

MGM Growth Properties LLC  
 Form 424B5  
 September 08, 2017  
Table of Contents

Filed Pursuant to Rule 424(b)(5)  
 Registration No. 333-218090

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered <sup>(1)</sup>	Proposed	Proposed	Amount of Registration Fee <sup>(2)</sup>
		Maximum Offering Price Per Share	Maximum Aggregate Offering Price	
Class A shares representing limited liability company interests	13,225,000	\$30.60	\$404,685,000	\$46,903

- (1) Includes 1,725,000 Class A shares subject to the underwriters' overallotment option to purchase additional shares from us.
- (2) Calculated in accordance with Rule 457(o) Rule 457(r) under the Securities Act of 1933, as amended. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in the registrant's Registration Statement on Form S-3ASR (File No. 333-218090).

**Table of Contents**

**Prospectus Supplement**

**(To prospectus dated May 18, 2017)**

**11,500,000 Shares**

**MGM Growth Properties LLC**

**Class A Shares**

This is an offering by MGM Growth Properties LLC ( "MGP" ). We are offering 11,500,000 Class A common shares representing limited liability company interests (the "Class A shares" ) of MGP. The Class A shares are listed on The New York Stock Exchange under the symbol "MGP". The last reported sale price of Class A shares on The New York Stock Exchange on September 6, 2017 was \$30.98 per share.

**An investment in MGP's Class A shares involves risks. See Risk Factors beginning on page S-16 of this prospectus supplement and the risks set forth under the caption Item 1A. Risk Factors included in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference herein.**

	<b>Per Share</b>	<b>Total</b>
Public offering price	\$ 30.60	\$ 351,900,000
Underwriting discount <sup>(1)</sup>	\$ 1.224	\$ 14,076,000
Proceeds, before expenses, to us	\$ 29.376	\$ 337,824,000

(1) We refer you to Underwriting beginning on page S-33 of this prospectus supplement for additional information regarding underwriting compensation.

*The underwriters may also exercise their overallotment option to purchase an additional 1,725,000 Class A shares from us, at the public offering price, less the underwriting discount, for 30 days after the date of this prospectus supplement.*

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

**NO GAMING OR REGULATORY AGENCY HAS APPROVED OR DISAPPROVED OF THESE SECURITIES, OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**The underwriters expect to deliver the Class A shares against payment in New York, New York on or about September 11, 2017 through the facilities of The Depository Trust Company.**

*Joint Book-Running Managers*

**BofA Merrill Lynch  
Evercore ISI**

**Barclays**

**Deutsche Bank Securities**

**J.P. Morgan  
Morgan Stanley**

*Co-Managers*

**BNP PARIBAS Citigroup**

**Fifth Third Securities**

**SMBC Nikko**

**SunTrust Robinson Humphrey**

**Credit Agricole CIB Citizens Capital Markets Ladenburg Thalmann Scotiabank UBS Investment Bank Union Gaming  
Prospectus Supplement dated September 6, 2017**

**Table of Contents**

**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
<u>About This Prospectus Supplement</u>	S-ii
<u>Basis of Presentation</u>	S-ii
<u>Certain Operational and Non-U.S. GAAP Financial Measures of MGP</u>	S-iii
<u>Trademarks and Tradenames</u>	S-iv
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	S-v
<u>Prospectus Supplement Summary</u>	S-1
<u>The Offering</u>	S-9
<u>Summary Historical Condensed Combined and Consolidated Statements and Pro Forma Financial Information</u>	S-11
<u>Risk Factors</u>	S-16
<u>Use of Proceeds</u>	S-21
<u>Unaudited Pro Forma Condensed Combined and Consolidated Financial Information</u>	S-23
<u>Market Price of the Class A Shares and Dividend History</u>	S-32
<u>Underwriting</u>	S-33
<u>Legal Matters</u>	S-39
<u>Experts</u>	S-39
<u>Incorporation of Certain Information by Reference</u>	S-39
<u>Annex I Unaudited Reconciliation of Non-U.S. GAAP Measures of MGM</u>	S-A1-1
<u>Annex II Calculation of MGM Historical Corporate Rent Coverage Ratio</u>	S-A2-1

**Prospectus**

<u>About This Prospectus</u>	1
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	3
<u>Ratio of Earnings to Combined Fixed Charges and Preferred Share Distributions</u>	5
<u>The Company</u>	6
<u>Risk Factors</u>	8
<u>Use of Proceeds</u>	8
<u>Description of Shares</u>	9
<u>Description of Depositary Shares</u>	22
<u>Description of Warrants</u>	25
<u>Material U.S. Federal Income Tax Considerations</u>	27
<u>Selling Security Holders</u>	49
<u>Plan of Distribution</u>	49
<u>Legal Matters</u>	49
<u>Experts</u>	49
<u>Where You Can Find More Information</u>	49
<u>Incorporation of Certain Information by Reference</u>	50

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement is a supplement to the accompanying base prospectus that is also a part of this document. This prospectus supplement and the accompanying base prospectus are part of a shelf registration statement that we filed with the Securities and Exchange Commission (the Commission). The shelf registration statement was deemed effective by the Commission upon filing on May 18, 2017. By using a shelf registration statement, we may sell any combination of the securities described in the base prospectus from time to time in one or more offerings. In this prospectus supplement, we provide you with specific information about the terms of this offering.

You should rely only on the information or representations incorporated by reference or provided in this prospectus supplement and the accompanying prospectus or in any free writing prospectus filed by us with the Commission. We have not and the underwriters have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. If the description of this offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in or incorporated by reference in this prospectus supplement. You may obtain copies of the shelf registration statement, or any document which we have filed as an exhibit to the shelf registration statement or to any other Commission filing, either from the Commission or from the Secretary of MGP as described under Where You Can Find More Information in the accompanying prospectus. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or any free writing prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement or the date of the accompanying prospectus, free writing prospectus or any such document incorporated by reference, as applicable. Our business, financial condition, results of operations and prospects may have changed since that date.

**BASIS OF PRESENTATION**

Unless otherwise stated, or the context otherwise requires, references in this prospectus to we, us, our, our company, the company or MGP are to MGM Growth Properties LLC and its consolidated subsidiaries, including MGM Growth Properties Operating Partnership LP, a Delaware limited partnership. MGM Growth Properties Operating Partnership LP is the entity through which MGP conducts substantially all of its business and owns substantially all of its assets. In addition, we sometimes refer to MGM Growth Properties Operating Partnership LP as the Operating Partnership. References in this prospectus to MGM are to MGM Resorts International, a Delaware corporation, and, unless the context requires otherwise, its consolidated subsidiaries, including MGP.

Unless otherwise indicated, the information in this prospectus supplement assumes no exercise by the underwriters of their overallotment option to purchase additional Class A shares.

---

**Table of Contents**

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

Pro forma Funds From Operations ( FFO ) is a financial measure that is not prepared in conformity with accounting principles generally accepted in the United States ( U.S. GAAP ) and is considered a supplement to U.S. GAAP measures for the real estate industry. We define pro forma FFO as pro forma net income (computed in accordance with U.S. GAAP), excluding pro forma gains and losses from sales or disposals of real property (presented as property transactions, net), plus real estate depreciation, as defined by the National Association of Real Estate Investment Trusts ( NAREIT ).

We define pro forma Adjusted Funds From Operations ( AFFO ) as pro forma FFO as adjusted for pro forma amortization and write-off of financing costs and cash flow hedge amortization, the net amortization of the above market lease, non-cash compensation expense, acquisition-related expenses, the provision for income taxes, and the net effect of straight-line rent, ground lease and amortization of deferred revenue.

We define pro forma Adjusted EBITDA as pro forma net income (computed in accordance with U.S. GAAP) as adjusted for pro forma gains and losses from sales or disposals of real property (presented as property transactions, net), pro forma real estate depreciation, interest income, interest expense (including amortization of financing costs and cash flow hedge amortization), write-off of financing costs, the net amortization of the above market lease, non-cash compensation expense, acquisition-related expenses, the provision for income taxes, and the net effect of straight-line rent, ground lease and amortization of deferred revenue.

Pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA are supplemental performance measures that have not been prepared in conformity with 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. Pro forma Adjusted EBITDA is useful to investors to further supplement pro forma FFO and pro forma AFFO and to provide investors a performance metric which excludes interest expense. In addition to non-cash items, the Company adjusts pro forma AFFO and pro forma 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.

Pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA do not represent cash flow from operations as defined by U.S. GAAP, should not be considered as an alternative to pro forma 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 pro forma FFO, pro forma AFFO and pro forma 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.

Please see Prospectus Supplement Summary Summary Historical Condensed Combined and Consolidated Financial Statements and Pro Forma Financial Information Reconciliation of Pro Forma Net Income to Pro Forma FFO, AFFO and Adjusted EBITDA for a reconciliation of our pro forma net income to pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA.

A subsidiary of MGM (the Tenant ) is currently the sole lessee under our master lease agreement (the Master Lease ), and MGM guarantees the Tenant's performance and payments under the Master Lease. In order to evaluate the

business results of casino resorts, MGM monitors their net revenues and Adjusted Property EBITDA. MGM uses Adjusted Property EBITDA as the primary performance measure for its reportable segments. Adjusted EBITDA is a measure defined as earnings before interest and other non-operating income

S-iii

**Table of Contents**

(expense), taxes, depreciation and amortization, preopening and start-up expenses and property transactions, net. Adjusted Property EBITDA is a measure defined as Adjusted EBITDA before corporate expense and stock compensation expense related to MGM's and MGP's stock option plan, not allocated to each casino resort. Adjusted EBITDA or Adjusted Property EBITDA should not be construed as an alternative to operating income or net income as an indicator of MGM's performance; an alternative to cash flows from operating activities, a measure of liquidity; or as any other measure determined in accordance with U.S. GAAP. MGM has significant uses of cash flows, including capital expenditures, interest payments, taxes and debt principal repayments, which are not reflected in Adjusted EBITDA or Adjusted Property EBITDA. Also, other companies in the gaming and hospitality industries that report Adjusted EBITDA or Adjusted Property EBITDA information may calculate Adjusted EBITDA or Adjusted Property EBITDA in a different manner.

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

**TRADEMARKS AND TRADENAMES**

The names of the brands of our casino resorts that are operated by MGM are registered trademarks of the respective owners of those brands, and neither they nor any of their officers, directors, agents or employees:

have approved any disclosure in which they or the names of their brands appear; or

are responsible or liable for any of the content in this document.

S-iv



**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus includes or incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Securities and Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements can be identified by words such as anticipates, intends, plans, seeks, believes, estimates, expects, pro forma and similar references to future periods. Examples of forward-looking statements include, but are not limited to, statements we make regarding our ability to meet our financial and strategic goals and our ability to further grow its portfolio and drive shareholder value. The foregoing is not a complete list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Therefore, we caution you against relying on any of these forward-looking statements. 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 for all of our anticipated cash flows.

We may not be able to re-lease our properties following the expiration or termination of the Master Lease (as defined under Prospectus Supplement Summary Business).

Our sole material assets are units representing limited partner interests in the Operating Partnership (Operating Partnership units) representing 23.7% of the ownership interests in the Operating Partnership, over which we have operating control through our ownership of its general partner, and our ownership interest in the general partner of the Operating Partnership. Because our interest in the Operating Partnership represents our only cash-generating asset, our cash flows and distributions depend entirely on the performance of the Operating Partnership and its ability to distribute cash to us.

The Master Lease restricts our ability to sell the properties or our interests in the Operating Partnership and Landlord (as defined under Prospectus Supplement Summary Business).

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

## Edgar Filing: MGM Growth Properties LLC - Form 424B5

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

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

We have a limited operating history and the historical financial information and pro forma financial information included or incorporated by reference into this prospectus supplement or the accompanying prospectus may not be a reliable indicator of future results.

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

Because a majority of our major gaming resorts are concentrated on the Las Vegas Strip (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 proposed acquisition of MGM National Harbor or any other ROFO Property (as defined under

S-v

**Table of Contents**

Prospectus Supplement Summary Overview of the Proposed MGM National Harbor Transaction )) 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 Class A 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.

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

MGM's historical corporate rent coverage ratio described in this prospectus supplement 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 (as defined under Prospectus Supplement Summary Business ), a bankruptcy court may determine that the Master Lease is not a single lease but rather multiple severable leases, each of which can be assumed or rejected independently, in which case underperforming leases related to properties we own that are subject to the Master Lease could be rejected by the Tenant while tenant-favorable leases are allowed to remain in place.

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

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

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

We may be unable to complete the MGM National Harbor Transaction, or may not consummate it on the terms described in this prospectus supplement.

Any forward-looking statement made by us in this prospectus supplement and the accompanying prospectus or included or incorporated herein or therein 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.

**Table of Contents****PROSPECTUS SUPPLEMENT SUMMARY**

*The following summary highlights information contained or incorporated by reference into this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before investing in the Class A shares. You should carefully read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference, for a more complete understanding of this offer and the Class A shares. In this prospectus supplement, except where the context indicates or unless otherwise indicated, references to *pro forma* or *on a pro forma basis* refer to giving pro forma effect to the pro forma adjustments set forth in the unaudited pro forma condensed combined and consolidated financial information included herein under the heading *Unaudited Pro Forma Condensed Combined and Consolidated Financial Information*, including the *Formation Transactions* (as defined below), the *Borgata Transaction* (as defined below), the *MGM National Harbor Transaction* (as defined below), and this offering and the use of proceeds therefrom.*

**MGM Growth Properties LLC**

MGP is a limited liability company that was formed in Delaware on October 23, 2015. MGP conducts its operations through the Operating Partnership, a Delaware limited partnership formed by MGM on January 6, 2016 and acquired by MGP on April 25, 2016 (the *IPO Date*). 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. On a pro forma basis, as described under *Unaudited Pro Forma Condensed Combined and Consolidated Financial Information*, our pro forma net income and pro forma Adjusted EBITDA would have been \$254.1 million and \$734.9 million, respectively, for the year ended December 31, 2016, and \$112.1 million and \$371.0 million, respectively, for the six months ended June 30, 2017. For a reconciliation of our pro forma net income to pro forma Adjusted EBITDA, see *Summary Historical Condensed Combined and Consolidated Statements and Pro Forma Financial Information Reconciliation of Pro Forma Net Income to Pro Forma FFO, AFFO and Adjusted EBITDA*.

