit agreement contains customary representations and warranties, events of default and positive and negative covenants. The revolving credit facility and term loan A facility also require that the Operating Partnership maintain compliance with a maximum secured net debt to adjusted total asset ratio, a maximum total net debt to adjusted asset ratio and a minimum interest coverage ratio. The Operating Partnership was in compliance with its financial covenants at December 31, 2018.

The revolving credit facility and the term loan facilities are both 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 priority lien security interest on substantially all of the Operating Partnership's and such restricted subsidiaries' material assets, including mortgages on its real estate, excluding the real estate assets of MGM National Harbor and Empire City, and subject to other customary exclusions.

Operating Partnership senior notes. In April 2016, the Operating Partnership issued $1.05 billion in aggregate principal amount of 5.625% senior notes due 2024. The senior notes will mature on May 1, 2024. Interest on the senior notes is payable on May 1 and November 1 of each year.

In August 2016, the Operating Partnership issued $500 million in aggregate principal amount of 4.50% senior notes due 2026. The senior notes will mature on September 1, 2026. Interest on the senior notes is payable on March 1 and September 1 of each year.

In September 2017, the Operating Partnership issued $350 million in aggregate principal amount of 4.50% senior notes due 2028. The senior notes will mature on January 15, 2028. Interest on the senior notes is payable on January 15 and July 15 of each year.

Subsequent to year end, in January 2019, the Operating Partnership issued $750 million in aggregate principal amount of 5.75% senior notes due 2027. The senior notes will mature on February 1, 2027. Interest on the senior notes is payable on February 1 and August 1 of each year, commencing on August 1, 2019.

Each series of the Operating Partnership's senior notes are fully and unconditionally guaranteed, jointly and severally, on a senior basis by all of the Operating Partnership's subsidiaries that guarantee the Operating Partnership's credit facilities, other than MGP Finance Co-Issuer, Inc., which is a co-issuer of the senior notes. The Operating Partnership may redeem all or part of the senior notes at a redemption price equal to 100% of the principal amount of the senior notes plus, to the extent the Operating Partnership is redeeming senior notes prior to the date that is three months prior to their maturity date, an applicable make whole premium, plus, in each case, accrued and unpaid interest. The indentures governing the senior notes contain customary covenants and events of default. These covenants are subject to a number of important exceptions and qualifications set forth in the applicable indentures governing the senior notes, including, with respect to the restricted payments covenants, the ability to make unlimited restricted payments to maintain the REIT status of MGP.

Maturities of debt. Maturities of the principal amount of the Operating Partnership's debt as of December 31, 2018 are as follows:

Year ending December 31,	(in thousands)
2019	$24,375
2020	30,250
2021	30,250
2022	30,250
2023	997,375
Thereafter	3,606,625
	$4,719,125

Fair value of long-term debt. The estimated fair value of the Operating Partnership's long-term debt was $4.5 billion and $4.1 billion at December 31, 2018 and 2017, respectively. Fair value was estimated using quoted market prices for the Operating Partnership's senior notes and senior credit facilities.

Deferred financing costs. The Operating Partnership recognized non-cash interest expense related to the amortization of deferred financing costs of $12.0 million, $11.4 million and $7.2 million during the years ended December 31, 2018, 2017 and 2016, respectively.

NOTE 9 — DERIVATIVES AND HEDGING ACTIVITIES

The Company uses derivative instruments to mitigate the effects of interest rate volatility inherent in its variable rate debt, which could unfavorably impact our future earnings and forecasted cash flows. The Company does not use derivative instruments for speculative or trading purposes.

The Operating Partnership is party to interest rate swaps to mitigate the interest rate risk inherent in its senior secured term loan B facility. As of December 31, 2018 and 2017, the Operating Partnership pays a weighted average fixed rate of 1.844%, on total notional amount of $1.2 billion, and the variable rate received will reset monthly to the one-month LIBOR, with no minimum floor, and mature in November 2021. In December 2018, the Operating Partnership entered into additional interest rate swaps that have a notional amount of $400 million on which it will pay

a fixed rate of 2.735% with the variable rate resetting monthly to the one-month LIBOR with a floor of 0%, and mature on December 31, 2024. Such interest rate swaps will become effective on December 31, 2019. As of December 31, 2018 and 2017, all of the Operating Partnership's derivative financial instruments have been designated as cash flow hedges and qualify for hedge accounting. The fair value of these interest rate swaps were$20.5 million and $11.3 million, recorded as an asset with prepaid expenses and other assets, as of December 31, 2018 and 2017, respectively, and $5.6 million and $0 recorded as a liability within accounts payable, accrued expenses and other liabilities, as of December 31, 2018 and 2017, respectively.

For the years ended December 31, 2018 and 2017, the amount recorded in other comprehensive income related to the derivative instruments was a net gain of $4.1 million and a net gain of $9.8 million, respectively. For the years ended December 31, 2018 and 2017, the Operating Partnership recorded interest income of $1.1 million and interest expense of $9.2 million, respectively, related to the swap agreements.

NOTE 10 — INCOME TAXES

The Company elected to be treated as a REIT as defined under Section 856(a) of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with its taxable year ended December 31, 2016. To qualify as a REIT, the Company must meet certain organizational, income, asset and distribution tests. Accordingly, except as described below, the Company will generally not be subject to corporate U.S. federal or state income tax to the extent that it makes qualifying distributions of all of its taxable income to its shareholders and provided it satisfies on a continuing basis, through actual investment and operating results, the REIT requirements, including certain asset, income, distribution and share ownership tests. 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 pays taxes at regular corporate income tax rates to the extent that it annually distributes less than 100% of its taxable income. The Company distributed 100% of its taxable income in the taxable year ended December 31, 2018 and expects to do so in future years. Accordingly, the accompanying combined and consolidated financial statements do not reflect a provision for federal income taxes for its REIT operations; however, the Company is subject to federal, state and local income tax on its TRS operations and may still be subject to federal excise tax, as well as certain state and local income and franchise taxes on its REIT operations. The Company's TRS owns the real estate assets and operations of Northfield that were acquired on July 6, 2018. The Company recorded a tax provision of $3.9 million on the operations of the TRS for the year ended December 31, 2018.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act made broad and complex changes to the U.S. tax code, including, but not limited to, reducing the U.S. federal corporate tax rate from 35 percent to 21 percent, creating a new limitation on deductible interest expense, and significantly changing the manner in which income from foreign operations are taxed in the U.S. Given that the Company is not subject to corporate U.S. federal income tax to the extent that it makes qualifying distributions of all of its taxable income to its shareholders, changes made by the Tax Act had no impact on the provision for federal income taxes for the year ended December 31, 2017. Consequently, the Company's accounting for the Tax Act was complete as of December 31, 2017.

The Landlord is required to join in the filing of a New Jersey consolidated corporation business tax return under the New Jersey Casino Control Act and include in such return its income and expenses associated with its New Jersey assets and is thus subject to an entity level tax in New Jersey. Although the consolidated New Jersey return also includes MGM and certain of its subsidiaries, the Company is required to record New Jersey state income taxes in the accompanying combined and consolidated financial statements as if the Landlord was taxed for state purposes on a stand-alone basis. The Company and MGM have entered into a tax sharing agreement providing for an allocation of taxes due in the consolidated New Jersey return. Pursuant to this agreement, the Landlord will only be responsible for New Jersey taxes on any gain that may be realized upon a future sale of the New Jersey assets resulting solely from an appreciation in value of such assets over their value on the date they were contributed to the Landlord by a subsidiary of MGM. MGM is responsible for all other taxes reported in the New Jersey consolidated return and, accordingly, the income tax balances related to such taxes are reflected within noncontrolling interest within the accompanying financial statements. No amounts are due to MGM under the tax sharing agreement as of December 31, 2018 or December 31, 2017.

