

Binding Term Sheet

Set forth below are the terms of a legally binding agreement (this “Agreement”), dated as of April 12, 2021, by and between Gaming and Leisure Properties, Inc. (“GLPI”) and Bally’s Corporation (“Bally’s”). As the context may require, references to GLPI and Bally’s in this Agreement refer to their respective affiliates and subsidiaries.

<p>Tropicana LV Purchase Agreement and Ground Lease</p>	<ul style="list-style-type: none">• Structure and Purchase Price. Bally’s will acquire (i) from GLPI, the non-land real estate assets of the Tropicana Las Vegas, Nevada (the “<u>Tropicana Property</u>”) and (ii) from an affiliate of Penn National Gaming, Inc. (“Penn”), all of the outstanding equity interests in Tropicana Las Vegas Hotel and Casino, Inc., the entity that currently owns and operates the hotel and casino business at the Tropicana Property and holds the operating assets and gaming licenses related thereto. The aggregate cash purchase price payable by Bally’s for its acquisition of (i) and (ii) above will be an aggregate of \$150.0 million, as may be adjusted by customary real estate and working capital adjustments.• Ground Lease. At closing of the purchase and sale of the Tropicana Property as described above, GLPI and Bally’s will enter in a ground lease pursuant to which Bally’s will lease the land underlying the Tropicana Property (approximately 35 acres) from GLPI. The ground lease will have an initial term of 50 years, and annual rent payable by Bally’s will be \$10.5 million. Commencing on the first anniversary of the Commencement Date and on each anniversary thereafter (a) if the CPI Increase is at least 0.5% for any Lease Year, the Rent for such Lease Year shall increase by the greater of (i) 1.0% of Rent as of the immediately preceding Lease Year and (ii) the CPI Increase (up to a maximum increase of 2.0%), and (b) if the CPI Increase is less than 0.5% for such Lease Year, then the Rent shall not increase for such Lease Year. The ground lease will be guaranteed by Bally’s and cross-defaulted with the existing Bally’s-GLPI master lease. The purchase and sale and ground lease transactions described above are collectively referred to herein as the “<u>Tropicana Transactions</u>”.• Representations and Warranties. GLPI, as seller of the Tropicana Property, will make customary representations and warranties relating to the real estate assets to be acquired, including customary representations relating to current ownership, condemnation, existing occupancy agreements, title, legal proceedings and environmental matters, and Penn, as seller of the entity owning the operating assets, will make customary representations and warranties relating to the operating business and operating assets to be acquired, including
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accuracy of financial information, material contracts, permits/licensing, compliance with law, employee matters, gaming/regulatory matters, taxes, insurance, litigation and intellectual property. The parties will also make mutual customary representations as to power, authority, conflicts, consents, good standing, insolvency and ownership of interests. The representations and warranties of each party will be subject to customary look back periods and materiality and knowledge qualifiers, and otherwise as agreed between the parties, each acting in a commercially reasonable manner; *provided*, in all cases that the parties acknowledge and agree that the Tropicana Property was acquired by GLPI from Penn in April 2020 and that the scope of the representations and warranties to be made by GLPI and Penn to Bally's in connection with the Tropicana Transactions will be consistent in all material respects with the scope of representations and warranties stipulated in such earlier transaction.

- **Covenants.** The Tropicana Transactions will be subject to customary interim operating covenants, cooperation/notice/cure covenants, access covenants, and agreements regarding cooperation to obtain all governmental (including gaming) approvals, in each case on such terms and conditions as are customary and reasonable for transactions of this nature, size and scope, with such modifications as agreed between the parties, each acting in a commercially reasonable manner.
- **Closing Conditions.** The Tropicana Transactions will also be subject to customary closing conditions, including, without limitation, receipt of all governmental (including gaming) approvals, and as otherwise agreed between the parties, each acting in a commercially reasonable manner.
- **Indemnification.**
 - Survival. Representations and warranties that are customarily deemed to be “fundamental representations” in transactions of similar nature, size and scope, will also be “fundamental representations” for purposes of the Tropicana Transactions and will survive for the applicable statute of limitations. The other representations and warranties will survive closing for 12 months.
 - Indemnification Obligation. GLPI and Penn, severally and not jointly, will indemnify Bally's, its affiliates and their respective agents, trustees, shareholders, partners, members, directors, officers, employees, agents and representatives, and the heirs, legal representatives, successors and assigns of each of the foregoing for (i) breach of any representations and warranties and (ii) breach of any covenants. Bally's will do the same.
 - Limitation to Liability. Bally's will not seek, or be entitled to,