In connection with its initial public offering, MGP, through the Operating Partnership, acquired from MGM the real estate assets of The Mirage, Mandalay Bay, Luxor, New York-New York, Monte Carlo, Excalibur, The Park, Gold Strike Tunica, MGM Grand Detroit and Beau Rivage (collectively, the *IPO Properties*) pursuant to a Master Contribution Agreement (the *MCA*) in exchange for Operating Partnership units and the assumption by the Operating Partnership of \$4 billion of indebtedness from the contributing MGM subsidiaries (the *Formation Transactions*). On August 1, 2016, MGM completed its acquisition of Boyd Gaming Corporation's ( *Boyd Gaming* ) interest in Borgata Hotel Casino and Spa ( *Borgata* ). Immediately following such transaction, we, through the Landlord (as defined under *Business* ), acquired Borgata's real estate assets from MGM for consideration consisting of the assumption by the Landlord of \$545 million of indebtedness from a subsidiary of MGM and the issuance of 27.4 million Operating Partnership units to a subsidiary of MGM (the *Borgata Transaction* ) and leased back the real property to a subsidiary of MGM.

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, and will continue to hold a controlling interest in MGP following the consummation of this offering by virtue of its ownership of the 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 that 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

S-1

## **Table of Contents**

under Description of Shares Shares Voting Rights in the accompanying prospectus, MGM will no longer be entitled to any voting rights 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%.

## **Business**

We generate all of our revenue by leasing all of our properties from MGP Lessor, LLC, 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 ). For the second lease year, which commenced on April 1, 2017, the annual rent payment is \$661.7 million (including the effect of the first rent escalator described under Overview of the Master Lease ), which will be increased to \$756.7 million after giving effect to the MGM National Harbor Transaction, prorated for the remainder of the lease year. The Tenant s performance and payments under the Master Lease are guaranteed by MGM. Certain of MGM s operating and other subsidiaries also directly hold Operating Partnership units collectively comprising a majority economic interest in, and will participate in distributions made by, the Operating Partnership.

The Operating Partnership has made distributions, and MGP has declared pro rata cash dividends, each quarter since the completion of MGP s initial public offering. On June 15, 2017, the Operating Partnership announced a cash distribution to holders of Operating Partnership units of \$96.0 million or \$0.3950 per Operating Partnership unit, and MGP concurrently declared a cash dividend for the quarter ended June 30, 2017 of \$22.8 million or \$0.3950 per Class A share payable to shareholders of record as of June 30, 2017, representing a more than 10% increase from MGP s dividend rate at the time of its initial public offering. The distribution and dividend were paid on July 14, 2017.

Our portfolio consists of ten premier destination resorts operated by MGM, including properties that we believe are among the world s finest casino resorts, and The Park in Las Vegas. Our properties include six large-scale entertainment and gaming-related properties located on the Strip: Mandalay Bay, The Mirage, Monte Carlo, New York-New York, Luxor and Excalibur, and The Park, a dining and entertainment complex located between New York-New York and Monte Carlo which opened in April 2016. Outside of Las Vegas, we also own four market-leading casino resort properties: MGM Grand Detroit in Detroit, Michigan, Beau Rivage and Gold Strike Tunica, both of which are located in Mississippi, and Borgata in Atlantic City, New Jersey. 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.

As of December 31, 2016, our properties collectively comprised 27,233 hotel rooms, approximately 2.6 million square feet of convention space, over 100 retail outlets, over 200 food and beverage outlets and over 20 entertainment venues.

## **Overview of the Proposed MGM National Harbor Transaction**

The Master Lease provides us with a right of first offer with respect to MGM National Harbor in Maryland, which commenced operations on December 8, 2016, and MGM s development property located in Springfield, Massachusetts (collectively, the ROFO Properties ), which we may exercise upon MGM s election to sell these properties. Pursuant to this right under the Master Lease, MGM has notified us of its election to sell the real estate assets related to MGM National Harbor, primarily comprising its interest in the underlying ground lease and related buildings and improvements (the MGM National Harbor assets ), and has offered us the right to purchase the MGM National Harbor assets.

S-2



---

**Table of Contents**

We intend to acquire the MGM National Harbor assets pursuant to a master transaction agreement (the Master Transaction Agreement ) dated September 5, 2017 among MGP, MGM, the Operating Partnership, the Landlord, the Tenant and MGM National Harbor, LLC ( MGM National Harbor ), for an aggregate purchase price of \$1,187.5 million, in a series of transactions (collectively, the MGM National Harbor Transaction ) through which MGM National Harbor, a subsidiary of MGM, will assign the MGM National Harbor assets to the Operating Partnership in exchange for a combination of \$462.5 million in cash, the issuance of 9,771,987 Operating Partnership units by the Operating Partnership to MGM National Harbor (with an aggregate value of \$300.0 million based on a price per unit equal to the closing price of the Company s Class A shares on the New York Stock Exchange ( NYSE ) on September 5, 2017 and the assumption by the Operating Partnership of \$425.0 million of secured debt representing the term loan debt outstanding under MGM National Harbor s credit agreement (the MGM National Harbor term loan ).

We intend to use the net proceeds of this offering, together with proceeds from the incurrence of additional indebtedness, which may include debt from capital markets offerings or borrowings under our existing revolving credit facility (the Revolving Credit Facility ), and cash on hand, to pay the cash consideration for the MGM National Harbor assets and to repay the \$425.0 million of debt to be assumed by the Operating Partnership from MGM National Harbor. We intend to opportunistically access the debt capital markets to fund a portion of the cash consideration for the MGM National Harbor assets, but, absent such a capital markets financing, expect to draw on our Revolving Credit Facility in connection with the closing of the MGM National Harbor Transaction to fund a portion of the cash consideration, and, in the future, raise long-term debt financing to refinance any amounts drawn under the Revolving Credit Facility, subject to market and other conditions. To the extent that we refinance amounts outstanding under the Revolving Credit Facility with fixed-rate long-term debt financing, we anticipate that such fixed-rate debt financing would bear interest at a higher rate than our current variable interest rate debt obligations, including the Revolving Credit Facility.

Upon the completion of the proposed MGM National Harbor Transaction, it is anticipated that the Master Lease will be amended to add MGM National Harbor. As a result, it is expected that the initial annual rent amount under the Master Lease will increase by \$95.0 million to \$756.7 million (including the effect of the first rent escalator described under Overview of the Master Lease ), prorated for the remainder of the lease year.

As a part of our standard due diligence process in connection with the MGM National Harbor Transaction, we analyzed MGM National Harbor s anticipated impact on our AFFO per share. On this basis, depending upon the amount and terms of financings to fund the MGM National Harbor Transaction, including this offering, we expect to achieve mid-single digit percentage accretion to AFFO per share in the near term, assuming no incremental general and administrative expenses. We caution you not to place undue reliance on our expectations with respect to the MGM National Harbor Transaction s impact on our AFFO per share because they are based solely on full-year anticipated rent increases as a result of the MGM National Harbor Transaction and our internal estimates. Our experience with MGM National Harbor, including the amount and terms of financings to fund the MGM National Harbor Transaction, may change our expectations with respect to the MGM National Harbor Transaction s impact on our AFFO per share.

Closing of the MGM National Harbor Transaction is subject to customary closing conditions, including regulatory approvals, and there can be no assurance that the MGM National Harbor Transaction will occur on or before a certain time, on the terms described in this prospectus supplement, or at all. See Risk Factors Risks Related to the MGM National Harbor Transaction We may be unable to complete the MGM National Harbor Transaction, or may not consummate it on the terms described herein for additional information. The closing of this offering is not conditioned upon the completion of the MGM National Harbor Transaction, and the closing of the MGM National Harbor Transaction is not conditioned upon the completion of this offering.

S-3

---

**Table of Contents**

**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 50,000 hotel rooms, 25,000 slot machines and 1,800 table games on a combined basis as of December 31, 2016 including our properties, Bellagio, MGM Grand, MGM National Harbor, MGM Macau and MGM's unconsolidated affiliates. MGM owns an approximately 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 is developing MGM Cotai, which is anticipated to open during the fourth quarter of 2017. MGM opened MGM National Harbor in Maryland on December 8, 2016, and is currently in the process of developing MGM Springfield in Massachusetts, which is expected to open in late 2018. MGM files annual, quarterly and current reports, proxy statements and other information with the Commission. The public can obtain any documents that MGM files electronically with the Commission, including the financial statements included in its annual and quarterly reports, at <http://www.sec.gov>.

MGM's corporate rent coverage ratio for rent payments under the Master Lease was approximately 4.1x for the year ended December 31, 2016, and historically has exceeded 2.2x each year since the 2008 recession. The following chart shows MGM's corporate rent coverage ratio for the past eight years (excluding the impact of the Borgata Transaction and the MGM National Harbor Transaction) (see also Risk Factors Risks Related to Our Business and Operations MGM's historical corporate rent coverage ratio described in this prospectus supplement may not be a reliable indicator of its future results):

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

- (1) MGM's historical corporate rent coverage ratio is calculated by dividing (a) the sum of Adjusted EBITDA as reported by MGM related to domestic resorts, management and other operations, and corporate (excluding stock-based compensation), plus dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China, by (b) either (i) for all periods up to and including the year ended

**Table of Contents**

December 31, 2015, year one rent under the Master Lease of \$550.0 million, or (ii) for the year ended December 31, 2016, rent under the Master Lease of \$591.7 million, which reflects year one rent under the Master Lease of \$550.0 million prorated for the period prior to the Borgata Transaction, and \$650.0 million prorated for the remainder of the lease year following the closing of the Borgata Transaction on August 1, 2016. For a calculation of MGM's historical corporate rent coverage ratio, see Annex II Calculation of MGM Historical Corporate Rent Coverage Ratio. We use MGM's historical corporate rent coverage ratio to illustrate our Tenant's ability to meet its obligations under the Master Lease.

The numerator to the calculation of MGM's historical corporate rent coverage ratio for the year ended December 31, 2016 shown above includes Adjusted Property EBITDA with respect to MGM National Harbor following its opening on December 8, 2016 and Adjusted Property EBITDA with respect to Borgata following its acquisition on August 1, 2016. However, the denominator to the calculation of the ratio shown above does not reflect what the rent would have been under the Master Lease had MGM National Harbor been subject to the Master Lease following its opening on December 8, 2016. In addition, the ratio shown above does not reflect what the historical corporate rent coverage ratio would have been had Borgata and MGM National Harbor been included in MGM's operating results (and, in the case of MGM National Harbor, had it been fully stabilized) and had such properties been subject to the Master Lease for the entire period presented. On August 1, 2016, Borgata was added to the existing Master Lease between the Landlord and the Tenant. As a result, the initial annual rent amount under the Master Lease increased by \$100.0 million to \$650.0 million, prorated for the remainder of the first lease year. Furthermore, upon the completion of the proposed MGM National Harbor Transaction, it is anticipated that the Master Lease will be amended to add MGM National Harbor, increasing the annual rent amount under the Master Lease by \$95.0 million to \$756.7 million, prorated for the remainder of the lease year.

The calculation of MGM's historical corporate rent coverage ratio shown above does not include the impact of the MGM National Harbor Transaction. MGM National Harbor had net revenues of \$350.9 million, operating income of \$28.6 million and Adjusted Property EBITDA of \$69.1 million for the six months ended June 30, 2017. Management currently anticipates that the corporate rent coverage ratio for the year ending December 31, 2017 will be negatively impacted as a result of the contractual rent escalator in the Master Lease that went into effect on April 1, 2017 and the expected \$95.0 million increase in annual rent under the Master Lease following the MGM National Harbor Transaction.

- (2) The numerator to the calculation of MGM's historical corporate rent coverage ratio includes \$60.7 million, \$93.9 million, \$339.3 million, \$60.5 million, \$225.9 million, \$328.5 million, \$405.2 million, \$535.1 million and \$609.8 million of special and ordinary dividends and other cash distributions actually received by MGM from CityCenter, Borgata, Grand Victoria and MGM China for the years ended December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016, respectively. Dividends and distributions are made at the discretion of each relevant entity's board of directors or similar body, and depend on several factors, including financial position, results of operations, cash flows, capital requirements, debt covenants, and applicable law, among others. Accordingly, historical dividends and distributions may not be indicative of future dividends or distributions and should not be relied upon as an indicator of MGM's historical corporate rent coverage ratio for future periods. In addition, as described in note (1) above, Borgata was acquired by MGM on August 1, 2016. The historic dividends and distributions related to Borgata have not been adjusted as a result of the Borgata Transaction. MGM's corporate rent coverage ratio excluding dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China was 3.3x, 2.2x, 1.9x, 2.1x, 2.0x, 2.3x, 2.4x, 2.7x and 3.0x for the years ended December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016, respectively. Since the 2008 recession, the lowest annual MGM corporate rent coverage ratio (excluding dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China) was 1.9x.

S-5

---

**Table of Contents****Overview of the Master Lease**

The Master Lease has an initial lease term of ten years, expiring in April 30, 2026, with the potential to extend the term for four additional five-year terms thereafter at the option of the Tenant. The Master Lease provides that any extension of its term must apply to all of the properties under the Master Lease at the time of the extension. The Master Lease has a triple-net structure, which requires the Tenant to pay substantially all costs associated with each property, including real estate taxes, insurance, utilities and routine maintenance, in addition to the base rent, ensuring that the cash flows associated with our Master Lease will remain relatively predictable for the duration of its term.

On August 1, 2016, Borgata was added to the existing Master Lease between the Landlord and the Tenant. As a result, the initial annual rent amount under the Master Lease increased by \$100.0 million to \$650.0 million, prorated for the remainder of the first lease year after the Borgata Transaction. Rent under the Master Lease consists of a base rent component (the Base Rent) and a percentage rent component (the Percentage Rent). For the first year, the Base Rent represented 90% of the initial annual rent amount under the Master Lease, or an annual rate of \$585.0 million following the Borgata Transaction, and the Percentage Rent represented 10% of the initial annual rent amount under the Master Lease, or an annual rate of \$65.0 million following the Borgata Transaction. 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). The first 2.0% fixed annual rent escalator went into effect on April 1, 2017, resulting in annual rent payments of \$661.7 million for the second lease year. Payments under the Master Lease are guaranteed by MGM. After the sixth lease year, 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 Commission, 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.

Upon the completion of the proposed MGM National Harbor Transaction, it is anticipated that the Master Lease will be amended to add MGM National Harbor. As a result, it is expected that the initial annual rent amount under the Master Lease will increase by \$95.0 million to \$756.7 million, prorated for the remainder of the lease year. Of the \$95.0 million increase, 90% will be allocated to the Base Rent and 10% will be allocated to the Percentage Rent, resulting in a Base Rent of \$682.2 million and a Percentage Rent of \$74.5 million following the completion of the MGM National Harbor Transaction. The initial term of the Master Lease with respect to MGM National Harbor will be the period from the closing date of the MGM National Harbor Transaction until the last day of the calendar month that is eighty-two (82) months after that date, and may be renewed thereafter 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), after which the term of the Master Lease with respect to MGM National Harbor will be the same as the term of the Master Lease with

S-6

**Table of Contents**

respect to the other properties currently under the Master Lease. If MGM does not renew the lease with respect to MGM National Harbor after the initial term, MGM would 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.