The provision for income taxes is as follows:

	Year Ended December 31,		
	2018	2017	2016
	(in thousands)		
Federal:			
Current	$—	$—	$—
Deferred	3,639	—	—

Provision for federal income taxes	$3,639	$—	$—
State:			
Current	$5,746	$1,729	$2,156
Deferred	1,450	3,177	108
Provision for state income taxes	$7,196	$4,906	$2,264

A reconciliation of the federal income tax statutory rate and the Company's effective tax rate is as follows:

	Year Ended December 31,		
	2018	2017	2016
Federal income tax statutory rate	21.0 %	35.0 %	35.0 %
Federal valuation allowance	—	—	—
Income not subject to federal income tax	(19.6)	(35.0)	(35.0)
State taxes	2.8	2.9	6.0
Effective tax rate	4.2 %	2.9 %	6.0 %

The major tax-effected components of the Company's net deferred tax liability are as follows:

	December 31,	
	2018	2017
	(in thousands)	
Deferred tax asset – federal and state		
Accruals, reserves and other	$1,844	$—
Total deferred tax asset	$1,844	$—
Deferred tax liability – federal and state		
Real estate investments, net	$(33,466)	$(28,544)
Other intangible assets, net	(2,012)	—
Total deferred tax liability	(35,478)	(28,544)
Net deferred tax liability	$(33,634)	$(28,544)

The Company assesses its tax positions using a two-step process. A tax position is recognized if it meets a "more likely than not" threshold, and is measured at the largest amount of benefit that is greater than 50% likely of being realized. Uncertain tax positions must be reviewed at each balance sheet date. Liabilities recorded as a result of this analysis must generally be recorded separately from any current or deferred income tax accounts. The Company currently has no uncertain tax positions. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. No interest or penalties were recorded for the years ended December 31, 2018 or December 31, 2017.

The Company files income tax returns in the U.S. federal jurisdiction and various state and local jurisdictions. All returns are subject to examination by the relevant taxing authorities as of December 31, 2018.

NOTE 11 — SHAREHOLDERS' EQUITY AND PARTNERS' CAPITAL

MGP shareholders. On September 11, 2017, MGP completed an offering of 13.2 million Class A shares representing limited liability company interests in a registered public offering, including 1.7 million Class A shares sold pursuant to the exercise in full by the underwriters of their over-allotment option, for net proceeds of approximately $387.5 million after deducting underwriting discounts and commissions and estimated offering expenses. The net proceeds were contributed to the Operating Partnership in exchange for Operating Partnership units, as discussed below.

Subsequent to year end, on January 31, 2019, the Company completed an offering of 19.6 million Class A shares representing limited liability company interests in a registered public offering, including 2.6 million Class A shares sold pursuant to the exercise in full by the underwriters of their over-allotment option, for net proceeds of approximately $548.4 million after deducting underwriting discounts and commissions.

Operating Partnership capital. On September 11, 2017, in connection with the Company's registered offering of Class A shares, the Operating Partnership issued 13.2 million Operating Partnership units to the Company.

On October 5, 2017, in connection with the MGM National Harbor Transaction, the Operating Partnership issued 9.8 million Operating Partnership units to a subsidiary of MGM.

Subsequent to year end, on January 29, 2019, in connection with the Empire City Transaction, the Operating Partnership issued 12.9 million Operating Partnership units to a subsidiary of MGM.

Subsequent to year end, on January 31, 2019, in connection with the Company's registered offering of Class A shares, the Operating Partnership issued 19.6 million Operating Partnership units to the Company.

Accumulated Other Comprehensive Income. Comprehensive income includes net income and all other non-shareholder changes in equity, or other comprehensive income. Elements of the Company's accumulated other comprehensive income are reported in the accompanying combined and consolidated statement of shareholders' equity. The following table summarizes the changes in accumulated other comprehensive income:

	Cash Flow Hedges (in thousands)
Balance at January 1, 2017	$ 445
Other comprehensive income before reclassifications	566
Amounts reclassified from accumulated other comprehensive income to interest expense	9,216
Other comprehensive income	9,782
Less: Other comprehensive (income) attributable to noncontrolling interest	(7,119)
Balance at December 31, 2017	3,108
Other comprehensive income before reclassifications	5,258
Amounts reclassified from accumulated other comprehensive income to interest expense	(1,130)
Other comprehensive income	4,128
Less: Other comprehensive (income) attributable to noncontrolling interest	(3,028)
Balance at December 31, 2018	$ 4,208

MGP dividends and Operating Partnership distributions. The Operating Partnership declares and pays distributions. MGP pays its dividends with the receipt of its share of the Operating Partnership's distributions. Dividends with respect to MGP’s Class A shares are characterized for federal income tax purposes as taxable ordinary dividends, capital gains dividends, non-dividend distributions or a combination thereof. For the period from January 1, 2018 through December 31, 2018 our dividend per Class A share attributable to 2018 was $1.7075, characterized as $1.2669 ordinary dividends and $0.4406 non-dividend distributions. For the period from January 1, 2017 through December 31, 2017 our dividend per Class A share attributable to 2017 was $1.5297, characterized as $1.1542 ordinary dividends and $0.3755 non-dividend distributions.

NOTE 12 — NET INCOME PER CLASS A SHARE

The table below provides net income and the number of Class A shares used in the computations of “basic” net income per share, which utilizes the weighted-average number of Class A shares outstanding without regard to dilutive potential Class A shares, and “diluted” net income per share, which includes all such shares. Net income attributable to Class A shares, weighted average Class A shares outstanding and the effect of dilutive securities outstanding are presented for the period subsequent to the IPO Date. Net income per share has not been presented for the Class B shareholder as the Class B share is not entitled to any economic rights in the Company.

	Years ended		April 25 - December 31,
	2018	2017	2016
	(in thousands, except share amounts)		
Numerator:			
Net income attributable to Class A shares - basic and diluted	$67,065	$ 41,775	$ 29,938
Denominator:			

Weighted average Class A shares outstanding [1] - basic	70,997,589	71,733,136	57,502,158
Effect of dilutive shares for diluted net income per Class A share [2]	188,085	183,410	249,331
Weighted average Class A shares outstanding [1] - diluted	71,185,674	71,916,546	57,751,489

(1) Includes weighted average deferred share units granted to certain members of the board of directors.
(2) No shares related to outstanding share-based compensation awards were excluded due to being antidilutive.
(3) Diluted net income per Class A share does not assume conversion of the Operating Partnership units held by MGM as such conversion would be antidilutive.

NOTE 13 — NET INCOME PER OPERATING PARTNERSHIP UNIT

The table below provides net income and the number of Operating Partnership units used in the computations of "basic" net income per Operating Partnership unit, which utilizes the weighted-average number of Operating Partnership units outstanding without regard to dilutive potential Operating Partnership units, and "diluted" net income per Operating Partnership units, which includes all such Operating Partnership units. Net income attributable to Operating Partnership units, weighted average Operating Partnership units outstanding and the effect of dilutive securities outstanding are presented for the period subsequent to the IPO Date.

	Years ended		April 25 - December 31,
	2018	2017	2016
	(in thousands, except share amounts)		
Numerator:			
Net income - basic and diluted	$244,702	$ 165,990	$ 119,729
Denominator:			
Weighted average Operating Partnership units outstanding [1] - basic	266,131,712	249,451,258	232,181,070
Effect of dilutive shares for diluted net income per Operating Partnership unit [2]	188,085	183,410	249,331
Weighted average Operating Partnership units outstanding [1] - diluted	266,319,797	249,634,668	232,430,401

(1) Includes weighted average deferred share units granted to certain members of the Board of Directors.