	<p>indemnification from GLPI or Penn for a breach of representations and warranties (other than with respect to a breach of any fundamental representations) unless the aggregate claims for damages of Bally's for which indemnification is sought for such breach (other than with respect to a breach of any fundamental representation) exceed \$1.0 million, in which event GLPI and/or Penn, as applicable, will be liable for all damages in excess of such amount. Bally's aggregate recovery against GLPI and/or Penn, in the aggregate, in connection with claims made for breach of representations and warranties (other than with respect to a breach of any fundamental representations) will not exceed \$15.0 million.</p> <ul style="list-style-type: none">• Termination. All obligations of the parties under this Agreement with respect to the Tropicana Transactions will terminate (i) by mutual written consent of Bally's and GLPI, (ii) if the Tropicana Transactions have not taken place on or before April 12, 2022, (iii) if any relevant gaming authority has announced its final determination (including issuing any legal constraint or prohibition) to not issue a required gaming approval, (iv) if a court of competent jurisdiction issues a temporary restraining order, preliminary or permanent injunction, cease and desist order or other legal restraint or prohibition preventing the consummation of the Tropicana Transactions and such order, injunction, restraint or prohibition shall have become final and non-appealable, or (v) in other customary events (not including a superior proposal).
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<p>Sale-Leaseback of Black Hawk, CO and Rock Island, IL Casino Properties</p>	<p>Bally’s and GLPI will enter into one or more purchase agreements pursuant to which GLPI will acquire the real estate assets of Bally’s Black Hawk, CO and Rock Island, IL casino properties and lease the real estate assets back to Bally’s under, and pursuant to the terms of, the existing Bally’s-GLPI master lease (the “SLB Transactions”).</p> <p>The cash purchase price payable by GLPI in connection with such SLB Transaction(s) will be \$150 million, subject to any customary real estate prorations, with initial annual fixed rent of \$12.0 million, with an annual escalator consistent with the terms of the existing Bally’s-GLPI master lease.</p> <p>Closing under the SLB Transaction(s) will be subject to customary closing conditions, including, without limitation, receipt of all governmental (including, without limitation, gaming) approvals.</p> <p>The parties will make customary mutual representations, warranties and covenants, on such terms and conditions as are customary and reasonable for transactions of this nature, size and scope, with such modifications as agreed between the parties, each acting in a commercially reasonable manner. Indemnification and termination rights will likewise be on such terms and conditions as are customary and reasonable for transactions of this nature, size and scope, with such modifications as agreed between the parties, each acting in a commercially reasonable manner.</p>
<p>ROFR on Additional Properties</p>	<p>The parties will consider further opportunities to partner in connection with the growth of Bally’s business. To that end, Bally’s will grant GLPI an exclusive right of first refusal (“ROFR”) arrangement applicable to circumstances in which Bally’s directly or indirectly acquires or develops gaming facilities in any of Michigan, Virginia, Maryland and New York. The ROFR will give GLPI and its affiliates the exclusive right of first refusal to fund the real property acquisition or development project costs, through one or more sale-leaseback or similar transactions.</p> <p>The ROFR will be for a term of seven years and will otherwise be on such customary terms and conditions as agreed between the parties, each acting in a commercially reasonable manner. If any properties are acquired by GLPI pursuant to the ROFR described in this section (other than pursuant to the equity commitment letter dated the date hereof between the parties) (the “Equity Commitment Letter”), then GLPI may elect to have such properties added to the existing Bally’s-GLPI master lease.</p>

Like-Kind Exchange	In the event feasible from a timing and regulatory perspective, the parties agree to work to effect the Tropicana Transactions, on the one hand, and any SLB Transaction(s) or ROFR transactions as described above, on the other hand, in the form of one or more like-kind exchange transactions, rather than in form of cash purchase and sale. The terms of any such like-kind exchange transactional will otherwise be on terms to similar to those described above and as otherwise agreed between the parties, each acting in a commercially reasonable manner.
Implementation; Conditions	Each party agrees to use commercially reasonable efforts to negotiate and enter into definitive documents with respect the transactions contemplated hereby as promptly as practicable following the date hereof in order to fully reflect the terms contemplated hereby. Without limiting the foregoing, and subject to the next paragraph, the parties agree that unless and until such definitive agreements are executed and delivered, the terms set forth in this Agreement will control and constitute a binding agreement with respect to the subject matter hereof.
Governing Law; Jurisdiction	Delaware law and courts to the same extent as provided in the Equity Commitment Letter. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.
Costs	In any dispute between the parties with respect to this Agreement, the substantially prevailing party will be entitled to be reimbursed its reasonable costs in connection with such dispute by the other party.
Specific Performance	The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties will be entitled to seek an injunction or injunctions, without the posting of any bond, to prevent breaches of this Agreement and to seek to enforce specifically the terms and provisions of this Agreement in any federal court of the United States of America sitting in the State of Delaware), this being in addition to any other remedy to which they are entitled at law or in equity.
Further Assurances	The parties will cooperate to take any further action necessary or desirable to implement or otherwise consummate the transactions and agreements contemplated hereby.

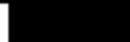
Confidentiality	<p>The parties will maintain the confidentiality of the negotiations with respect to this Agreement and the transactions contemplated hereby, it being understood that (i) each party will be permitted to (a) summarize and file a copy of this Agreement in connection with its SEC reporting obligations and (b) summarize and provide a copy of the Agreement to its credit agreement lenders and (ii) each party will use commercially reasonable efforts to provide the other party with an opportunity to review and comment upon on proposed public disclosures with respect to this Agreement and the transactions contemplated hereby (other than public disclosures which do not materially differ from prior public disclosures made in accordance with this clause (ii)). Notwithstanding the foregoing, GLPI acknowledges and agrees with Bally's that the contents of this Agreement will be subject to public disclosure in connection with its announcement in accordance with Rule 2.7 of the United Kingdom City Code on Takeover and Mergers and other public disclosures required to be made by Bally's in the United Kingdom and the United States without any further consent from GLPI.</p>
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[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

GAMING AND LEISURE PROPERTIES, INC.

By: 

Name: Steven Ladany 

Title: SVP, Chief Development Officer

BALLY'S CORPORATION

By: _____

Name: Stephen H. Capp

Title: Executive Vice President and
Chief Financial Officer

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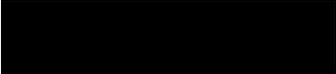
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