**Overview of Management and Governance**

We have a dedicated, experienced management team with extensive experience in the gaming, lodging and leisure industry, and who receive incentive-based equity compensation linked to the performance of our company. 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 our Company or any of our 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 our 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 our 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 our company and our subsidiaries), on the one hand, and our company or any of our 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 or for the year ended December 31, 2016. Our properties are diversified across a range of primary uses, including gaming, hotel, convention, dining, entertainment, retail and other resort amenities and activities.

		Net	Adjusted			Approximate	Approximate
	Location	Revenues <sup>(1)</sup>	Property	Hotel	Approximate	Casino	Convention
		(in thousands)	EBITDA <sup>(2)</sup>	Rooms	Acres	Square	Square
			(in thousands)			Footage	Footage
<i>Las Vegas</i>							
Mandalay							
Bay	Las Vegas, NV	\$ 934,110	\$ 235,609	4,752 <sup>(3)</sup>	124	155,000	2,121,000 <sup>(4)</sup>
The Mirage	Las Vegas, NV	\$ 586,745	\$ 139,427	3,044	77	93,000	170,000
New							
York-New							
York	Las Vegas, NV	\$ 336,150 <sup>(5)</sup>	\$ 121,729 <sup>(5)</sup>	2,024	20	81,000	31,000
Luxor	Las Vegas, NV	\$ 391,634	\$ 108,192	4,400	58	100,000	20,000
Monte Carlo	Las Vegas, NV	\$ 280,835	\$ 78,862	2,992	21	90,000	30,000
Excalibur	Las Vegas, NV	\$ 309,551	\$ 101,525	3,981	51	93,000	25,000



Edgar Filing: MGM Growth Properties LLC - Form 424B5

The Park	Las Vegas, NV		N/A <sup>(5)</sup>	N/A <sup>(5)</sup>	3		
<i>Subtotal</i>		\$ 2,839,025	\$ 785,344	21,193	354	612,000	2,397,000
<i>Regional Properties</i>							
<b>MGM Grand</b>							
Detroit	Detroit, MI	\$ 564,976	\$ 171,414	400	24	127,000	30,000
Beau Rivage	Biloxi, MS	\$ 377,396	\$ 93,762	1,740	26 <sup>(6)</sup>	81,000	50,000
<b>Gold Strike</b>							
Tunica	Tunica, MS	\$ 163,535	\$ 49,690	1,133	24	48,000	17,000
Borgata	Atlantic City, NJ	\$ 348,462 <sup>(7)</sup>	\$ 81,281 <sup>(7)</sup>	2,767	37 <sup>(8)</sup>	160,000	88,000
<i>Subtotal</i>		\$ 1,454,369	\$ 396,147	6,040	111	416,000	185,000
<b>Total</b>		<b>\$ 4,293,394</b>	<b>\$ 1,181,491</b>	<b>27,233</b>	<b>465</b>	<b>1,028,000</b>	<b>2,582,000</b>

S-7

**Table of Contents**

- (1) As reported by MGM.
- (2) As reported by MGM. For a discussion of this metric, see Certain Operational and Non-U.S. GAAP Financial Measures of MGP. Please also see Annex I of this prospectus supplement for reconciliations of MGM's operating income (loss) to Adjusted Property EBITDA and Adjusted EBITDA, each as reported by MGM.
- (3) 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.
- (4) 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.
- (5) Net revenues and Adjusted Property EBITDA for New York-New York, as reported by MGM, also include results for The Park.
- (6) Ten of the 26 acres at Beau Rivage are subject to a tidelands lease.
- (7) Represents net revenues and Adjusted Property EBITDA of Borgata for the period from August 1, 2016 (the date of the completion of the Borgata Transaction) through December 31, 2016.
- (8) Eleven of the 37 acres at Borgata are subject to ground leases.

MGM National Harbor opened on December 8, 2016. For the six months ended June 30, 2017, MGM National Harbor had net revenues of \$350.9 million, operating income of \$28.6 million and Adjusted Property EBITDA of \$69.1 million, each as reported by MGM, and as of December 31, 2016, MGM National Harbor had 308 hotel rooms, 23 acres of land (subject to a ground lease), approximately 125,000 square feet of casino space, and 50,000 square feet of convention space.

**Corporate Information**

MGP is a limited liability company that was formed in Delaware on October 23, 2015. MGP will make an election to be treated as a REIT in its initial federal income tax return for its taxable year ended December 31, 2016. The Operating Partnership is a Delaware limited partnership that was formed on January 6, 2016. Our principal offices are located at 6385 Rainbow Blvd., Suite 500, Las Vegas, Nevada 89119 and our main telephone number is (702) 669-1480. Our website is [www.mgmgrowthproperties.com](http://www.mgmgrowthproperties.com). The information on our website is not intended to form a part of or be incorporated by reference into this prospectus supplement or the accompanying prospectus.

**Table of Contents****THE OFFERING**

*The summary below describes the principal terms of this offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. The section entitled *Description of Shares* contained in the accompanying prospectus contains a more detailed description of the terms of the Class A shares. Except as otherwise noted, all information in this prospectus supplement assumes no exercise of the underwriters' option to purchase additional Class A shares.*

<b>Issuer</b>	MGM Growth Properties LLC
<b>Class A Shares Offered</b>	11,500,000 Class A shares.
<b>Overallotment Option</b>	MGP has granted the underwriters a 30-day overallotment option to purchase an additional 1,725,000 of our Class A shares.
<b>Class A Shares Outstanding After This Offering<sup>(1)</sup></b>	69,171,795 Class A shares (70,896,795 Class A shares if the underwriters exercise their overallotment option to purchase additional Class A shares in full).
<b>Use of Proceeds</b>	<p>We intend to use the net proceeds of this offering, together with proceeds from the incurrence of additional indebtedness, which may include debt capital markets offerings or borrowings under our Revolving Credit Facility, and \$200.0 million of cash on hand, to (i) refinance \$425.0 million of debt to be assumed in connection with the MGM National Harbor Transaction, representing the amount outstanding under the MGM National Harbor term loan, (ii) pay \$462.5 million of cash consideration for the MGM National Harbor assets to MGM, and (iii) pay fees and expenses related to this offering, with the remainder, if any, for general corporate purposes. Any proceeds received in connection with the exercise by the underwriters of their overallotment option to purchase additional Class A shares will be used to pay a portion of the cash consideration for the purchase of the MGM National Harbor assets, repay a portion of the assumed debt or for general corporate purposes.</p> <p>Pending application of the net proceeds to us from this offering, we intend to invest such net proceeds temporarily in interest-bearing, short-term investment grade securities, money market accounts or checking accounts, in a manner that is consistent with our intention to maintain our qualification for taxation as a REIT.</p>

This offering is not conditioned upon the successful completion of the MGM National Harbor Transaction. If the MGM National Harbor Transaction does not occur for any reason, we intend to use the net proceeds from this offering for working capital and general corporate purposes, which may include the acquisition and improvement of properties, the repayment of indebtedness, capital expenditures and other general business purposes.

See Use of Proceeds in this prospectus supplement for additional information.

**Table of Contents**

**Risk Factors**

Investing in our Class A shares involves risks. Before deciding to invest in our Class A shares, you should carefully read and consider the information set forth in **Risk Factors** beginning on page S-16 of this prospectus supplement, page 8 of the accompanying base prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, which are incorporated herein by reference.

**Listing**

The Class A shares are listed on The New York Stock Exchange under the symbol **MGP**.

**Ownership and Transfer Restrictions**

To assist us in complying with the limitations on the concentration of ownership of REIT shares imposed by the Internal Revenue Code of 1986, as amended, among other purposes, our operating agreement generally prohibits, among other prohibitions, as of the closing of this offering, any shareholder from beneficially or constructively owning more than 9.8% in value or in number, whichever is more restrictive, of any class of our shares (other than our Class B share), or 9.8% in value of the aggregate outstanding shares of all classes and series of our shares. See **Description of Shares Restrictions on Ownership and Transfer of our Shares** beginning on page 18 of the accompanying prospectus.

- (1) The number of Class A shares to be outstanding immediately after this offering as shown above is based on 57,671,795 Class A shares outstanding as of September 1, 2017. The number of outstanding Class A shares excludes, as of September 1, 2017:

73,630 Class A shares issuable upon the vesting of outstanding restricted share units;

122,398 performance share units outstanding, which vest over time subject to a market performance condition;

2,087,815 Class A shares available for future grant under our 2016 Omnibus Incentive Plan; and

185,362,136 Class A shares convertible from Operating Partnership units held by MGM, not inclusive of 9,771,987 Operating Partnership units expected to be issued to a subsidiary of MGM in connection with the MGM National Harbor Transaction with an aggregate value of \$300.0 million based on a price per unit equal to the closing price of the Company's Class A shares on the NYSE on September 5, 2017.

Unless otherwise indicated, the information in this prospectus supplement assumes no exercise by the underwriters of their overallotment option to purchase additional Class A shares.

S-10

**Table of Contents**

**SUMMARY HISTORICAL CONDENSED COMBINED AND CONSOLIDATED STATEMENTS AND PRO  
FORMA FINANCIAL INFORMATION**

We are primarily engaged in the real property business. Currently, our portfolio consists of properties that were previously owned by subsidiaries of MGM and were contributed to us by subsidiaries of MGM in connection with the Formation Transactions and the Borgata Transaction. The Landlord leases all of the properties to the Tenant under the Master Lease.

The MGM National Harbor Transaction, pursuant to which the MGM National Harbor assets will be assigned from a subsidiary of MGM to the Landlord, a subsidiary of the Operating Partnership, is considered to be between legal entities under common control and has been accounted for under the common control subsections of Accounting Standards Codification Topic 805, *Business Combinations* ( ASC 805 ). Under the common control subsections of ASC 805, such assets are recorded by MGP on the same basis as that established by MGM. Any difference between the basis of the real estate assets contributed by MGM and the purchase price consideration paid by MGP is recorded as an adjustment to equity.

The unaudited pro forma condensed consolidated balance sheet as of June 30, 2017 presents the condensed consolidated balance sheet of MGP and gives effect to the MGM National Harbor Transaction and this offering as if they had occurred on June 30, 2017. The unaudited pro forma condensed combined and consolidated statement of operations for the year ended December 31, 2016 and unaudited pro forma condensed consolidated statement of operations for the six months ended June 30, 2017 present the condensed combined and consolidated statements of operations of MGP, and gives effect to the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering as if they had occurred on January 1, 2016.

**Table of Contents**

The unaudited pro forma condensed combined and consolidated financial information in the following tables is provided for informational purposes only and should be read in conjunction with Unaudited Pro Forma Condensed Combined and Consolidated Financial Information and our combined and consolidated financial statements and related condensed notes thereto incorporated by reference in this prospectus supplement and the accompanying prospectus.

(in thousands)	<b>(Historical)</b>		<b>(Pro forma)<sup>(1)</sup></b>							
	<b>For the year ended December 31,</b>		<b>For the six months ended June 30,</b>		<b>(Formation Transactions, Borgata Transaction, and Borgata Transaction) For the year ended December 31,</b>		<b>(MGM National Harbor Transaction and this offering) For the year ended December 31,</b>		<b>(MGM National Harbor Transaction and this offering) For the six months ended June 30,</b>	
	2014	2015	2016	2016	2017	2016	2016	2016	2016	2017
				<b>(unaudited)</b>			<b>(unaudited)</b>			
<b>Statement of Operations Data:</b>										
<b>Revenues</b>										
Rental revenue	\$	\$	\$ 419,239	\$ 101,253	\$ 326,354	\$ 652,718	\$ 748,115	\$ 374,053		
Tenant reimbursements and other			48,309	9,650	42,001	68,730	83,248	55,897		
<b>Total revenues</b>			<b>467,548</b>	<b>110,903</b>	<b>368,355</b>	<b>721,448</b>	<b>831,363</b>	<b>429,950</b>		
<b>Expenses</b>										
Depreciation	186,262	196,816	220,667	104,600	121,911	243,398	281,134	140,779		
Property transactions, net		6,665	4,684	1,209	17,442	4,684	4,684	17,442		
Property taxes	48,346	48,122	65,120	26,541	41,129	68,650	68,997	47,940		
Property insurance	11,634	10,351	2,943	2,943						
Amortization of above-market lease, net			286		343	684	684	343		
Acquisition-related expenses			10,178	599						
General and administrative			9,896	3,789	5,341	10,263	25,883	13,151		



Edgar Filing: MGM Growth Properties LLC - Form 424B5

Total expenses	246,242	261,954	313,774	139,681	186,166	327,679	381,382	219,655
<b>Operating income (loss)</b>	(246,242)	(261,954)	153,774	(28,778)	182,189	393,769	449,981	210,295
<b>Non-operating income (expense)</b>								
Interest income			774		1,559	774	774	1,559
Interest expense			(116,212)	(29,475)	(89,454)	(176,015)	(189,583)	(96,065)
Other non-operating			(726)	(72)	(1,312)	(726)	(726)	(1,312)
Total non-operating income (expense)			(116,164)	(29,547)	(89,207)	(175,967)	(189,535)	(95,818)
<b>Income (loss) before income taxes</b>	(246,242)	(261,954)	37,610	(58,325)	92,982	217,802	260,446	114,477
Provision for income taxes			(2,264)		(2,415)	(6,371)	(6,371)	(2,415)
<b>Net income (loss)</b>	(246,242)	(261,954)	35,346	(58,325)	90,567	211,431	254,075	112,062
Less: Net (income) loss attributable to noncontrolling interest	246,242	261,954	(5,408)	65,278	(68,539)	(159,864)	(185,919) <sup>(2)</sup>	(82,105)
<b>Net income attributable to Class A shareholders</b>	\$	\$	\$ 29,938	\$ 6,953	\$ 22,028	\$ 51,567	\$ 68,156	\$ 29,957

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

(2) Reflects the issuance by the Operating Partnership of 9,771,987 Operating Partnership units in connection with the MGM National Harbor Transaction in an aggregate value of \$300.0 million, based on a price per unit of Operating Partnership units equal to the last reported sale price of MGP's Class A shares on the NYSE on September 5, 2017.