(2) No shares related to outstanding share-based compensation awards were excluded due to being antidilutive.

NOTE 14 — COMMITMENTS AND CONTINGENCIES

Leases. The Landlord was assigned ground leases relating to Borgata, MGM National Harbor, and Beau Rivage. Such amounts will be paid by the Tenant pursuant to the Master Lease through 2046 (including renewal periods) for Borgata and National Harbor and through 2036 for Beau Rivage (the end of the lease term). At December 31, 2018, the Company was obligated under non-cancelable operating leases to make future minimum lease payments, which primarily relate to non-cancelable minimum lease payments pursuant to the ground leases through 2070 for Borgata, through 2082 for MGM National Harbor, and through 2036 for Beau Rivage, as follows:

Year ending December 31,	(in thousands)
2019	$19,868
2020	21,113
2021	24,996
2022	25,015
2023	24,875
Thereafter	1,310,253
	$1,426,120

Litigation. In the ordinary course of business, from time to time, the Company expects to be subject to legal claims and administrative proceedings, none of which are currently outstanding, which the Company believes could have, individually or in the aggregate, a material adverse effect on its business, financial condition or results of operations, liquidity or cash flows.

NOTE 15 — SEGMENTS

Consistent with how the Company's management reviews and assesses the Company's financial performance, the Company and the Operating Partnership have two reportable segments, REIT and TRS. As the Company's real estate properties, excluding Northfield, are similar to one another in that they consist of large-scale destination entertainment and leisure resorts and related offerings, whose tenants generally offer casino gaming, hotel, convention, dining, entertainment and retail, are held by a subsidiary of the Operating Partnership, have similar economic characteristics and are governed under a single Master Lease, this is considered the REIT reportable segment. As Northfield is the only property for which the Company owns the operations of the property in addition to the real estate assets and is organized as a taxable REIT subsidiary, this is considered the TRS reportable segment.

The following tables present the Company and Operating Partnership's segment information (in thousands):

	December 31, 2018		
	REIT	TRS	Total
Total revenues	$869,495	$132,949	$1,002,444
Operating income	445,578	30,181	475,759
Income before income taxes [1]	225,356	30,181	255,537
Income tax expense	6,922	3,913	10,835
Net Income [1]	218,434	26,268	244,702
Depreciation and amortization	261,184	11,847	273,031
Interest income [1]	2,501	—	2,501
Interest expense [1]	215,532	—	215,532
Capital expenditures	192	1,386	1,578

(1) Income before income taxes, net income, interest income and interest expense are net of intercompany interest eliminations of $10.9 million for the year ended December 31, 2018.

	December 31, 2018		
	REIT	TRS	Total
Total assets	$9,831,714	$1,119,593	$10,951,307

There was no TRS segment for the 2017 and 2016 periods and therefore, no tables are presented for those years.

NOTE 16 — CONSOLIDATING FINANCIAL INFORMATION

The Operating Partnership's senior notes were co-issued by the Operating Partnership and MGP Finance Co-Issuer, Inc., a 100% owned finance subsidiary of the Operating Partnership. Obligations to pay principal and interest on the senior notes are currently guaranteed by all of the Operating Partnership's subsidiaries, other than MGP Finance Co-Issuer, Inc., each of which is directly or indirectly 100% owned by the Operating Partnership. Such guarantees are full and unconditional, and joint and several and are subject to release in accordance with the events described below. Separate condensed financial information for the subsidiary guarantors as of December 31, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016 are presented below.

The guarantee of a subsidiary guarantor will be automatically released upon (i) a sale or other disposition (including by way of consolidation or merger) of the subsidiary guarantor, or the capital stock of the subsidiary guarantor; (ii) the sale or disposition of all or substantially all of the assets of the subsidiary guarantor; (iii) the designation in accordance with the indenture of a subsidiary guarantor as an unrestricted subsidiary; (iv) at such time as such subsidiary guarantor is no longer a subsidiary guarantor or other obligor with respect to any credit facilities or capital markets indebtedness of the Operating Partnership; or (v) defeasance or discharge of the notes.

CONSOLIDATING BALANCE SHEET INFORMATION

	December 31, 2018				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Real estate investments, net	$572	$—	$9,741,653	$—	$9,742,225
Property and equipment, used in operations, net	—	—	784,295	—	784,295
Cash and cash equivalents	3,995	—	55,822	—	59,817
Tenant and other receivables, net	26	—	14,964	—	14,990
Intercompany	841,179	—	—	(841,179)	—
Prepaid expenses and other assets	34,813	—	3,024	—	37,837
Investments in subsidiaries	9,790,350	—	—	(9,790,350)	—
Above market lease, asset	—	—	43,014	—	43,014
Goodwill	—	—	17,915	—	17,915
Other intangible assets, net	—	—	251,214	—	251,214
Total assets	$10,670,935	$—	$10,911,901	$(10,631,529)	$10,951,307
Debt, net	4,666,949	—	—	—	4,666,949
Due to MGM Resorts International and affiliates	227	—	80	—	307
Intercompany	—	—	841,179	(841,179)	—
Accounts payable, accrued expenses, and other liabilities	13,102	—	36,500	—	49,602
Above market lease, liability	—	—	46,181	—	46,181
Accrued interest	26,096	—	—	—	26,096
Distribution payable	119,055	—	—	—	119,055
Deferred revenue	—	—	163,977	—	163,977
Deferred income taxes, net	—	—	33,634	—	33,634
Total liabilities	4,825,429	—	1,121,551	(841,179)	5,105,801
General partner	—	—	—	—	—
Limited partners	5,845,506	—	9,790,350	(9,790,350)	5,845,506
Total partners' capital	5,845,506	—	9,790,350	(9,790,350)	5,845,506
Total liabilities and partners' capital	$10,670,935	$—	$10,911,901	$(10,631,529)	$10,951,307

CONSOLIDATING BALANCE SHEET INFORMATION

	December 31, 2017				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Real estate investments, net	$488	$—	$10,021,450	$—	$10,021,938
Cash and cash equivalents	259,722	—	—	—	259,722
Tenant and other receivables, net	299	—	6,086	—	6,385
Intercompany	1,383,397	—	—	(1,383,397)	—
Prepaid expenses and other assets	18,487	—	—	—	18,487
Investments in subsidiaries	8,479,388	—	—	(8,479,388)	—
Above market lease, asset	—	—	44,588	—	44,588
Total assets	$10,141,781	$—	$10,072,124	$(9,862,785)	$10,351,120
Debt, net	3,934,628	—	—	—	3,934,628
Due to MGM Resorts International and affiliates	962	—	—	—	962
Intercompany	—	—	1,383,397	(1,383,397)	—
Accounts payable, accrued expenses, and other liabilities	4,154	—	6,086	—	10,240
Above market lease, liability	—	—	47,069	—	47,069
Accrued interest	22,565	—	—	—	22,565
Distribution payable	111,733	—	—	—	111,733
Deferred revenue	—	—	127,640	—	127,640
Deferred income taxes, net	—	—	28,544	—	28,544
Total liabilities	4,074,042	—	1,592,736	(1,383,397)	4,283,381
General partner	—	—	—	—	—
Limited partners	6,067,739	—	8,479,388	(8,479,388)	6,067,739
Total partners' capital	6,067,739	—	8,479,388	(8,479,388)	6,067,739
Total liabilities and partners' capital	$10,141,781	$—	$10,072,124	$(9,862,785)	$10,351,120

CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME INFORMATION

	Year Ended December 31, 2018				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Revenues					
Rental revenue	$—	$—	$ 746,253	$—	$ 746,253
Tenant reimbursements and other	—	—	123,242	—	123,242
Gaming, food, beverage and other	—	—	132,949	—	132,949
	—	—	1,002,444	—	1,002,444
Expenses					
Gaming, food, beverage and other	—	—	88,053	—	88,053
Depreciation and amortization	108	—	272,923	—	273,031
Property transactions, net	—	—	20,319	—	20,319
Reimbursable expenses	—	—	119,531	—	119,531
Amortization of above market lease, net	—	—	686	—	686
Acquisition-related expenses	6,149	—	2,738	—	8,887
General and administrative	16,048	—	130	—	16,178
	22,305	—	504,380	—	526,685
Operating income (loss)	(22,305)	—	498,064	—	475,759
Equity in earnings of subsidiaries	476,353	—	—	(476,353)	—
Non-operating income (expense)					
Interest income	13,377	—	—	(10,876)	2,501
Interest expense	(215,532)	—	(10,876)	10,876	(215,532)
Other non-operating	(7,191)	—	—	—	(7,191)
	(209,346)	—	(10,876)	—	(220,222)
Income (loss) before income taxes	244,702	—	487,188	(476,353)	255,537
Provision for income taxes	—	—	(10,835)	—	(10,835)
Net income (loss)	$ 244,702	$—	$ 476,353	$ (476,353)	$ 244,702
Other comprehensive income (loss)					
Net income (loss)	244,702	—	476,353	(476,353)	244,702
Unrealized gain on cash flow hedges	4,128	—	—	—	4,128
Comprehensive income (loss)	$ 248,830	$—	$ 476,353	$ (476,353)	$ 248,830

CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION

	Year Ended December 31, 2018				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Cash flows from operating activities					
Net cash provided by (used in) operating activities	$(210,132)	$ —	$ 790,339	$ —	$ 580,207
Cash flows from investing activities					
Capital expenditures for property and equipment	(192)	—	(1,386)	—	(1,578)
Acquisition of Northfield, net of cash acquired	(1,068,336)	—	33,802	—	(1,034,534)
Net cash provided by (used in) investing activities	(1,068,528)	—	32,416	—	(1,036,112)
Cash flows from financing activities					
Net borrowings (repayments) under bank credit facility	727,750	—	—	—	727,750
Deferred financing costs	(17,490)	—	—	—	(17,490)
Distributions paid	(454,260)	—	—	—	(454,260)
Cash received by Parent on behalf of Guarantor Subsidiaries	766,933	—	(766,933)	—	—
Net cash provided by (used in) financing activities	1,022,933	—	(766,933)	—	256,000
Cash and cash equivalents					
Net increase (decrease) for the period	(255,727)	—	55,822	—	(199,905)
Balance, beginning of period	259,722	—	—	—	259,722
Balance, end of period	$3,995	$ —	$ 55,822	$ —	$ 59,817

CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME INFORMATION

	Year Ended December 31, 2017				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Revenues					
Rental revenue	$—	$ —	$ 675,089	$ —	$ 675,089
Tenant reimbursements and other	—	—	90,606	—	90,606
	—	—	765,695	—	765,695
Expenses					
Depreciation	—	—	260,455	—	260,455
Property transactions, net	—	—	34,022	—	34,022
Reimbursable expenses	—	—	88,254	—	88,254
Amortization of above market lease, net	—	—	686	—	686
Acquisition-related expenses	17,304	—	—	—	17,304
General and administrative	12,189	—	—	—	12,189
	29,493	—	383,417	—	412,910
Operating income (loss)	(29,493)	—	382,278	—	352,785
Equity in earnings of subsidiaries	377,372	—	—	(377,372)	—
Non-operating income (expense)					
Interest income	3,907	—	—	—	3,907
Interest expense	(184,175)	—	—	—	(184,175)
Other non-operating	(1,621)	—	—	—	(1,621)
	(181,889)	—	—	—	(181,889)
Income (loss) before income taxes	165,990	—	382,278	(377,372)	170,896
Provision for income taxes	—	—	(4,906)	—	(4,906)
Net income (loss)	$ 165,990	$ —	$ 377,372	$ (377,372)	$ 165,990
Other comprehensive income (loss)					
Net income (loss)	165,990	—	377,372	(377,372)	165,990
Unrealized gain on cash flow hedges	9,782	—	—	—	9,782
Comprehensive income (loss)	$ 175,772	$ —	$ 377,372	$ (377,372)	$ 175,772

CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION

	Year Ended December 31, 2017				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Cash flows from operating activities					
Net cash provided by (used in) operating activities	$(198,925)	$ —	$ 681,503	$ —	$ 482,578
Cash flows from investing activities					
Capital expenditures for property and equipment funded by Parent	(488)	—	—	—	(488)
MGM National Harbor transaction	(462,500)	—	—	—	(462,500)
Net cash used in investing activities	(462,988)	—	—	—	(462,988)
Cash flows from financing activities					
Proceeds from issuance of debt	350,000	—	—	—	350,000
Deferred financing costs	(5,598)	—	—	—	(5,598)
Repayment of assumed debt	(425,000)	—	—	—	(425,000)
Repayment of debt principal	(41,875)	—	—	—	(41,875)
Proceeds from purchase of Operating Partnership units by MGP	387,548	—	—	—	387,548
Distributions paid	(385,435)	—	—	—	(385,435)
Cash received by Parent on behalf of Guarantor Subsidiaries	681,503	—	(681,503)	—	—
Net cash provided by (used in) financing activities	561,143	—	(681,503)	—	(120,360)
Cash and cash equivalents					
Net decrease for the period	(100,770)	—	—	—	(100,770)
Balance, beginning of period	360,492	—	—	—	360,492
Balance, end of period	$259,722	$ —	$ —	$ —	$ 259,722

CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME INFORMATION

	Year Ended December 31, 2016				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Revenues					
Rental revenue	$—	$—	$ 419,239	$—	$ 419,239
Tenant reimbursements and other	—	—	48,309	—	48,309
	—	—	467,548	—	467,548
Expenses					
Depreciation	—	—	220,667	—	220,667
Property transactions, net	—	—	4,684	—	4,684
Reimbursable expenses	—	—	68,063	—	68,063
Amortization of above market lease, net	—	—	286	—	286
Acquisition-related expenses	10,178	—	—	—	10,178
General and administrative	9,896	—	—	—	9,896
	20,074	—	293,700	—	313,774
Operating income (loss)	(20,074)	—	173,848	—	153,774
Equity in earnings of subsidiaries	171,584	—	—	(171,584)	—
Non-operating income (expense)					
Interest income	774	—	—	—	774
Interest expense	(116,212)	—	—	—	(116,212)
Other non-operating	(726)	—	—	—	(726)
	(116,164)	—	—	—	(116,164)
Income (loss) before income taxes	35,346	—	173,848	(171,584)	37,610
Provision for income taxes	—	—	(2,264)	—	(2,264)
Net income (loss)	$35,346	$—	$ 171,584	$ (171,584)	$ 35,346
Other comprehensive income (loss)					
Net income (loss)	35,346	—	171,584	(171,584)	35,346
Unrealized gain on cash flow hedges	1,879	—	—	—	1,879
Comprehensive income (loss)	$37,225	$—	$ 171,584	$ (171,584)	$ 37,225