**Table of Contents**

(in thousands)	(Historical)				(Pro forma) (MGM National Harbor Transaction and this offering)	
	2014	December 31, 2015	2016	2016	June 30, 2017 (unaudited)	June 30, 2017 (unaudited)
<b>Balance Sheet Data:</b>						
<b>Assets</b>						
Real estate investments, net	\$ 7,867,812	\$ 7,793,639	\$ 9,079,678	\$ 7,847,707	\$ 8,957,622	\$ 10,097,641
Cash and cash equivalents			360,492	338,034	376,842	176,842
Tenant and other receivables, net			9,503	4,273	4,166	4,166
Prepaid expenses and other assets			10,906	10,993	8,819	8,819
Above market lease, asset			46,161		45,374	45,374
<b>Total assets</b>	<b>\$ 7,867,812</b>	<b>\$ 7,793,639</b>	<b>\$ 9,506,740</b>	<b>\$ 8,201,007</b>	<b>\$ 9,392,823</b>	<b>\$ 10,332,842</b>
<b>Liabilities</b>						
Debt, net	\$	\$	\$ 3,621,942	\$ 3,134,791	\$ 3,601,214	\$ 3,971,814
Due to MGM Resorts International and affiliates			166	465	233	233
Accounts payable, accrued expenses and other liabilities			10,478	6,228	8,829	8,829
Above market lease, liability			47,957		47,513	47,513
Accrued interest			26,137	11,888	17,580	17,580
Dividend payable			94,109	56,720	95,995	95,995
Deferred revenue			72,322	20,889	88,747	88,747
Deferred income taxes, net	1,740,465	1,734,680	25,368		25,368	25,368
<b>Total liabilities</b>	<b>1,740,465</b>	<b>1,734,680</b>	<b>3,898,479</b>	<b>3,230,981</b>	<b>3,885,479</b>	<b>4,256,079</b>
<b>Shareholders equity<sup>(1)</sup></b>						
Class A shares						
Additional paid-in capital			1,363,130	1,334,290	1,370,370	1,673,459
Accumulated deficit			(29,758)	(8,181)	(56,914)	(75,914)
Accumulated other comprehensive income (loss)			445		(680)	(680)
Predecessor net Parent investment	6,127,347	6,058,959				
<b>Total Class A shareholders equity</b>	<b>6,127,347</b>	<b>6,058,959</b>	<b>1,333,817</b>	<b>1,326,109</b>	<b>1,312,776</b>	<b>1,596,865</b>
Noncontrolling interest			4,274,444	3,643,917	4,194,568	4,479,898

Total shareholders equity	6,127,347	6,058,959	5,608,261	4,970,026	5,507,344	6,076,763
<b>Total liabilities and shareholders equity</b>	<b>\$ 7,867,812</b>	<b>\$ 7,793,639</b>	<b>\$ 9,506,740</b>	<b>\$ 8,201,007</b>	<b>\$ 9,392,823</b>	<b>\$ 10,332,842</b>

(1) Pro forma amounts reflect the issuance by the Operating Partnership of 9,771,987 Operating Partnership units in connection with the MGM National Harbor Transaction in an aggregate value of \$300.0 million, based on a price per unit of Operating Partnership units equal to the last reported sale price of MGP's Class A shares on the NYSE on September 5, 2017.

#### **Reconciliation of Pro Forma Net Income to Pro Forma FFO, AFFO and Adjusted EBITDA**

Pro forma FFO is a financial measure that is not prepared in conformity with U.S. GAAP and is considered a supplement to U.S. GAAP measures for the real estate industry. We define pro forma FFO as net income (computed in accordance with U.S. GAAP), excluding pro forma gains and losses from sales or disposals of real property (presented as property transactions, net), plus real estate depreciation, as defined by NAREIT.

We define pro forma AFFO as pro forma FFO as adjusted for pro forma amortization and write-off of financing costs and cash flow hedge amortization, the net amortization of the above market lease, non-cash compensation expense, acquisition-related expenses, the provision for income taxes and the net effect of straight-line rent, ground lease and amortization of deferred revenue.

**Table of Contents**

We define pro forma Adjusted EBITDA as pro forma net income (computed in accordance with U.S. GAAP) as adjusted for pro forma gains and losses from sales or disposals of real property (presented as property transactions, net), real estate depreciation, interest income, interest expense (including amortization of financing costs and cash flow hedge amortization), write-off of financing costs, the net amortization of the above market lease, non-cash compensation expense, acquisition-related expenses, the provision for income taxes and the net effect of straight-line rent, ground lease and amortization of deferred revenue.

Pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA are supplemental performance measures that have not been prepared in conformity with 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. Pro forma Adjusted EBITDA is useful to investors to further supplement pro forma AFFO and pro forma FFO and to provide investors a performance metric which excludes interest expense. In addition to non-cash items, the Company adjusts pro forma AFFO and pro forma 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.

Pro forma FFO, pro forma AFFO and pro forma Adjusted EBITDA do not represent cash flow from operations as defined by U.S. GAAP, should not be considered as an alternative to pro forma 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 pro forma FFO, pro forma AFFO and pro forma 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.

**Table of Contents**

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

	<b>Pro Forma</b> <b>(Formation</b> <b>Transactions, Borgata</b> <b>Transaction,</b> <b>MGM</b> <b>National</b> <b>Harbor</b> <b>Transaction</b> <b>and this</b> <b>offering)</b> <b>For the</b> <b>year</b> <b>ended</b> <b>December 31,</b> <b>2016</b>	<b>(MGM National</b> <b>Harbor Transaction</b> <b>and this offering)</b>  <b>For the six</b> <b>months</b> <b>ended June 30,</b> <b>2017</b>  <b>(unaudited)</b>
Net income	\$ 254,075	\$ 112,062
Depreciation	281,134	140,779
Property transactions, net	4,684	17,442
<b>FFO</b>	<b>539,893</b>	<b>270,283</b>
Amortization and write-off of financing costs and cash flow hedge amortization	10,174	6,508
Non-cash compensation expense	877	550
Net effect of straight-line rent, ground lease and deferred revenue amortization	(1,746)	2,079
Acquisition-related expenses		
Amortization of above market lease, net	684	343
Provision for income taxes	6,371	2,415
<b>AFFO</b>	<b>556,253</b>	<b>282,178</b>
Interest income	(774)	(1,559)
Interest expense	189,583	96,065
Amortization of financing costs and cash flow hedge amortization	(10,174)	(5,710)
<b>Adjusted EBITDA</b>	<b>\$ 734,888</b>	<b>\$ 370,974</b>

S-15

---

**Table of Contents**

**RISK FACTORS**

*Before you decide to invest in the Class A shares, you should be aware that investment in the Class A shares carries various risks, including those described below, that could have a material adverse effect on our business, financial position, results of operations and cash flows. We urge you to carefully consider these risk factors, together with all of the other information included and incorporated by reference in this prospectus supplement and the accompanying prospectus, before you decide to invest in the Class A shares. In addition, we identify other factors that could affect our business in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2017 and June 30, 2017, all of which are incorporated by reference herein.*

**Risks Related to the MGM National Harbor Transaction**

***We may be unable to complete the MGM National Harbor Transaction, or may not consummate it on the terms described herein.***

This offering is expected to be completed prior to the closing of the MGM National Harbor Transaction. We expect to consummate the MGM National Harbor Transaction during the fourth quarter of 2017, and intend to apply all of the net proceeds from this offering to fund a portion of the MGM National Harbor Transaction, including the repayment of \$425.0 million of assumed debt which represents the outstanding amount of the MGM National Harbor term loan. See Use of Proceeds. The consummation of the MGM National Harbor Transaction, however, is subject to certain customary regulatory and other closing conditions, which make its completion and timing uncertain, and, accordingly, there can be no assurance that such conditions will be satisfied on the anticipated schedule or at all.

This offering is not conditioned upon the completion of the MGM National Harbor Transaction, and by purchasing our Class A shares in this offering, you are investing in us on a stand-alone basis and recognize that we may not consummate the MGM National Harbor Transaction or realize the expected benefits therefrom if we do. In the event that we fail to consummate the MGM National Harbor Transaction, we will have issued a significant number of additional Class A shares and we will not have acquired the revenue and cash flow generating assets of MGM National Harbor. In addition, in the event that we fail to consummate the MGM National Harbor Transaction, we intend to use the net proceeds from this offering for working capital and general corporate purposes, which may include the acquisition and improvement of properties, the repayment of indebtedness, capital expenditures and other general business purposes. However, we would have broad authority to use the net proceeds of this offering for these and other purposes that could adversely affect our earnings, FFO and AFFO per share and our ability to make distributions to Class A shareholders.

If the MGM National Harbor Transaction is not completed, we could be subject to a number of risks that may adversely affect our business and the market price of our common shares, including:

we will be required to pay costs relating to the MGM National Harbor Transaction, such as legal, accounting, financial advisory and printing fees, whether or not the transaction is completed;

time and resources committed by our management to matters relating to the MGM National Harbor Transaction could otherwise have been devoted to pursuing other beneficial opportunities;

the market price of our Class A shares could decline to the extent that the current market price reflects a market assumption that the MGM National Harbor Transaction will be completed; and

we would not realize the benefits we expect to realize from consummating the MGM National Harbor Transaction.

We cannot provide any assurance that the MGM National Harbor Transaction will be completed or that there will not be a delay in the completion of the MGM National Harbor Transaction. Furthermore, our ability to raise the amount of capital necessary to fund the MGM National Harbor Transaction is subject to market and economic



**Table of Contents**

conditions. If the MGM National Harbor Transaction is not consummated, our reputation in our industry and in the investment community could be damaged, and the market price of our Class A shares could decline.

***The completion of the MGM National Harbor Transaction is subject to the receipt of approvals, consents or clearances from regulatory authorities that may impose conditions that could have an adverse effect on us or, if not obtained, could prevent completion of the MGM National Harbor Transaction.***

Completion of the MGM National Harbor Transaction is conditioned upon the receipt of certain governmental approvals, including, without limitation, gaming regulatory approvals. Although we have agreed to use our commercially reasonable best efforts to obtain the requisite governmental approvals, there can be no assurance that these approvals will be obtained and that the other conditions to completing the MGM National Harbor Transaction will be satisfied. In addition, the governmental authorities from which the regulatory approvals are required may impose conditions on the completion of the MGM National Harbor Transaction or require changes to the terms of the acquisition or related agreements to be entered into in connection with the acquisition by us of the MGM National Harbor assets. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying or impeding consummation of the MGM National Harbor Transaction or of imposing additional costs or limitations on us following completion of the MGM National Harbor Transaction, any of which might have an adverse effect on us following completion of the MGM National Harbor Transaction.

***The unaudited pro forma condensed combined and consolidated financial information contained in this prospectus supplement is presented for illustrative purposes only and is not necessarily indicative of what our financial position, operating results and other data would have been if the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering had actually been completed on the dates indicated and is not intended to project such information for any future date or for any future period, as applicable.***

The unaudited pro forma condensed combined and consolidated financial information included in this prospectus supplement was prepared on the basis of assumptions and estimates underlying the adjustments described in the accompanying notes, which are based on available information that we believe to be reasonable. In addition, such unaudited pro forma condensed combined and consolidated financial information does not reflect adjustments for other developments with our business or MGM National Harbor's business after June 30, 2017. However, these assumptions may change or may be incorrect, and actual results may differ, perhaps significantly. Therefore, the unaudited pro forma condensed combined and consolidated financial information does not purport to represent what our financial position, operating results and other data would have been if the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering had actually been completed on the dates indicated and is not intended to project such information for any future date or for any future period, as applicable. For additional information about the basis of presentation of the financial information included in this prospectus supplement, see "Unaudited Pro Forma Condensed Combined and Consolidated Financial Information" and the financial statements included or incorporated by reference elsewhere in this prospectus supplement.

***We may have assumed unknown liabilities in connection with the Formation Transactions and Borgata Transaction and may assume unknown liabilities in connection with the MGM National Harbor Transaction.***

As part of the Formation Transactions and Borgata Transaction, we acquired properties that may be subject to unknown existing liabilities, and as a part of the MGM National Harbor Transaction, the MGM National Harbor assets we intend to acquire may similarly 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 contributed properties, tax liabilities and accrued but unpaid liabilities incurred in the ordinary course of business. While the Master Lease allocates (or, with respect to the MGM National Harbor assets, is expected to

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.

S-17

## **Table of Contents**

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.

***The Tenant may choose not to renew the Master Lease or seek to renegotiate the terms of the Master Lease at each renewal term, including at the end of the initial term of the Master Lease with respect to MGM National Harbor.***

The Master Lease has an initial lease term of ten years with the potential to extend the term for four additional five-year terms thereafter, solely at the option of the Tenant. At the expiration of the initial lease term or of any additional renewal term thereafter, the Tenant may choose not to renew the Master Lease or seek to renegotiate the terms of the Master Lease.

Furthermore, upon the completion of the proposed MGM National Harbor Transaction, it is anticipated that the Master Lease will be amended to add MGM National Harbor, and the initial term of the Master Lease with respect to MGM National Harbor will be the period from the closing date of the MGM National Harbor Transaction until the last day of the calendar month that is eighty-two (82) months after that date. 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.

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.

## **Risks Related to Our Business and Operations**

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

While the information regarding MGM's historical corporate rent coverage ratio was prepared on the basis of assumptions and information that we believe to be reasonable, MGM's actual results and corporate rent coverage ratio in the future may differ from the historical numbers presented, perhaps significantly, due to numerous factors, including the condition of the gaming markets in the regions in which MGM operates and the levels of dividends and distributions received by MGM from CityCenter, Grand Victoria and MGM China. In addition, MGM, its subsidiaries (including MGM China) and CityCenter have a significant amount of outstanding indebtedness, and the cash flow required to service such indebtedness, which is not accounted for in the calculation of MGM's historical corporate rent coverage ratio, may impact the amount of actual cash MGM has available to satisfy its obligations under the Master Lease. Furthermore, on August 1, 2016, Borgata was added to the existing Master Lease between the Landlord and the Tenant. As a result, the initial annual rent amount under the Master Lease increased by \$100.0 million to \$650.0 million, prorated for the remainder of the first lease year after the Borgata Transaction. In addition, as a result of the first rent escalator that took effect on April 1, 2017, rent under the Master Lease increased by an additional \$11.7 million. Furthermore, upon the completion of the proposed MGM National Harbor Transaction, it is anticipated that the Master Lease will be amended to add MGM National Harbor, increasing the annual rent amount under the

Master Lease by \$95.0 million to \$756.7 million, prorated for the remainder of the lease year. The calculation of MGM's historical corporate rent coverage ratio does not include the impact of the Borgata Transaction for the period prior to the Borgata Transaction during the year ended December 31, 2016, nor

S-18

## **Table of Contents**

the anticipated impact of the MGM National Harbor Transaction. Management currently anticipates that the corporate rent coverage ratio for the year ending December 31, 2017 will be negatively impacted as a result of the contractual rent escalator in the Master Lease that went into effect on April 1, 2017 and the expected \$95.0 million increase in annual rent under the Master Lease following the MGM National Harbor Transaction. Accordingly, you should not place undue reliance on such information, as it may not be indicative of MGM's results or corporate rent coverage ratio in the future.