CONSOLIDATING STATEMENT OF CASH FLOWS INFORMATION

	Year Ended December 31, 2016				
	Operating Partnership	Co-Issuer	Guarantor Subsidiaries	Eliminations	Consolidated
	(in thousands)				
Cash flows from operating activities					
Net cash provided by (used in) operating activities	$(99,884)	$—	$397,665	$—	$297,781
Cash flows from investing activities					
Capital expenditures for property and equipment funded by Parent	—	—	(138,987)	—	(138,987)
Net cash used in investing activities	—	—	(138,987)	—	(138,987)
Cash flows from financing activities					
Proceeds from issuance of debt	3,700,000	—	—	—	3,700,000
Deferred financing costs	(77,163)	—	—	—	(77,163)
Repayment of bridge facilities	(4,544,850)	—	—	—	(4,544,850)
Repayment of debt principal	(16,750)	—	—	—	(16,750)
Proceeds from purchase of Operating Partnership units by MGP	1,132,468	—	—	—	1,132,468
Distributions paid	(150,829)	—	—	—	(150,829)
Cash received by Parent on behalf of Guarantor Subsidiaries	417,500	—	(417,500)	—	—
Net cash transfers from Parent	—	—	158,822	—	158,822
Net cash provided by (used in) financing activities	460,376	—	(258,678)	—	201,698
Cash and cash equivalents					
Net increase for the period	360,492	—	—	—	360,492
Balance, beginning of period	—	—	—	—	—
Balance, end of period	$360,492	$—	$—	$—	$360,492

NOTE 17 — MGP SELECTED QUARTERLY FINANCIAL RESULTS (UNAUDITED)

	Quarter				
	First	Second	Third	Fourth	Total
	(in thousands, except per share data)				
2018					
Revenues	$215,839	$220,390	$282,221	$283,994	$1,002,444
Operating income	109,782	100,525	134,789	130,663	475,759
Net income	58,169	48,059	69,923	68,551	244,702
Net income attributable to Class A shareholders	15,830	13,146	19,484	18,605	67,065
Net income per Class A share (basic)	$0.22	$0.19	$0.27	$0.26	$0.94
Net income per Class A share (diluted)	$0.22	$0.18	$0.27	$0.26	$0.94
2017					
Revenues	$183,899	$184,456	$182,798	$214,542	$765,695
Operating income	92,022	90,167	89,378	81,218	352,785
Net income	46,692	43,875	43,700	31,723	165,990
Net income attributable to Class A shareholders	11,348	10,680	11,025	8,722	41,775
Net income per Class A share (basic)	$0.20	$0.19	$0.18	$0.12	$0.68
Net income per Class A share (diluted)	$0.20	$0.18	$0.18	$0.12	$0.67

Because net income per Class A share amounts are calculated using the weighted average number of basic and dilutive Class A shares outstanding during each quarter, the sum of the per share amounts for the four quarters does not equal the total net income per Class A share amounts for the year. The following sections list certain items affecting comparability of quarterly and year-to-date

results and related per share amounts. Additional information related to these items is included elsewhere in the notes to the accompanying financial statements.

In the third quarter of 2018, on July 6, 2018, the TRS completed the Northfield Acquisition. As a result of this acquisition, the Company began recording revenue and incurring expenses from Northfield's operations. See Note 3 for additional detail.

In the fourth quarter of 2017, on October 5, 2017, MGM, MGP, the Operating Partnership, the Landlord and the Tenant completed the MGM National Harbor Transaction. The real estate assets related to MGM National Harbor were leased by the Landlord to the Tenant via an amendment to the Master Lease. As a result, the initial rent under the Master Lease increased by $95 million, $85.5 million of which relates to the base rent for the remainder of the 2017 lease year and the remaining $9.5 million of which relates to the percentage rent.

NOTE 18 — OPERATING PARTNERSHIP SELECTED QUARTERLY FINANCIAL RESULTS (UNAUDITED)

	Quarter				
	First	Second	Third	Fourth	Total
	(in thousands, except per unit data)				
2018					
Revenues	$215,839	$220,390	$282,221	$283,994	$1,002,444
Operating income	109,782	100,525	134,789	130,663	475,759
Net income	58,169	48,059	69,923	68,551	244,702
Net income per Operating Partnership unit (basic)	$0.22	$0.18	$0.26	$0.26	$0.92
Net income per Operating Partnership unit (diluted)	$0.22	$0.18	$0.26	$0.26	$0.92
2017					
Revenues	$183,899	$184,456	$182,798	$214,542	$765,695
Operating income	92,022	90,167	89,378	81,218	352,785
Net income	46,692	43,875	43,700	31,723	165,990
Net income per Operating Partnership unit (basic)	$0.19	$0.18	$0.18	$0.12	$0.67
Net income per Operating Partnership unit (diluted)	$0.19	$0.18	$0.18	$0.12	$0.66

See Note 17 for a discussion of items affecting comparability for the years ended December 31, 2018 and 2017, which are the same for the Operating Partnership.

MGM GROWTH PROPERTIES LLC AND MGM GROWTH PROPERTIES OPERATING PARTNERSHIP LP

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION
(in thousands)

December 31, 2018

		Acquisition Costs[a]		Costs Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period[b]				
Property[c]	Encumbrances	Land	Building, Improvements and Other	Land	Building, Improvements and Other	Land	Building, Improvements and Other	Total	Accumulated Depreciation	Year Acquir
Investment Properties:										
New York-New York	e	$149,984	$484,001	$—	$—	$149,984	$484,536	$634,520	$(296,527)	2016
The Mirage	e	1,017,562	760,222	—	—	1,017,562	747,479	1,765,041	(484,617)	2016
Mandalay Bay	e	1,199,785	1,882,381	—	—	1,199,785	1,871,540	3,071,325	(733,704)	2016
Luxor	e	440,685	710,796	—	—	440,685	704,484	1,145,169	(350,834)	2016
Excalibur	e	814,805	342,685	—	43,945	814,805	384,036	1,198,841	(144,345)	2016
Park MGM	e	291,035	376,625	—	100,768	291,035	322,875	613,910	(87,453)	2016
Beau Rivage	e	104,945	561,457	—	—	104,945	559,210	664,155	(258,113)	2016
MGM Grand Detroit	e	52,509	597,324	—	—	52,509	597,324	649,833	(177,119)	2016
Gold Strike Tunica	e	3,609	179,146	—	—	3,609	178,578	182,187	(88,475)	2016
Borgata	e	35,568	1,264,432	—	—	35,568	1,254,782	1,290,350	(87,997)	2016
MGM National Harbor	—	—	1,183,909	—	—	—	1,199,839	1,199,839	(83,837)	2017
The Park	e	33,026	101,353	—	—	33,026	100,115	133,141	(13,638)	2016
		4,143,513	8,444,331	—	144,713	4,143,513	8,404,798	12,548,311	(2,806,659)	
Corporate Property:										
MGP Corporate Office		—	488	—	192	—	681	681	(108)	2017
		$4,143,513	$8,444,819	$—	$144,905	$4,143,513	$8,405,479	$12,548,992	$(2,806,767)	

(a)

Represents the net carrying value of the IPO Properties on the IPO Date and the real estate assets of Borgata and MGM National Harbor on their respective acquisition dates by the Operating Partnership.

(b) The aggregate cost of land, buildings and improvements for federal income tax purposes is approximately $8.7 billion.

(c) All of the properties are large-scale destination entertainment and gaming-related properties, with the exception of The Park and MGP Corporate Office. See “Item 1 — Business — Our Properties” for additional detail about our properties.

(d) We have omitted the date of construction of our properties on the basis that compiling this disclosure on a site-by-site basis would be impracticable because the majority of the real estate assets were constructed by other companies that were later acquired by MGM and then ultimately acquired by MGP on the IPO Date.

(e) The assets comprising these Properties collectively secure the entire amount of the Operating Partnership's senior secured credit facility.

(f) Depreciation is computed based on the following estimated useful lives:

Buildings and building improvements	20 to 40 years
Land improvements	10 to 20 years
Fixtures and integral equipment	3 to 20 years

Reconciliation of Real Estate

	2018	2017	2016
Balance at beginning of year	$12,655,847	$11,468,170	$9,965,185
Additions [1]	19,508	1,273,776	1,511,390
Dispositions and write-offs	(105,646)	(86,905)	(8,405)
Other	(20,717)	806	—
Balance at end of year	$12,548,992	$12,655,847	$11,468,170

(1) 2017 includes $1.2 billion resulting from the Operating Partnership's acquisition of MGM National Harbor from MGM. See “Note 3 — Acquisitions — MGM National Harbor Transaction” for additional details. 2016 includes $1.3 billion resulting from the Operating Partnership's acquisition of Borgata from MGM. See “Note 3 — Acquisitions — Borgata Transaction” for additional details.

Reconciliation of Accumulated Depreciation

	2018	2017	2016
Balance at beginning of year	$(2,633,909)	$(2,388,492)	$(2,171,546)
Depreciation expense	(261,184)	(260,455)	(220,667)
Dispositions and write-offs	85,327	52,883	3,721
Other	2,999	(37,845)	—
Balance at end of year	$(2,806,767)	$(2,633,909)	$(2,388,492)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Controls and Procedures with respect to MGP

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers as appropriate, to allow timely decisions regarding required disclosure. Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2018. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2018.

Management's Annual Report on Internal Control over Financial Reporting

Management's Responsibilities

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Sections 13a-15(f) and 15d-15(f) of the Exchange Act) for MGM Growth Properties LLC and subsidiaries (the "Company").

Objective of Internal Control over Financial Reporting

In establishing adequate internal control over financial reporting, management has developed and maintained a system of internal control, policies and procedures designed to provide reasonable assurance that information contained in the accompanying consolidated financial statements and other information presented in this annual report is reliable, does not contain any untrue statement of a material fact or omit to state a material fact, and fairly presents in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented in this annual report. These include controls and procedures designed to ensure that this information is accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate for all timely decisions regarding required disclosure. Significant elements of the Company's internal control over financial reporting include, for example:

- Hiring skilled accounting personnel and training them appropriately;
- Written accounting policies;
- Written documentation of accounting systems and procedures;
- Segregation of incompatible duties;
- Internal audit function to monitor the effectiveness of the system of internal control; and
- Oversight by an independent Audit Committee of the Board of Directors.

Management’s Evaluation

Management, with the participation of the Company’s principal executive officer and principal financial officer, has evaluated the Company’s internal control over financial reporting using the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In making its evaluation of the Company's internal control over financial reporting, Management excluded Northfield from its evaluation because it was acquired in a business combination in the third quarter 2018. Northfield represented approximately 10% of the Company's total assets at December 31, 2018 and approximately 13% of its total revenues for the year ended December 31, 2018.

Based on its evaluation as of December 31, 2018, management believes that the Company’s internal control over financial reporting is effective in achieving the objectives described above.

The Company’s independent registered public accounting firm’s report on the effectiveness of our internal control over financial reporting appears herein.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2018, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Controls and Procedures with respect to the Operating Partnership

In this “Controls and Procedures with respect to the Operating Partnership” section, the terms “we”, “our” and “us” refer to the Operating Partnership together with its consolidated subsidiaries, and “management”, “principal executive officer” and “principal financial officer” refers to the management, principal executive officer and principal financial officer of the Operating Partnership and of the Operating Partnership's general partner.

Evaluation of Disclosure Controls and Procedures

The Operating Partnership established disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by the Operating Partnership in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that it files or submits under the Exchange Act is accumulated and communicated to management, including our principal executive and principal financial officers as appropriate, to allow timely decisions regarding required disclosure. The Operating Partnership's management, with the participation of its principal executive officer and principal financial officer, evaluated the effectiveness of the Operating Partnership's disclosure controls and procedures as of December 31, 2018. Based on this evaluation, the principal executive officer and principal financial officer concluded that its disclosure controls and procedures were effective as of December 31, 2018.

Management’s Annual Report on Internal Control over Financial Reporting

Management’s Responsibilities

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Sections 13a-15(f) and 15d-15(f) of the Exchange Act) for MGM Growth Properties Operating Partnership LP and subsidiaries (the “Partnership”).

Objective of Internal Control over Financial Reporting

In establishing adequate internal control over financial reporting, management has developed and maintained a system of internal control, policies and procedures designed to provide reasonable assurance that information contained in the accompanying consolidated financial statements and other information presented in this annual report is reliable, does not contain any untrue statement of a material fact or omit to state a material fact, and fairly presents in all material respects the financial condition, results of operations and cash flows of the Partnership as of and for the periods presented in this annual report. These include controls and procedures designed to ensure that this information is accumulated and communicated to the Partnership’s management, including its principal executive officer and principal financial officer, as appropriate for all timely decisions regarding required disclosure. Significant elements of the Partnership’s internal control over financial reporting include, for example:

- Hiring skilled accounting personnel and training them appropriately;
- Written accounting policies;
- Written documentation of accounting systems and procedures;
- Segregation of incompatible duties;
- Internal audit function to monitor the effectiveness of the system of internal control; and
- Oversight by an independent Audit Committee of the Board of Directors.

Management’s Evaluation

Management, with the participation of the Partnership’s principal executive officer and principal financial officer, has evaluated the Partnership’s internal control over financial reporting using the criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In making its evaluation of the Company's internal control over financial reporting, Management excluded Northfield from its evaluation because it was acquired in a business combination in the third quarter 2018. Northfield represented approximately 10% of the Company's total assets at December 31, 2018 and approximately 13% of its total revenues for the year ended December 31, 2018.

Based on its evaluation as of December 31, 2018, management believes that the Partnership’s internal control over financial reporting is effective in achieving the objectives described above.

The Company’s independent registered public accounting firm’s report on the effectiveness of our internal control over financial reporting appears herein.

Changes in Internal Control over Financial Reporting

During the quarter ended December 31, 2018, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We incorporate by reference the information appearing under "Executive Officers of the Registrant" in Item 1 of this Form 10-K and under "Election of Directors" and "Corporate Governance" in our definitive Proxy Statement for our 2019 Annual Meeting of Shareholders, which we expect to file with the SEC within 120 days after December 31, 2018 (the "Proxy Statement").

ITEM 11. EXECUTIVE COMPENSATION

We incorporate by reference the information appearing under "Director Compensation" and "Executive Compensation" and "Compensation Committee Report" in the Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

We incorporate by reference the information appearing under "Principal Shareholders" and "Election of Directors" in the Proxy Statement.

Equity Compensation Plan Information

The following table includes information about our equity compensation plans at December 31, 2018:

	Securities to be issued upon exercise of outstanding options, warrants and rights (in thousands)	Weighted average exercise price of outstanding options, warrants and rights	Securities available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders[1]	352	N/A	1,962
Equity compensation plans not approved by shareholders	—	—	—
Total	352	N/A	1,962

(1) As of December 31, 2018 we had restricted share units, performance share units and deferred share units outstanding. These awards do not have an exercise price. The amount included in the securities outstanding above for performance share units assumes that each target price is achieved.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We incorporate by reference the information appearing under “Transactions with Related Persons” and “Corporate Governance” in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

We incorporate by reference the information appearing under “Selection of Independent Registered Public Accounting Firm” in the Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1). Financial Statements. The following combined consolidated financial statements of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP are filed as part of this report under Item 8 - "Financial Statements and Supplementary Data."