### **Risks Related to Our Class A Shares**

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

One of the factors that may influence the price of our Class A shares is the return on our shares (i.e., the amount of distributions as a percentage of the price of our shares) relative to market interest rates. An increase in market interest rates, which are currently at low levels relative to historical rates, may lead prospective purchasers of our Class A shares to expect a return which we may be unable or choose not to provide. Higher interest rates would likely increase our borrowing costs and potentially decrease the cash available for distribution. Thus, higher market interest rates could cause the market price of our Class A shares to decline.

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

Distributions that we make will be authorized and determined by our Board of Directors in its sole discretion out of funds legally available therefor. See **Market Price of the Class A Shares and Dividend History**. While we anticipate maintaining relatively stable distribution(s) during each year, the amount, timing and frequency of distributions will be at the sole discretion of the Board of Directors and will be declared based upon various factors, including, but not limited to: future taxable income, limitations contained in debt instruments, debt service requirements, operating cash inflows and outflows including capital expenditures and acquisitions, if any, to fund distributions and applicable law.

For purposes of satisfying the minimum distribution requirement to qualify for and maintain REIT status, our taxable income will be calculated without reference to our cash flow. Consequently, under certain circumstances, we may not have available cash to pay our required distributions, and we may need to increase our borrowings in order to fund our intended distributions, or we may distribute a portion of our distributions in the form of our Class A shares, which could result in significant shareholder dilution, or in the form of our debt instruments. Pursuant to recent guidance issued by the IRS, certain part-stock and part-cash dividends distributed by publicly-traded REITs will be treated as dividends that satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. There is no assurance, however, that we can structure part-stock and part-cash distributions in a manner that meets the requirements of the guidance. Therefore, it is unclear whether and to what extent we will be able to make taxable dividends payable in-kind. In addition, to the extent we were to make distributions that include our Class A shares or debt instruments, a shareholder of ours will be required to report dividend income as a result of such distributions even though we distributed no cash or only nominal amounts of cash to such shareholder.

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

We cannot predict whether future issuances of our shares or the availability of our Class A shares for resale in the open market will decrease the market price per share of our Class A shares. Sales of a substantial number of our

Class A shares in the public market, or the perception that such sales might occur, could adversely affect the market price of our Class A shares. In addition, except as described herein, we, our directors and executive officers and MGM have agreed with the underwriters not to offer, pledge, sell, contract to sell or otherwise transfer or dispose of any shares or securities convertible into or exercisable or exchangeable for our Class A shares for a period of 60 days, after the completion of this offering; however, these lock-up agreements are

S-19

**Table of Contents**

subject to numerous exceptions and the representatives, on behalf of the underwriters, may waive these lock-up provisions without notice. If any or all of these holders cause a large number of their shares to be sold in the public market, the sales could reduce the trading price of our Class A shares and could impede our ability to raise future capital. In addition, the exercise of the underwriters' overallotment option to purchase additional Class A shares or other future issuances of our shares would be dilutive to existing shareholders.

***If securities or industry press or analysts cease covering our Class A shares, publish negative research or reports about our business, or if they change their recommendations regarding our Class A shares adversely, our Class A share price and trading volume could decline.***

The trading market for our Class A shares may be influenced by the articles, research and reports that industry or securities analysts and press publish about us or our business. If one or more of the analysts who cover us downgrade our Class A shares, or if industry press publishes negative articles about our company, our Class A share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our Class A share price or trading volume to decline.

***There may be future sales or other dilution of MGP's equity, which may adversely affect the market price of the Class A shares. Significant exercises of stock options could adversely affect the market price of our Class A shares.***

As of September 1, 2017, there were 57,671,795 Class A shares issued and entitled to vote. In addition, as of September 1, 2017, 2,087,815 Class A shares were reserved for issuance pursuant to stock option and employee benefit plans, and 185,362,136 Class A shares convertible from Operating Partnership units held by MGM (not inclusive of 9,771,987 Operating Partnership units expected to be issued to a subsidiary of MGM in connection with the MGM National Harbor Transaction with an aggregate value of \$300.0 million based on a price per unit equal to the closing price of the Company's Class A shares on the NYSE on September 5, 2017. The sale, or availability for sale, of substantial amounts of our Class A shares in the public market, whether directly by us or resulting from the exercise of options, issuances under employee benefit plans or exchange of the Operating Partnership units held by MGM (and, where applicable, sales pursuant to Rule 144 under the Securities Act), would be dilutive to existing security holders, could adversely affect the prevailing market price of our Class A shares and could impair our ability to raise additional capital through the sale of equity securities.

Except as described under "Underwriting" with respect to the 60-day lock-up, MGP is not restricted from issuing additional Class A shares, including securities that are convertible into or exchangeable for, or that represent the right to receive, Class A shares. The issuance of additional Class A shares will dilute the ownership interest of existing shareholders. Sales of a substantial number of Class A shares or other equity-related securities in the public market could depress the market value of the Class A shares, and impair MGP's ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of the Class A shares or other equity-related securities would have on the market price of the Class A shares.

Sales of the Class A shares in the public market or sales of any of our other securities could dilute ownership and earnings per share, and even the perception that such sales could occur could cause the market price of the Class A shares to decline. The market price of the Class A shares also could decline as a result of sales of the Class A shares made after this offering or the perception that such sales could occur.

---

**Table of Contents**

**USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after the deduction of the underwriting discounts and commissions and our estimated expenses, will be approximately \$335.9 million (or \$386.6 million if the underwriters exercise their option to purchase additional Class A shares in full).

We intend to use the net proceeds of this offering, together with the proceeds from approximately \$370.6 million of additional indebtedness and \$200.0 million of cash on hand, to (i) refinance the \$425.0 million of debt to be assumed in connection with the MGM National Harbor Transaction, representing the amount outstanding under the MGM National Harbor term loan, (ii) pay \$462.5 million of cash consideration for the MGM National Harbor assets, and (iii) pay fees and expenses related to this offering, with the remainder, if any, for general corporate purposes. Any proceeds received in connection with the exercise by the underwriters of their overallotment option to purchase additional Class A shares will be used to pay a portion of the cash consideration for the purchase of the MGM National Harbor assets, repay a portion of the assumed debt or for general corporate purposes. To the extent the gross proceeds from this offering are less than \$351.9 million, we expect to incur additional indebtedness under the Revolving Credit Facility equal to the difference to fund the purchase price. We intend to opportunistically access the debt capital markets to fund a portion of the cash consideration for the MGM National Harbor assets, but, absent such a capital markets financing, expect to draw on our Revolving Credit Facility in connection with the closing of the MGM National Harbor Transaction to fund a portion of the cash consideration, and, in the future, raise long-term debt financing to refinance such amounts drawn under the Revolving Credit Facility, subject to market and other conditions. To the extent that we refinance amounts outstanding under the Revolving Credit Facility with fixed-rate long-term debt financing, we anticipate that such fixed-rate debt financing would bear interest at a higher rate than our current variable interest rate debt obligations, including the Revolving Credit Facility.

Pending application of the net proceeds to us from this offering, we intend to invest such net proceeds temporarily in interest-bearing, short-term investment grade securities, money market accounts or checking accounts, in a manner that is consistent with our intention to maintain our qualification for taxation as a REIT.

The total purchase price for the MGM National Harbor assets will be \$1,187.5 million, including 9,771,987 Operating Partnership units with an aggregate value of \$300.0 million based on a price per unit equal to the closing price of the Company's Class A shares on the NYSE on September 5, 2017. Pursuant to our operating agreement, the total purchase price has been conclusively deemed to be fair and reasonable by our board of directors, as the amount was negotiated and approved by our conflicts committee according to the Special Approval procedures required for such a determination. For more information on our conflicts committee procedures, see Prospectus Supplement Summary Overview of Management and Governance.

As of June 30, 2017, the MGM National Harbor credit facility consisted of a \$425 million term loan facility and a \$100 million revolving credit facility. The term loan facility and revolving credit facility bear interest at LIBOR plus an applicable rate determined by MGM National Harbor's total leverage ratio (2.25% as of June 30, 2017). The term loan facility and revolving credit facility are scheduled to mature in January 2021 and the term loan facility is subject to scheduled amortization payments on the last day of each calendar quarter beginning December 31, 2017, initially in an amount equal to 1.25% of the aggregate principal balance and increasing to 1.875% and 2.50% of the aggregate principal balance on December 31, 2019 and December 31, 2020, respectively. The outstanding balance at June 30, 2017 consisted of the \$425 million term loan and \$30 million drawn on the revolving credit facility. At June 30, 2017, the interest rate on the term loan facility was 3.48% and the interest rate on the revolving credit facility was 3.44%. In connection with the MGM National Harbor Transaction, MGM will repay the \$30.0 million outstanding under the MGM National Harbor credit facility's revolving credit facility.



This offering is not conditioned upon the successful completion of the MGM National Harbor Transaction. Accordingly, even if the MGM National Harbor Transaction does not occur, the Class A shares sold in this

S-21

**Table of Contents**

offering will remain outstanding, and we will not have any obligation to offer to repurchase any or all of such Class A shares. If the MGM National Harbor Transaction does not occur for any reason, we intend to use the net proceeds from this offering for working capital and general corporate purposes, which may include the acquisition and improvement of properties, the repayment of indebtedness, capital expenditures and other general business purposes. See Risk Factors Risks Related to the MGM National Harbor Transaction We may be unable to complete the MGM National Harbor Transaction, or may not consummate it on the terms described herein.

Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC are lenders under the Operating Partnership's credit agreement and affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Fifth Third Securities, Inc., BNP Paribas Securities Corp., Credit Agricole Securities (USA) Inc., SunTrust Robinson Humphrey, Inc. and SMBC Nikko Securities America, Inc. are lenders and/or agents under the MGM National Harbor term loan and may receive a portion of the net proceeds from this offering. See Underwriting Other Relationships for more information.

**Table of Contents**

**UNAUDITED PRO FORMA CONDENSED COMBINED AND CONSOLIDATED FINANCIAL INFORMATION**

MGP is a publicly traded controlled REIT, primarily engaged 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. MGP conducts its operations through the Operating Partnership, a limited partnership formed in Delaware on January 6, 2016.

On April 25, 2016, MGM engaged in the Formation Transactions, in which certain 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 in exchange for Operating Partnership units. These subsidiaries subsequently underwent a series of restructuring transactions resulting in the Operating Partnership owning 100% of the equity in MGP Lessor Holdings, LLC ( Holdings ) and Holdings owning 100% of the equity in the Landlord. In connection with the Formation Transactions, the Landlord leased the IPO Properties to the Tenant under the Master Lease. For periods prior to April 25, 2016, the financial statements of MGP represent the IPO Properties which have been determined to be MGP's predecessor for accounting purposes.

On May 31, 2016, MGM entered into a definitive agreement to acquire Boyd Gaming's ownership interest in Borgata and completed the acquisition of Borgata on August 1, 2016. Pursuant to a master transaction agreement by and between MGM, MGP, the Operating Partnership, the Landlord and the Tenant, concurrently with the acquisition, MGM transferred all of Borgata's real estate assets to the Landlord in the Borgata Transaction. A subsidiary of MGM operates Borgata.

The Master Lease provides MGP with a right of first offer with respect to MGM National Harbor in Maryland, which commenced operations on December 8, 2016, and MGM's development property located in Springfield, Massachusetts, which may be exercised upon MGM's election to sell these properties. Pursuant to this right under the Master Lease, MGM has notified MGP of its election to assign the MGM National Harbor assets and offered MGP the right to purchase the MGM National Harbor assets.

MGP intends to acquire the MGM National Harbor assets in the MGM National Harbor Transaction pursuant to which MGM National Harbor, a subsidiary of MGM, will assign the MGM National Harbor assets to the Operating Partnership in exchange for a combination of cash, the assumption of certain debt from MGM National Harbor and the issuance of Operating Partnership units by the Operating Partnership to MGM National Harbor. MGP intends to fund the acquisition, in part, with net proceeds from the issuance and sale of Class A shares of approximately \$335.9 million (assuming that the underwriters do not exercise any of their overallotment option to purchase additional Class A shares).

The MGM National Harbor Transaction, in which the MGM National Harbor assets will be assigned from a subsidiary of MGM to the Landlord is considered to be between legal entities under common control and has been accounted for under the common control subsections of ASC 805. Under the common control subsections of ASC 805, such assets are recorded by MGP on the same basis as that established by MGM. Any difference between the basis of the real estate assets contributed by MGM and the purchase price consideration paid by MGP is recorded as an adjustment to equity.

The following unaudited pro forma condensed combined and consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X to reflect the effects of the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering on MGP's financial statements. Such information is based on certain assumptions that management currently believes are directly attributable to these

transactions, factually supportable and, with respect to the statements of operations, expected to have a continuing impact on MGP's consolidated results.

S-23

**Table of Contents**

The unaudited pro forma condensed consolidated balance sheet as of June 30, 2017 presents the condensed consolidated balance sheet of MGP and gives effect to the MGM National Harbor Transaction and this offering as if they had occurred on June 30, 2017. The unaudited pro forma condensed combined and consolidated statement of operations for the year ended December 31, 2016 and unaudited pro forma condensed combined and consolidated statement of operations for the six months ended June 30, 2017 present the condensed combined and consolidated statements of operations of MGP, giving effect to the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering as if they had occurred on January 1, 2016. The unaudited pro forma condensed combined and consolidated financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined and consolidated financial information. In addition, the unaudited pro forma condensed combined and consolidated financial information was based on, and should be read in conjunction with, the following historical financial statements and accompanying notes:

separate condensed combined and consolidated financial statements of MGP as of, and for the six months ended, June 30, 2017, and the related notes contained in MGP's and the Operating Partnership's Combined Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, filed with the Commission on August 8, 2017; and

separate combined and consolidated financial statements of MGP as of, and for the year ended, December 31, 2016, and the related notes contained in MGP's and the Operating Partnership's Combined Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Commission on March 6, 2017.

The unaudited pro forma condensed combined and consolidated financial information is provided for informational purposes only. The unaudited pro forma condensed combined and consolidated financial information does not purport to represent what MGP's results of operations or financial condition would have been had the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering had actually occurred on the dates indicated and does not purport to project MGP's results of operations or financial condition for any future period or as of any future date. In addition, the unaudited pro forma condensed combined and consolidated financial information has not been adjusted to reflect any matters not directly attributable to implementing the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering. No adjustment, therefore, has been made for actions that may be taken once the transactions closed, such as any of MGP's integration plans related to National Harbor. As a result, the actual amounts recorded in the consolidated financial statements of MGP may differ from the amounts reflected in the unaudited pro forma condensed combined and consolidated financial information, and the differences may be material.

**Table of Contents****Unaudited Pro Forma Condensed Consolidated Balance Sheet**

As of June 30, 2017

(in thousands)

	MGP (Historical)	Pro Forma Adjustments (MGM National Harbor Transaction and this Offering) (a)	MGP (Pro Forma)
<b>Assets</b>			
Real estate investments, net	\$ 8,957,622	\$ 1,140,019	\$ 10,097,641
Cash and cash equivalents	376,842	(200,000)	176,842
Tenant and other receivables, net	4,166		4,166
Prepaid expenses and other assets	8,819		8,819
Above market lease, asset	45,374		45,374
<b>Total assets</b>	<b>\$ 9,392,823</b>	<b>\$ 940,019</b>	<b>\$ 10,332,842</b>
<b>Liabilities</b>			
Debt, net	\$ 3,601,214	\$ 370,600	\$ 3,971,814
Due to MGM Resorts International and affiliates	233		233
Accounts payable, accrued expenses and other liabilities	8,829		8,829
Above market lease, liability	47,513		47,513
Accrued interest	17,580		17,580
Dividend payable	95,995		95,995
Deferred revenue	88,747		88,747
Deferred income taxes, net	25,368		25,368
<b>Total liabilities</b>	<b>3,885,479</b>	<b>370,600</b>	<b>4,256,079</b>
<b>Commitments and contingencies</b>			
<b>Shareholders equity</b>			
Class A shares			
Additional paid-in capital	1,370,370	303,089	1,673,459
Accumulated deficit	(56,914)	(19,000)	(75,914)
Accumulated other comprehensive income (loss)	(680)		(680)
<b>Total Class A shareholders equity</b>	<b>1,312,776</b>	<b>284,089</b>	<b>1,596,865</b>
Noncontrolling interest	4,194,568	285,330	4,479,898
<b>Total shareholders equity</b>	<b>5,507,344</b>	<b>569,419</b>	<b>6,076,763</b>
<b>Total liabilities and shareholders equity</b>	<b>\$ 9,392,823</b>	<b>\$ 940,019</b>	<b>\$ 10,332,842</b>

S-25

Table of Contents**Unaudited Pro Forma Condensed Combined and Consolidated Statement of Operations****For the Year Ended December 31, 2016****(in thousands except share and per share amounts)**

	<b>MGP (Historical)</b>	<b>Pro Forma Adjustments (Formation Transactions) (1/1/2016- 4/25/2016)</b>	<b>Pro Forma Adjustment (Borgata Transaction) (1/1/2016- 8/1/2016)</b>	<b>MGP (Pro Forma Adjusted for Formation Transactions and Borgata Transaction)</b>	<b>Pro Forma Adjustment (MGM National Harbor Transaction and this Offering)</b>	<b>MGP (Pro Forma Combined)</b>
<b>Revenues</b>						
Rental revenue	\$ 419,239	\$ 174,897 (aa)	\$ 58,582 (aa)	\$ 652,718	\$ 95,397 (kk)	\$ 748,115
Tenant reimbursements and other	48,309	16,891 (bb)	3,530 (bb)	68,730	14,518 (ll)(mm)	83,248
	467,548	191,788	62,112	721,448	109,915	831,363
<b>Expenses</b>						
Depreciation	220,667		22,731 (cc)	243,398	37,736 (nn)	281,134
Property transactions, net	4,684			4,684		4,684
Property taxes	65,120		3,530 (bb)	68,650	347 (ll)	68,997
Property insurance	2,943	(2,943) (dd)				
Amortization of above market lease, net	286		398 (ee)	684		684
Acquisition-related expenses	10,178		(10,178) (ff)			
General and administrative	9,896	367 (gg)		10,263	15,620 (mm)	25,883
	313,774	(2,576)	16,481	327,679	53,703	381,382
<b>Operating income (loss)</b>	153,774	194,364	45,631	393,769	56,212	449,981
<b>Non-operating income (expense)</b>						
Interest income	774			774		774
Interest expense	(116,212) (726)	(53,663) (hh)	(6,140) (hh)	(176,015) (726)	(13,568) (oo)	(189,583) (726)



Other  
non-operating

	(116,164)	(53,663)	(6,140)	(175,967)	(13,568)	(189,535)
--	-----------	----------	---------	-----------	----------	-----------

**Income (loss)  
before income  
taxes**

	37,610	140,701	39,491	217,802	42,644	260,446
--	--------	---------	--------	---------	--------	---------

Provision for income taxes	(2,264)		(4,107) (ii)	(6,371)		(6,371)
-------------------------------	---------	--	--------------	---------	--	---------

<b>Net income (loss)</b>	35,346	140,701	35,384	211,431	42,644	254,075
--------------------------	--------	---------	--------	---------	--------	---------

Less: Net (income) loss attributable to noncontrolling interest	(5,408)	(123,666) (jj)	(30,790) (jj)	(159,864)	(26,055) (pp)	(185,919)
--------------------------------------------------------------------------	---------	----------------	---------------	-----------	---------------	-----------

**Net income  
attributable to  
Class A  
shareholders**

\$	29,938	\$	17,035	\$	4,594	\$	51,567	\$	16,589	\$	68,156
----	--------	----	--------	----	-------	----	--------	----	--------	----	--------

**Weighted average  
Class A shares  
outstanding:**

Basic	57,502,158		57,502,158	11,500,000 (qq)	69,002,158
-------	------------	--	------------	-----------------	------------

Diluted	57,751,489		57,751,489	11,500,000 (qq)	69,251,489
---------	------------	--	------------	-----------------	------------

**Per Class A share  
data**

Net income per Class A share (basic)	\$	0.52		\$	0.90		\$	0.99
--------------------------------------------	----	------	--	----	------	--	----	------

Net income per Class A share (diluted)	\$	0.52		\$	0.89		\$	0.98
----------------------------------------------	----	------	--	----	------	--	----	------

Table of Contents**Unaudited Pro Forma Condensed Consolidated Statement of Operations****For the Six Months Ended June 30, 2017****(in thousands except share and per share amounts)**

	<b>MGP (Historical)</b>	<b>Pro Forma Adjustments (MGM National Harbor Transaction and this Offering)</b>		<b>MGP (Pro Forma Combined)</b>
<b>Revenues</b>				
Rental revenue	\$ 326,354	\$ 47,699	(kk)	\$ 374,053
Tenant reimbursements and other	42,001	13,896	(ll)(mm)	55,897
	368,355	61,595		429,950
<b>Expenses</b>				
Depreciation	121,911	18,868	(nn)	140,779
Property transactions, net	17,442			17,442
Property taxes	41,129	6,811	(ll)	47,940
Property insurance				
Amortization of above market lease, net	343			343
Acquisition-related expenses				
General and administrative	5,341	7,810	(mm)	13,151
	186,166	33,489		219,655
<b>Operating income (loss)</b>	182,189	28,106		210,295
<b>Non-operating income (expense)</b>				
Interest income	1,559			1,559
Interest expense	(89,454)	(6,611)	(oo)	(96,065)
Other non-operating	(1,312)			(1,312)
	(89,207)	(6,611)		(95,818)
<b>Income (loss) before income taxes</b>	92,982	21,495		114,477
Provision for income taxes	(2,415)			(2,415)
<b>Net income (loss)</b>	90,567	21,495		112,062
Less: Net (income) loss attributable to noncontrolling interest	(68,539)	(13,566)	(pp)	(82,105)
<b>Net income attributable to Class A shareholders</b>	\$ 22,028	\$ 7,929		\$ 29,957

**Weighted average Class A shares  
outstanding:**

Basic	57,596,223	11,500,000	(qq)	69,096,223
Diluted	57,818,511	11,500,000	(qq)	69,318,511

**Per Class A share data**

Net income per Class A share (basic)	\$	0.38		\$	0.43
Net income per Class A share (diluted)	\$	0.38		\$	0.43

S-27

**Table of Contents****NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED AND CONSOLIDATED FINANCIAL INFORMATION****Note 1 Balance Sheet Pro Forma Adjustments****Pro Forma Adjustments MGM National Harbor Transaction and this Offering:**

(a) The MGM National Harbor Transaction is accounted for under the common control subsections of ASC 805. Under the common control subsections of ASC 805, such assets are recorded by MGP on the same basis as that established by MGM. As of June 30, 2017, the company estimates the net carrying value of the MGM National Harbor assets was \$1.14 billion, solely comprising the estimated net carrying value of the buildings and improvements at MGM National Harbor, including accumulated depreciation of \$22.0 million. The land at MGM National Harbor is subject to a ground lease and not included in the estimate of the net carrying value of the MGM National Harbor assets.

MGP intends to purchase from MGM all of MGM National Harbor's interest in the MGM National Harbor assets for consideration of approximately \$1,187.5 million consisting of (i) cash consideration of \$462.5 million, (ii) the assumption of MGM National Harbor's \$425.0 million term loan facility and (iii) the issuance of 9,771,987 Operating Partnership units to a subsidiary of MGM with an aggregate value of \$300.0 million based on a price per unit equal to the closing price of the Company's Class A shares on the NYSE on September 5, 2017. The difference between the basis of the real estate assets contributed by MGM and the purchase consideration is recorded as an adjustment to equity.

Cash consideration and transaction expenses directly attributable to the transaction, as well as the repayment of the \$425.0 million MGM National Harbor term loan facility upon its assumption by the Operating Partnership, will be funded with a combination of \$200.0 million of cash on hand, approximately \$335.9 million in net proceeds from this offering and \$370.6 million of proceeds from the Operating Partnership's Revolving Credit Facility. The Revolving Credit Facility bears interest at LIBOR plus 2.25% to 2.75%.

MGP expects to receive net proceeds of \$335.9 million from the issuance and sale of Class A shares in this offering, which represents the expected gross proceeds of this offering, net of \$16.0 million in offering costs (assuming that the underwriters do not exercise any of their over-allotment option to purchase additional Class A shares). If the amount of the net proceeds received in this offering is less than \$335.9 million, MGP expects to use additional cash or proceeds from the Revolving Credit Facility to fund the difference. MGP will use the proceeds from the sale of Class A shares in this offering to purchase an equal number of Operating Partnership units issued by the Operating Partnership.

MGP expects to incur approximately \$19.0 million of expenses directly attributable to the MGM National Harbor Transaction. Such expenses were not recognized in the unaudited pro forma condensed combined and consolidated statements of operations as they are not expected to have a continuing effect.

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

<b>Sources</b>		<b>Uses</b>	
Proceeds from this offering	\$ 351,900	Cash consideration paid	\$ 462,500
Proceeds from the Revolving Credit Facility	370,600	Repayment of the MGM National Harbor term loan	425,000

Edgar Filing: MGM Growth Properties LLC - Form 424B5

Cash on hand	200,000	Offering costs and expenses	16,000
		Transaction costs - MGM National Harbor Transaction	19,000
	\$ 922,500		\$ 922,500

S-28

---

**Table of Contents**

On a pro forma basis after giving effect to the MGM National Harbor Transaction and this offering, certain of MGM's operating and other subsidiaries are expected to own 195,134,123 of the 264,298,272 total Operating Partnership units, entitling MGM to 73.8% of the economic interest in the Operating Partnership. 9,771,987 Operating Partnership units are expected to be issued in connection with the MGM National Harbor Transaction based on the last reported sale price of MGP's Class A shares on the NYSE on September 5, 2017.

**Note 2 Statement of Operations Pro Forma Adjustments****Pro Forma Adjustments Formation Transactions and Borgata Transaction:**

(aa) Represents rental income associated with the rent from the Master Lease. Base rent under the Master Lease includes a fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). Thereafter, the annual escalator of 2.0% will be subject to the Tenant and, without duplication, the MGM operating subsidiary sublessees of the Tenant 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 accounting principles generally accepted in the United States, adjusted to exclude net revenue attributable to certain scheduled subleases and, at the Tenant's option, reimbursed cost revenues. The first 2.0% fixed annual rent escalator went into effect on April 1, 2017. Because the unaudited pro forma condensed combined and consolidated statement of operations for the year ended December 31, 2016 gives effect to the Formation Transactions and Borgata Transaction as if they had occurred on January 1, 2016, the effect of this escalator is not reflected, as it would not have occurred until January 1, 2017. The unaudited pro forma condensed combined and consolidated statement of operations for the six months ended June 30, 2017 includes the effect of this escalator within the historical results of MGP. Percentage rent under the Master Lease is initially a fixed amount for approximately the first six years of the Master Lease and will then be adjusted every five years based on the average actual annual net revenues from the leased properties subject to the Master Lease at such time (excluding net revenue attributable to certain scheduled subleases and, at the Tenant's option, certain reimbursed costs) for the trailing five-calendar-year period. Base rent and percentage rent under the Master Lease known at the lease commencement date is recorded on a straight-line basis over the initial ten-year non-cancelable lease term and all four five-year renewal terms under the Master Lease, as such renewal terms have been determined to be reasonably assured.

As a result of the consummation of the Borgata Transaction, the initial annual rent under the Master Lease increased by \$100.0 million, prorated for the remainder of the lease year, \$90.0 million of which relates to base rent under the Master Lease and the remaining \$10.0 million of which relates to percentage rent under the Master Lease. Following the closing of the Borgata Transaction and through April 1, 2017, base rent under the Master Lease was \$585.0 million and percentage rent under the Master Lease was \$65.0 million.

For the year ended December 31, 2016, pro forma rental revenue recognized, as adjusted for the Formation Transactions and Borgata Transaction, is \$652.7 million compared to total lease payments due under the Master Lease of \$650.0 million. The difference of \$2.7 million is an adjustment to recognize fixed amounts due under the Master Lease on a straight-line basis over the lease term.

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

(cc) Depreciation amounts were determined based on management's evaluation of the estimated remaining useful lives of the real estate assets of the Borgata. The values allocated to buildings, building improvements, land improvements, fixtures and integral equipment are depreciated on a straight-line basis using an estimated useful life. In utilizing these useful lives for determining the pro forma adjustments, management considered the length of time the property had

been in existence, the maintenance history and anticipated future maintenance.