Report of Independent Registered Public Accounting Firm on MGM Growth Properties LLC Internal Control Over Financial Reporting
Report of Independent Registered Public Accounting Firm on MGM Growth Properties LLC Combined and Consolidated Financial Statements
Report of Independent Registered Public Accounting Firm on MGM Growth Properties Operating Partnership Combined and Consolidated Financial Statements
MGM Growth Properties LLC:
Consolidated Balance Sheets — December 31, 2018 and 2017
Years Ended December 31, 2018, 2017, and 2016
Combined and Consolidated Statements of Operations
Combined and Consolidated Statements of Comprehensive Income
Combined and Consolidated Statements of Cash Flows
Combined and Consolidated Statements of Shareholders' Equity
MGM Growth Properties Operating Partnership LP:
Consolidated Balance Sheets — December 31, 2018 and 2017
Years Ended December 31, 2018, 2017, and 2016
Combined and Consolidated Statements of Operations
Combined and Consolidated Statements of Comprehensive Income
Combined and Consolidated Statements of Cash Flows
Combined and Consolidated Statements of Partners' Capital
Notes to Combined and Consolidated Financial Statements

(a)(2). Financial Statement Schedule. The following financial statement schedule of the Company is filed as part of this report under Item 8 - "Financial Statements and Supplementary Data."

MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP:
Schedule III — Real Estate and Accumulated Depreciation — December 31, 2018

The financial information in the financial statement schedule should be read in conjunction with the consolidated financial statements. We have omitted schedules other than the one listed above because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

(a)(3). Exhibits.

Exhibit Number	Description
2.1	Master Contribution Agreement by and among MGM Resorts International, MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP, dated as of April 25, 2016 (incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K filed on April 25, 2016)
2.2	Master Transaction Agreement by and among MGM National Harbor, LLC, MGM Growth Properties LLC, MGM Resorts International, MGM Growth Properties Operating Partnership LP, MGP Lessor, LLC and MGM Lessee, LLC, dated as of September 5, 2017 (incorporated by reference to Exhibit 2.1 of our Current

Report on Form 8-K filed on September 6, 2017)

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Exhibit Number	Description
2.3	Membership Interest Purchase Agreement, dated as of April 4, 2018, among MGP OH, Inc., Milstein Entertainment LLC, Operating Partnership and Brock Milstein (incorporated by reference to Exhibit 2.1 of our Current Report on Form 8-K filed on April 5, 2018)
3.1	Amended and Restated Limited Liability Company Agreement of MGM Growth Properties LLC, effective April 18, 2016 (incorporated by reference to Exhibit 4.1 of our Registration Statement on Form S-8 (File No. 333-210832) filed on April 19, 2016)
3.2	Second Amended and Restated Limited Partnership Agreement of MGM Growth Properties Operating Partnership LP, dated as of February 2, 2017 (incorporated by reference to Exhibit 3.1 of our Quarterly Report on Form 10-Q filed on May 8, 2017)
4.1	Indenture, dated as of April 20, 2016, among MGP Escrow Issuer, LLC and MGP Escrow Co-Issuer, Inc. and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Current Report on Form 8-K of MGM Resorts International filed on April 21, 2016)
4.2	Supplemental Indenture, dated as of April 25, 2016, among MGM Growth Properties Operating Partnership LP, MGP Escrow Co-Issuer, Inc., MGP Lessor Holdings, LLC, MGP Lessor, LLC and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.3 of our Current Report on Form 8-K filed on April 25, 2016)
4.3	Indenture, dated as of August 12, 2016, among MGM Growth Properties Operating Partnership LP, MGP Finance Co-Issuer, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on August 12, 2016)
4.4	Indenture, dated as of September 21, 2017, among MGM Growth Properties Operating Partnership LP, MGP Finance Co-Issuer, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on September 21, 2017)
4.5	Supplemental Indenture to the Indentures, dated as of June 15, 2018, among MGP OH, Inc., MGP Finance Co-Issuer, Inc. and MGM Growth Properties Operating Partnership LP, the Subsidiary Guarantors named therein, and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 of our Quarterly Report on Form 10-Q filed on August 7, 2018)
4.6	Second Supplemental Indenture to the Indentures, dated as of July 10, 2018, among Northfield Park Associates LLC, Cedar Downs OTB, LLC, MGP Finance Co-Issuer, Inc. and MGM Growth Properties Operating Partnership LP (incorporated by reference to Exhibit 4.1 of our Quarterly Report on Form 10-Q filed on November 5, 2018)
4.7	Indenture, dated as of January 25, 2019, among the MGM Growth Propertied Operating Partnership LP, MGP Finance Co-Issuer, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of our Current Report on Form 8-K filed on January 25, 2019)
10.1	Master Lease between MGP Lessor, LLC and MGM Lessee, LLC, dated April 25, 2016 (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on April 25, 2016)
10.2	First Amendment to Master Lease, dated as of August 1, 2016, between MGP Lessor, LLC and MGM Lessee, LLC (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K of MGM Resorts International filed on August 1, 2016)
10.3	Second Amendment to Master Lease, dated as of October 5, 2017, between MGP Lessor, LLC and MGM Lessee, LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on October 6, 2017)
10.4	Third Amendment to Master Lease, dated as of January 29, 2019, between MGP Lessor, LLC and MGM Lessee, LLC (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on January

	29, 2019)
10.5	Credit Agreement dated as of April 25, 2016, among MGM Growth Properties Operating Partnership LP, the financial institutions referred to as Lenders therein and the Administrative Agent (incorporated by reference to Exhibit 10.17 of our Current Report on Form 8-K filed on April 25, 2016)
10.6	First Amendment to Credit Agreement, dated October 26, 2016, among MGM Growth Properties Operating Partnership LP, the other loan parties and lenders named therein and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on October 26, 2016)
10.7	Second Amendment to Credit Agreement, dated May 1, 2017, among MGM Growth Properties Operating Partnership LP, the other loan parties and lenders named therein and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on May 1, 2017)
10.8	Third Amendment to Credit Agreement, dated March 23, 2018, among MGM Growth Properties Operating Partnership LP, the other loan parties and lenders named therein and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on March 26, 2018)