S-29

---

**Table of Contents**

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

(ee) Represents the net effect of the amortization of the unfavorable lease liability related to certain ground leases expiring in 2070, which were assigned to the Landlord in connection with the Borgata Transaction, and under which the Landlord is the primary obligor, as well as the favorable lease asset representing future favorable lease reimbursements from the Tenant to the Landlord under the Master Lease, which extends through 2046.

(ff) Represents the elimination of nonrecurring transaction costs incurred during the year ended December 31, 2016 of \$10.2 million that are directly related to the acquisition of Borgata and included in the historical results of MGP.

(gg) Represents expense related to the base salary and annual equity awards pursuant to the employment agreements with MGP's Chief Executive Officer and Chief Financial Officer.

(hh) Represents interest expense related to borrowings that were incurred by the Operating Partnership in connection with the Formation Transactions and the Borgata Transaction, including the amortization of debt issuance costs. It is estimated that a one-eighth percentage change in the annual interest rates on the Operating Partnership's variable rate obligations (including its Revolving Credit Facility, which bears interest at LIBOR plus 2.25% to 2.75%) would change interest expense related to these borrowings by \$3.0 million for the year ended December 31, 2016.

(ii) 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, MGP is required to record New Jersey state income taxes in its consolidated financial statements as if the Landlord was taxed for state purposes on a stand-alone basis. MGP 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. The provision for current taxes and the deferred tax liability in MGP's consolidated financial statements are attributable to noncontrolling interest since the payment of such taxes are the responsibility of MGM.

(jj) On a pro forma basis after giving effect to the Formation Transactions and the Borgata Transaction, certain of MGM's operating and other subsidiaries owned 185,362,136 of the 242,862,136 total Operating Partnership units, entitling MGM to 76.3% of the economic interest in the Operating Partnership.

**Pro Forma Adjustments - MGM National Harbor Transaction and this Offering:**

(kk) As a result of the consummation of the MGM National Harbor Transaction, the annual rent under the Master Lease increased by \$95.0 million, prorated for the remainder of the second lease year, \$85.5 million of which relates to base rent under the Master Lease and the remaining \$9.5 million of which relates to percentage rent under the Master Lease. For pro forma purposes, the Master Lease amendment related to the MGM National Harbor Transaction is reflected as if it were effective beginning on January 1, 2016 at the beginning of the initial lease year and subject to the fixed annual rent escalator of 2.0% for the second through the sixth lease years (as defined in the Master Lease). On a pro forma basis after giving effect to the MGM National Harbor Transaction, base rent under the Master Lease for the initial lease year would have been \$670.5 million and percentage rent under the Master Lease for the initial lease year would have been \$74.5 million.



Edgar Filing: MGM Growth Properties LLC - Form 424B5

For the year ended December 31, 2016, additional pro forma rental revenue recognized related to the MGM National Harbor Transaction is \$95.4 million compared to total related lease payments due under the Master

S-30

**Table of Contents**

Lease of \$95.0 million. The difference of \$0.4 million is an adjustment to recognize fixed amounts due under the Master Lease on a straight-line basis over the lease term.

For the six months ended June 30, 2017, additional pro forma rental revenue recognized related to the MGM National Harbor Transaction is \$47.7 million compared to total related lease payments due under the Master Lease of \$48.4 million. The difference of \$0.7 million is an adjustment to recognize fixed amounts due under the Master Lease on a straight-line basis over the lease term.

(ll) Represents revenue for the additional property taxes paid by the Tenant under the Master Lease related to the MGM National Harbor assets with an offsetting expense recorded in operating expenses, as the Landlord is the primary obligor.

(mm) The land on which National Harbor was developed is subject to a ground lease, which is expected to be assigned to the Operating Partnership in connection with the MGM National Harbor Transaction. Rent payments pursuant to this ground lease will be reimbursed by the Tenant under the Master Lease over its related term, which extends through 2046. Reflects the straight-line ground lease expense through the end of the ground lease term, as well as the straight-line reimbursement revenue through 2046 in tenant reimbursements and other, as the Landlord is the primary obligor.

(nn) Represents the depreciation expense directly associated with the assignment of the MGM National Harbor assets to the Operating Partnership. The MGM National Harbor assets assigned pursuant to the MGM National Harbor Transaction will be recorded at the historical cost as the MGM National Harbor Transaction does not result in a change in control of the assets.

(oo) Represents additional interest expense related to amounts to be drawn on the Revolving Credit Facility to fund the MGM National Harbor Transaction. The Revolving Credit Facility bears interest at LIBOR plus 2.25% to 2.75%. It is estimated that a one-eighth percentage change in the annual interest rates of the Revolving Credit Facility would change interest expense related to these borrowings by \$0.5 million for the year ended December 31, 2016 and \$0.2 million for the six months ended June 30, 2017. To the extent that MGP refinances amounts outstanding under the Revolving Credit Facility with fixed-rate long-term debt financing, MGP anticipates that such fixed-rate debt financing would bear interest at a higher rate than its current variable interest rate debt obligations, including the Revolving Credit Facility.

(pp) On a pro forma basis after giving effect to the Formation Transactions, the Borgata Transaction, the MGM National Harbor Transaction and this offering, certain of MGM's operating and other subsidiaries owned 195,134,123 of the 264,298,272 total Operating Partnership units, entitling MGM to 73.8% of the economic interest in the Operating Partnership based on the last reported sale price of MGP's Class A shares on the NYSE on September 5, 2017.

(qq) Pro forma earnings per common share are based on historical MGP weighted average Class A shares outstanding, adjusted to assume the Class A shares estimated to be issued by MGP in this offering were outstanding for the entire periods presented.

**Table of Contents****MARKET PRICE OF THE CLASS A SHARES AND DIVIDEND HISTORY**

The Class A shares are traded on the New York Stock Exchange under the symbol MGP. The following table sets forth, for the periods indicated, the high and low closing prices per share of MGP Class A shares on the New York Stock Exchange and the dividends declared per Class A share.

	<b>Class A shares</b>		
	<b>High</b>	<b>Low</b>	<b>Dividends</b>
<b>Fiscal Year ended December 31, 2016</b>			
Second Quarter <sup>(1)</sup>	\$ 26.90	\$ 21.76	\$ 0.2632
Third Quarter	27.11	24.32	0.3875
Fourth Quarter	26.32	23.80	0.3875
<b>Fiscal Year ending December 31, 2017</b>			
First Quarter	27.05	24.82	0.3875
Second Quarter	29.60	26.94	0.3950
Third Quarter (through September 6, 2017)	\$ 30.98	\$ 28.26	

(1) Represents the period from April 20, 2016, the first date on which our shares were publicly traded, until June 30, 2016.

On September 6, 2017, the last sale price reported on the New York Stock Exchange for our Class A shares was \$30.98 per share. On September 6, 2017 there were two holders of record of our Class A shares.

The Operating Partnership has made distributions and MGP has declared cash dividends each quarter since the completion of its initial public offering. On June 15, 2017, the Operating Partnership announced a cash distribution to holders of Operating Partnership units of \$96.0 million or \$0.3950 per Operating Partnership unit. MGP concurrently declared a cash dividend for the quarter ended June 30, 2017 of \$22.8 million or \$0.3950 per Class A share payable to shareholders of record as of June 30, 2017. The distribution and dividend were paid on July 14, 2017.

While we plan to continue to make quarterly distributions and dividends, no assurances can be made as to the frequency of any future distributions and dividends. Distributions and dividends made by us are 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.

**Table of Contents****UNDERWRITING**

Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of Class A shares set forth opposite its name below.

<b><u>Underwriter</u></b>	<b>Number of Shares</b>
Merrill Lynch, Pierce, Fenner & Smith	
Incorporated	2,012,500
Barclays Capital Inc.	1,897,500
Deutsche Bank Securities Inc.	1,897,500
J.P. Morgan Securities LLC	1,897,500
Evercore Group L.L.C.	920,000
Morgan Stanley & Co. LLC	862,500
BNP Paribas Securities Corp.	345,000
Citigroup Global Markets Inc.	345,000
Fifth Third Securities, Inc.	345,000
SMBC Nikko Securities America, Inc.	345,000
SunTrust Robinson Humphrey, Inc.	230,000
Credit Agricole Securities (USA) Inc.	115,000
Citizens Capital Markets, Inc.	57,500
Ladenburg Thalmann & Co. Inc.	57,500
Scotia Capital (USA) Inc.	57,500
UBS Securities LLC	57,500
Union Gaming Securities, LLC	57,500
Total	11,500,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the Class A shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the Class A shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Class A shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer's certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

**Commissions and Discounts**

The representatives have advised us that the underwriters propose to offer the Class A shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of \$0.73440 per share. After the offering, the public offering price, concession or any other term of the offering may be changed.

S-33

**Table of Contents**

The following table shows the public offering price, underwriting discount and proceeds before expenses to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	<b>Per Share Without Option With Option</b>		
Public offering price	\$ 30.60	\$ 351,900,000	\$ 404,685,000
Underwriting discount	\$ 1.224	\$ 14,076,000	\$ 16,187,400
Proceeds, before expenses, to us	\$ 29.376	\$ 337,824,000	\$ 388,497,600

The expenses of the offering, not including the underwriting discount, are estimated at \$1.9 million and are payable by us. We have also agreed to reimburse the underwriters for certain of their expenses in an amount up to \$15,000.

**Option to Purchase Additional Shares**

We have granted an overallotment option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to 1,725,000 additional Class A shares at the public offering price, less the underwriting discount. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

**No Sales of Similar Securities**

We have agreed that we will not:

offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly (regardless of whether any such transaction is to be settled by the delivery of our Class A shares or such other securities, in cash or otherwise), or file with the Commission a registration statement under the Securities Act relating to, any of our Class A shares or any securities convertible into or exercisable or exchangeable for any of our Class A shares, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing; or

enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences associated with the ownership of any of our Class A shares or any such other securities (regardless of whether any such transaction is to be settled by the delivery of our Class A shares or such other securities, in cash or otherwise),

in each case without the prior written consent of the representatives for a period of 60 days after the date of this prospectus, with certain limited exceptions. In particular, we may make offers of, or engage in negotiations or discussions contemplating the issuance of, Class A shares or any securities convertible into or exercisable or exchangeable for Class A shares, in each case in connection with the potential acquisition of property or assets, or the potential acquisition of, a joint venture with or a merger with another company. In addition, in the event that we enter into a definitive agreement contemplating the issuance of Class A shares or any securities convertible into or exercisable or exchangeable for any of our Class A shares in connection with an acquisition of property or assets, or an acquisition of, a joint venture with, or a merger with another company or pursuant to an employee benefit plan

assumed by us in connection with such acquisition, joint venture or merger, we may issue Class A shares or any securities convertible or exchangeable for Class A shares representing up to 10% of the outstanding Class A shares on a fully diluted basis and, with consent, we may issue Class A shares or any securities convertible or exchangeable for Class A shares representing greater than 10% of the outstanding Class A shares on a fully diluted basis, provided that the recipient of such securities representing greater than 10% of the outstanding Class A shares on a fully diluted basis agrees to deliver to the representatives a lock-up agreement having the terms described below.

S-34

## **Table of Contents**

Our directors, executive officers and our other existing holders of Class A shares and securities convertible into or exchangeable or exercisable into our Class A shares have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, with certain limited exceptions, for a period of 60 days after the date of this prospectus, may not, without the prior written consent of the representatives:

offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly (regardless of whether any such transaction is to be settled by delivery of our Class A shares or such other securities, in cash or otherwise), any of our Class A shares or any securities convertible into or exercisable or exchangeable for any of our Class A shares (including, without limitation, our Class A shares or such other securities which may be deemed to be beneficially owned by such directors, executive officers and shareholders in accordance with the rules and regulations of the Commission and securities which may be issued upon exercise of a stock option or warrant);

enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences associated with ownership of any of our Class A shares or such other securities, regardless of whether any such transaction is to be settled by delivery of our Class A shares or such other securities, in cash or otherwise; or

make any demand for, or exercise any right with respect to, the registration of any of our Class A shares or any security convertible into or exercisable or exchangeable for our Class A shares.

This lock-up provision applies to Class A shares and such other securities, whether owned now or acquired later, by the person executing the agreement or for which the person executing the agreement acquires the power of disposition.

## **New York Stock Exchange Listing**

The Class A shares are listed on the New York Stock Exchange under the symbol **MGP**.

## **Price Stabilization, Short Positions**

Until the distribution of the Class A shares is completed, Commission rules may limit underwriters and selling group members from bidding for and purchasing our common shares. However, the representatives may engage in transactions that stabilize the price of the common shares, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell Class A shares in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of Class A shares than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters' option to purchase additional Class A shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional Class A shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of Class A shares available for purchase in the open market as compared to the price at which they may purchase Class A shares through the option granted to them. Naked short sales are sales in



excess of such option. The underwriters must close out any naked short position by purchasing Class A shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our Class A shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of Class A shares made by the underwriters in the open market prior to the completion of the offering.

S-35

## **Table of Contents**

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our Class A shares or preventing or retarding a decline in the market price of our Class A shares. As a result, the price of our Class A shares may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our Class A shares. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## **Electronic Distribution**

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

## **Other Relationships**

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc. and J.P. Morgan Securities LLC are lenders under the Operating Partnership's credit agreement and affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Fifth Third Securities, Inc., BNP Paribas Securities Corp., Credit Agricole Securities (USA) Inc., SunTrust Robinson Humphrey, Inc. and SMBC Nikko Securities America, Inc. are lenders and/or agents under the MGM National Harbor term loan. We intend to use a portion of the net proceeds of this offering together with proceeds from the incurrence of additional indebtedness to, among other things, refinance the debt assumed in connection with the MGM National Harbor Transaction, and therefore affiliates of certain of the underwriters may receive a portion of the net proceeds from this offering. See Use of Proceeds.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **Notice to Prospective Investors in Australia**

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission (ASIC), in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the Corporations Act), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the Exempt Investors ) who are sophisticated investors (within the meaning of section 708(8) of the Corporations Act), professional investors (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

S-36

## **Table of Contents**

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

## **Notice to Prospective Investors in the Dubai International Financial Centre**

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ( DFSA ). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for the prospectus supplement. The Class A shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Class A shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

## **Notice to Prospective Investors in Hong Kong**

The Class A shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the Class A shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Class A shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## **Notice to Prospective Investors in Canada**

The Class A shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Class A shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any

S-37

**Table of Contents**

applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

S-38

**Table of Contents**

**LEGAL MATTERS**

Certain legal matters, including the validity of shares offered hereby, will be passed upon for us by Milbank, Tweed, Hadley & McCloy LLP. Weil, Gotshal & Manges LLP has also represented us with respect to tax and certain corporate matters. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, Los Angeles, California.