Exhibit Number	Description
10.9	Fourth Amendment to Credit Agreement, dated June 14, 2018, among MGM Growth Properties Operating Partnership LP, the other loan parties and lenders named therein and Bank of America, N.A., as administrative agent (incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K filed on June 18, 2018)
10.10	Corporate Services Agreement between MGM Growth Properties Operating Partnership LP and MGM Resorts International, dated as of April 25, 2016 (incorporated by reference to Exhibit 10.2 of our Current Report on Form 8-K filed on April 25, 2016)
10.11	Amended and Restated Registration Rights Agreement between MGM Growth Properties LLC and MGM Resorts International, dated as of October 5, 2017 (incorporated by reference to Exhibit 10.8 of our Annual Report on Form 10-K filed on March 1, 2018)
10.12	IP License Agreement between MGM Growth Properties LLC and MGM Resorts International, dated as of April 25, 2016 (incorporated by reference to Exhibit 10.4 of our Current Report on Form 8-K filed on April 25, 2016)
†10.13	Hotel and Casino Ground Lease between National Harbor Beltway L.C., as landlord, and MGM National Harbor, LLC, as tenant, dated as of April 26, 2013 (incorporated by reference to Exhibit 10.4(3) of the Annual Report on Form 10-K of MGM Resorts International filed on March 1, 2017)
†10.14	First Amendment to the Hotel and Casino Ground Lease, dated July 23, 2014 between National Harbor Beltway L.C. and MGM National Harbor, LLC (incorporated by reference to Exhibit 10.4(4) of the Annual Report on Form 10-K of MGM Resorts International filed on March 1, 2017)
†10.15	Second Amendment to the Hotel and Casino Ground Lease, dated November 24, 2015 between National Harbor Grand LLC and MGM National Harbor, LLC (incorporated by reference to Exhibit 10.4(5) of the Annual Report on Form 10-K of MGM Resorts International filed on March 1, 2017)
10.16	Third Amendment to the Hotel and Casino Ground Lease, dated August 21, 2017, between National Harbor Grand LLC and MGM National Harbor, LLC (incorporated by reference to Exhibit 10.1 of the Quarterly Report on Form 10-Q of MGM Resorts International filed on November 9, 2017)
10.17*	Employment Agreement of James C. Stewart (incorporated by reference to Exhibit 10.11 of our Registration Statement on Form S-11 (File No. 333-210322) filed on April 5, 2016)
10.18*	Employment Agreement of Andy H. Chien (incorporated by reference to Exhibit 10.12 of our Registration Statement on Form S-11 (File No. 333-210322) filed on April 5, 2016)
10.19*	2016 Omnibus Incentive Plan (incorporated by reference to Exhibit 99.1 of the Registration Statement on Form S-8 (File No. 333-210832) filed on April 19, 2016)
10.20*	Annual Performance-Based Incentive Plan (incorporated by reference to Exhibit 10.7 of our Current Report on Form 8-K of MGM Growth Properties LLC filed on April 25, 2016)
10.21*	Change of Control Policy for Executive Officers (incorporated by reference to Exhibit 10.8 of our Current Report on Form 8-K filed on April 25, 2016)
10.22*	MGM Growth Properties LLC Nonqualified Deferred Compensation Plan (incorporated by reference to Exhibit 10.9 of our Current Report on Form 8-K filed on April 25, 2016)
10.23*	2016 Deferred Compensation Plan for Non-Employee Directors (incorporated by reference to Exhibit 10.10 of our Current Report on Form 8-K filed on April 25, 2016)
10.24*	Form of 2016 Performance Share Units Agreement (incorporated by reference to Exhibit 10.11 of our Current Report on Form 8-K filed on April 25, 2016)
10.25*	Form of 2016 Performance Share Units Agreement (Bonus) (incorporated by reference to Exhibit 10.12 of our Current Report on Form 8-K filed on April 25, 2016)
10.26*	Form of 2016 Restricted Share Units Agreement (Non-Employee Directors) (incorporated by reference to Exhibit 10.13 of our Current Report on Form 8-K filed on April 25, 2016)
10.27*	Form of 2016 Restricted Share Units Agreement (Employees) (incorporated by reference to Exhibit 10.14 of our Current Report on Form 8-K filed on April 25, 2016)

10.28*	Form of 2016 Restricted Share Units Agreement (MGM Non-Employee Directors) (incorporated by reference to Exhibit 10.15 of our Current Report on Form 8-K filed on April 25, 2016)

Exhibit Number	Description
10.29*	Form of 2016 Restricted Share Units Agreement (MGM Employees) (incorporated by reference to Exhibit 10.16 of our Current Report on Form 8-K filed on April 25, 2016)
10.30*	Form of Restricted Stock Unit Agreement (2018 Bonus RSUs) (incorporated by reference to Exhibit 10.2 of our Quarterly Report on Form 10-Q filed on May 4, 2018)
10.31*	Form of Restricted Stock Unit Agreement (Bonus RSUs) (incorporated by reference to Exhibit 10.3 of our Quarterly Report on Form 10-Q filed on May 4, 2018)
21.1	Subsidiaries of MGM Growth Properties LLC
21.2	Subsidiaries of MGM Growth Properties Operating Partnership LP
23.1	Consent of Deloitte & Touche LLP for MGM Growth Properties LLC
23.2	Consent of Deloitte & Touche LLP for MGM Growth Properties Operating Partnership LP
31.1	Certification of Chief Executive Officer of MGM Growth Properties LLC pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Executive Officer of MGM Growth Properties Operating Partnership LP pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3	Certification of Chief Financial Officer of MGM Growth Properties LLC pursuant to Rule 13a-14(a) and15d-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4	Certification of Chief Financial Officer of MGM Growth Properties Operating Partnership LP pursuant to Rule 13a-14(a) and 15d-14(a) of the Exchange Act, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer of MGM Growth Properties LLC pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.2	Certification of Chief Executive Officer of MGM Growth Properties Operating Partnership LP pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.3	Certification of Chief Financial Officer of MGM Growth Properties LLC pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
32.4	Certification of Chief Financial Officer of MGM Growth Properties Operating Partnership LP pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**
101	The following information from each of the MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP's Annual Report on Form 10-K for the year ended December 31, 2018 formatted in eXtensible Business Reporting Language: (i) Consolidated Balance Sheets at December 31, 2018 and December 31, 2017; (ii) Combined and Consolidated Statements of Operations for the years ended December 31, 2018, 2017 and 2016; (iii) Combined and Consolidated Statements of Comprehensive Income for the years ended December 31, 2018, 2017 and 2016; (iv) Combined and Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017 and 2016; (v) Consolidated Statements of Shareholders' Equity (for MGM Growth Properties LLC) or of Partners' Capital (for MGM Growth Properties Operating Partnership LP) for the years ended December 31, 2018, 2017 and 2016; (vi) Notes to the Combined and Consolidated Financial Statements; and (vii) Financial Statement Schedule

† Portions of this Exhibit have been omitted pursuant to Rule 24b-2, are filed separately with the SEC and are subject to a confidential treatment request

* Management contract or compensatory plan or arrangement.

** Exhibits 32.1, 32.2, 32.3 and 32.4 shall not be deemed filed with the SEC, nor shall they be deemed incorporated by reference in any filing with the SEC under the Exchange Act or the Securities Act of 1933, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MGM Growth Properties LLC

By: /s/ JAMES C. STEWART
James C. Stewart
Chief Executive Officer
(Principal Executive Officer)

Dated: February 27, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ JAMES C. STEWART James C. Stewart	Chief Executive Officer (Principal Executive Officer)	February 27, 2019
/S/ ANDY H. CHIEN Andy H. Chien	Chief Financial Officer and Treasurer (Principal Financial Officer)	February 27, 2019
/S/ KNICKS LAU Knicks Lau	Controller	February 27, 2019
/S/ JAMES J. MURREN James J. Murren	Chairman of the Board	February 27, 2019
/S/ WILLIAM J. HORNBUCKLE William J. Hornbuckle	Director	February 27, 2019
/S/ JOHN M. MCMANUS John M. McManus	Director	February 27, 2019
/S/ MICHAEL RIETBROCK Michael Rietbrock	Director	February 27, 2019
/S/ THOMAS ROBERTS Thomas Roberts	Director	February 27, 2019

/S/ ROBERT SMITH	Director	February 27, 2019
Robert Smith		
/S/ DANIEL J. TAYLOR	Director	February 27, 2019
Daniel J. Taylor		

SIGNATURES

Pursuant to the requirements of Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Las Vegas, State of Nevada, on February 27, 2019 .

MGM Growth Properties Operating Partnership LP

By: MGM Growth Properties OP GP LLC
By: /s/ JAMES C. STEWART

Name: James C. Stewart
Title: Chief Executive Officer

Dated: February 27, 2019

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/S/ JAMES C. STEWART James C. Stewart	Chief Executive Officer	February 27, 2019
/S/ ANDY H. CHIEN Andy H. Chien	Chief Financial Officer and Treasurer	February 27, 2019
/S/ KNICKS LAU Knicks Lau	Controller	February 27, 2019
/S/ JAMES J. MURREN James J. Murren	Manager	February 27, 2019
/S/ WILLIAM J. HORNBUCKLE William J. Hornbuckle	Manager	February 27, 2019