**EXPERTS**

The combined and consolidated financial statements and the related financial statement schedule of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP incorporated in this prospectus by reference from the Combined Annual Report on Form 10-K of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

We incorporate by reference into this prospectus supplement and the accompanying prospectus the following documents and reports filed with the Commission:

The Combined Annual Report on Form 10-K of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP for the fiscal year ended December 31, 2016;

The Combined Quarterly Reports on Form 10-Q of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP for the fiscal quarters ended March 31, 2017 and June 30, 2017;

The information responsive to Part III of Form 10-K for the fiscal year ended December 31, 2016 provided in our Proxy Statement on Schedule 14A filed on April 19, 2017;

Our Current Reports on Form 8-K filed on January 13, 2017, February 17, 2017, May 1, 2017, June 5, 2017 and September 6, 2017; and

The description of our Class A shares contained in our Registration Statement on Form 8-A filed with the Commission on April 11, 2016.

All documents and reports filed (but not furnished) by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and on or before the time that our offering of the securities covered by this prospectus supplement is completed are deemed to be incorporated by reference in this prospectus supplement from the date of filing of such documents or reports, except as to any portion of any future document or report that is deemed to have been furnished and not filed under those sections. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified

or superseded for purposes of this prospectus supplement to the extent that any statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus supplement modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

Any person receiving a copy of this prospectus supplement may obtain, without charge, upon written or oral request, a copy of any of the documents incorporated by reference except for the exhibits to such documents (other than the exhibits expressly incorporated in such documents by reference). To obtain copies of these filings, see **Where You Can Find More Information** in the accompanying prospectus.



**Table of Contents****ANNEX I****UNAUDITED RECONCILIATION OF NON-U.S. GAAP MEASURES OF MGM**

The following table presents a reconciliation of MGM's Adjusted EBITDA to net income (loss), each as reported by MGM:

	Year ended December 31,								
	2008	2009	2010	2011	2012	2013	2014	2015	2016
	(in thousands)								
Adjusted EBITDA	\$ 1,882,441	\$ 1,107,099	\$ 972,389	\$ 1,603,771	\$ 1,747,981	\$ 2,124,581	\$ 2,219,562	\$ 2,238,920	\$ 2,700,000
Energy exit									(1,000,000)
Depreciating and amortizing expenses	(23,059)	(53,013)	(4,247)	316	(2,127)	(13,314)	(39,257)	(71,327)	(1,000,000)
Impairment provisions, net of recoveries	(1,277,132)	(1,328,689)	(1,454,349)	3,318,838	(696,806)	(124,761)	(41,002)	(1,503,942)	(1,000,000)
Borgata operations									4,000,000
Restructuring and other charges	(778,236)	(689,273)	(633,423)	(817,146)	(927,697)	(849,225)	(815,765)	(819,883)	(8,000,000)
Operating income	(195,986)	(963,876)	(1,119,630)	4,105,779	121,351	1,137,281	1,323,538	(156,232)	2,000,000
Operating expense (expense):									
Depreciation expense, net of recoveries	(609,286)	(775,431)	(1,113,580)	(1,086,832)	(1,116,358)	(857,347)	(817,061)	(797,579)	(6,000,000)
Amortization expense	69,901	(273,286)	11,807	(181,938)	(739,206)	(217,744)	(95,591)	(92,432)	(1,000,000)
Other operating expense	(539,385)	(1,048,717)	(1,101,773)	(1,268,770)	(1,855,564)	(1,075,091)	(912,652)	(890,011)	(8,000,000)
Income before taxes	(735,371)	(2,012,593)	(2,221,403)	2,837,009	(1,734,213)	62,190	410,886	(1,046,243)	1,200,000
Provision for taxes	(186,298)	720,911	780,825	401,116	117,301	(20,816)	(283,708)	6,594	(1,000,000)
Net income (loss)	(921,669)	(1,291,682)	(1,440,578)	3,238,125	(1,616,912)	41,374	127,178	(1,039,649)	1,200,000
Net income attributable to controlling interest				(120,307)	(150,779)	(213,108)	(277,051)	591,929	(1,000,000)

me										
tributable										
Resorts										
onal	\$	(921,669)	\$(1,291,682)	\$(1,440,578)	\$ 3,117,818	\$(1,767,691)	\$ (171,734)	\$ (149,873)	\$ (447,720)	\$ 1,1

S-A1-1

**Table of Contents**

The following tables present reconciliations of MGM's operating income (loss) to Adjusted Property EBITDA and Adjusted EBITDA, each as reported by MGM:

	<b>Six Months Ended June 30, 2017</b>					
	<b>Operating income (loss)</b>	<b>NV Energy exit expense</b>	<b>Preopening and start-up expenses (in thousands) (unaudited)</b>	<b>Property transactions, net (in thousands) (unaudited)</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>
Bellagio	\$ 202,762	\$ (6,970)	\$	\$ 123	\$ 44,145	\$ 240,060
MGM Grand Las Vegas	138,278	(7,424)	7	844	36,019	167,724
Mandalay Bay	105,745	(8,524)		(10)	49,178	146,389
The Mirage	85,255	(4,043)		117	19,140	100,469
Luxor	48,902	(3,394)		1,164	19,043	65,715
New York-New York	53,445	(2,025)	(8)	183	15,541	67,136
Excalibur	51,062	(2,658)		258	8,789	57,451
Monte Carlo	6,735	(2,461)	1,049	9,990	23,925	39,238
Circus Circus Las Vegas	25,982	(3,130)	450	735	8,160	32,197
MGM Grand Detroit	78,544				11,473	90,017
Beau Rivage	29,598			5	11,989	41,592
Gold Strike Tunica	23,396			(22)	4,613	27,987
Borgata	118,977		1,277	1,220	38,868	160,342
National Harbor	28,599		227		40,294	69,120
<b>Domestic resorts</b>	<b>997,280</b>	<b>(40,629)</b>	<b>3,002</b>	<b>14,607</b>	<b>331,177</b>	<b>1,305,437</b>
MGM China	116,229		23,158	332	119,583	259,302
Unconsolidated resorts	80,286					80,286
Management and other operations	16,421				3,592	20,013
	<b>1,210,216</b>	<b>(40,629)</b>	<b>26,160</b>	<b>14,939</b>	<b>454,352</b>	<b>1,665,038</b>
Stock compensation	(25,409)					(25,409)
Corporate	(186,580)		9,999		40,171	(136,410)
	<b>\$ 998,227</b>	<b>\$ (40,629)</b>	<b>\$ 36,159</b>	<b>\$ 14,939</b>	<b>\$ 494,523</b>	<b>\$ 1,503,219</b>

	<b>Six Months Ended June 30, 2016</b>				
	<b>Operating income (loss)</b>	<b>Preopening and start-up expenses</b>	<b>Property transactions, net (in thousands) (unaudited)</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>

Edgar Filing: MGM Growth Properties LLC - Form 424B5

Bellagio	\$ 189,253	\$	\$ 61	\$ 44,875	\$ 234,189
MGM Grand Las Vegas	141,555		500	36,328	178,383
Mandalay Bay	75,484	29	1,158	44,654	121,325
The Mirage	54,126		(413)	20,465	74,178
Luxor	31,046	1,444	373	18,582	51,445
New York-New York	50,493	372	100	10,416	61,381
Excalibur	37,710		2,969	8,152	48,831
Monte Carlo	26,271	145	152	16,552	43,120
Circus Circus Las Vegas	18,288		130	8,047	26,465
MGM Grand Detroit	71,846			11,986	83,832
Beau Rivage	37,650		(62)	13,247	50,835
Gold Strike Tunica	21,104		93	4,833	26,030
Domestic resorts	754,826	1,990	5,061	238,137	1,000,014
MGM China	98,905	12,448	1,271	120,695	233,319
Unconsolidated resorts	459,924	3,087			463,011
Management and other operations	3,585	1,150		3,752	8,487
	1,317,240	18,675	6,332	362,584	1,704,831
Stock compensation	(20,309)				(20,309)
Corporate	(211,922)	28,109	(347)	44,154	(140,006)
	\$ 1,085,009	\$ 46,784	\$ 5,985	\$ 406,738	\$ 1,544,516

S-A1-2

**Table of Contents**

	<b>Year ended December 31, 2016</b>					
	<b>Operating income (loss)</b>	<b>NV Energy exit expense</b>	<b>Preopening and start-up expenses (in thousands)</b>	<b>Property transactions, net and gain on Borgata transaction</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>
Bellagio	\$ 366,543	\$ 23,815	\$	\$ 118	\$ 88,783	\$ 479,259
MGM Grand Las Vegas	231,327	25,365	82	1,719	72,188	330,681
Mandalay Bay	114,202	29,123	252	2,377	89,655	235,609
The Mirage	85,300	13,813		44	40,270	139,427
Luxor	57,653	11,594	1,625	708	36,612	108,192
New York-New York	93,169	7,439	479	210	20,432	121,729
Excalibur	71,885	9,083		4,405	16,152	101,525
Monte Carlo	33,291	8,409	1,929	1,131	34,102	78,862
Circus Circus Las Vegas	33,516	10,694		816	16,963	61,989
MGM Grand Detroit	147,865			(59)	23,608	171,414
Beau Rivage	68,054			(172)	25,880	93,762
Gold Strike Tunica	39,831			67	9,792	49,690
Borgata <sup>(1)</sup>	38,616		90	8,652	33,923	81,281
National Harbor <sup>(2)</sup>	(13,626)		17,986		5,236	9,596
<b>Domestic resorts</b>	<b>1,367,626</b>	<b>139,335</b>	<b>22,443</b>	<b>20,016</b>	<b>513,596</b>	<b>2,063,016</b>
MGM China	255,264		27,848	(216)	237,840	520,736
Unconsolidated resorts <sup>(3)</sup>	524,448		3,168			527,616
Management and other operations	4,316		1,150	29	7,505	13,000
	<b>2,151,654</b>	<b>139,335</b>	<b>54,609</b>	<b>19,829</b>	<b>758,941</b>	<b>3,124,368</b>
Stock compensation	(44,957)					(44,957)
Corporate	(26,910)		85,466	(432,869)	90,586	(283,727)
	<b>\$ 2,079,787</b>	<b>\$ 139,335</b>	<b>\$ 140,075</b>	<b>\$ (413,040)</b>	<b>\$ 849,527</b>	<b>\$ 2,795,684</b>

(1) Represents operating results of Borgata for the period from August 1, 2016 (the first day of the Company's full ownership) through December 31, 2016.

(2) Represents operating results of National Harbor for the month ended December 31, 2016.

(3) Represents the Company's share of operating income (loss), adjusted for the effect of certain basis differences. Includes the Company's share of Borgata results for the seven months ended July 31, 2016.

**Table of Contents**

	<b>Year ended December 31, 2015</b>				
	<b>Operating income (loss)</b>	<b>Preopening and start-up expenses</b>	<b>Property transactions, net and goodwill impairment (in thousands)</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>
Bellagio	\$ 303,858	\$	\$ 1,085	\$ 90,442	\$ 395,385
MGM Grand Las Vegas	206,896		110	73,260	280,266
Mandalay Bay	120,142		3,599	79,733	203,474
The Mirage	66,069	115	1,729	44,562	112,475
Luxor	49,369	(2)	94	37,708	87,169
New York-New York	81,618	(74)	4,931	19,982	106,457
Excalibur	67,545		111	14,591	82,247
Monte Carlo	55,594		3,219	27,149	85,962
Circus Circus Las Vegas	27,305	280	21	15,639	43,245
MGM Grand Detroit	131,016		(36)	23,999	154,979
Beau Rivage	62,613		(5)	26,235	88,843
Gold Strike Tunica	34,362		221	11,440	46,023
Other resort operations	2,975			466	3,441
<b>Domestic resorts</b>	<b>1,209,362</b>	<b>319</b>	<b>15,079</b>	<b>465,206</b>	<b>1,689,966</b>
<b>MGM China</b>	<b>(1,212,377)</b>	<b>13,863</b>	<b>1,472,128</b>	<b>266,267</b>	<b>539,881</b>
<b>Unconsolidated resorts</b>	<b>254,408</b>	<b>3,475</b>			<b>257,883</b>
<b>Management and other operations</b>	<b>27,395</b>	<b>1,179</b>	<b>1,080</b>	<b>7,765</b>	<b>37,419</b>
	<b>278,788</b>	<b>18,836</b>	<b>1,488,287</b>	<b>739,238</b>	<b>2,525,149</b>
<b>Stock compensation</b>	<b>(32,125)</b>				<b>(32,125)</b>
<b>Corporate</b>	<b>(402,895)</b>	<b>52,491</b>	<b>15,655</b>	<b>80,645</b>	<b>(254,104)</b>
	<b>\$ (156,232)</b>	<b>\$ 71,327</b>	<b>\$ 1,503,942</b>	<b>\$ 819,883</b>	<b>\$ 2,238,920</b>

	<b>Year ended December 31, 2014</b>				
	<b>Operating income (loss)</b>	<b>Preopening and start-up expenses</b>	<b>Property transactions, net (in thousands)</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>
Bellagio	\$ 304,144	\$	\$ 900	\$ 88,658	\$ 393,702
MGM Grand Las Vegas	174,297	197	(667)	81,027	254,854
Mandalay Bay	95,449	1,133	2,307	76,737	175,626
The Mirage	57,338	452	2,464	49,900	110,154
Luxor	31,801	2	432	37,849	70,084
New York-New York	75,360	732	427	18,586	95,105
Excalibur	52,915		500	14,804	68,219

Edgar Filing: MGM Growth Properties LLC - Form 424B5

Monte Carlo	48,937	1,507	290	21,046	71,780
Circus Circus Las Vegas	8,135	85	61	15,334	23,615
MGM Grand Detroit	118,755		2,728	23,315	144,798
Beau Rivage	43,152		1,000	26,109	70,261
Gold Strike Tunica	27,460		392	12,480	40,332
Other resort operations	(2,318)		336	1,759	(223)
Domestic resorts	1,035,425	4,108	11,170	467,604	1,518,307
MGM China	547,977	9,091	1,493	291,910	850,471
Unconsolidated resorts	62,919	917			63,836
Management and other operations	26,152	359	415	9,058	35,984
	1,672,473	14,475	13,078	768,572	2,468,598
Stock compensation	(28,372)				(28,372)
Corporate	(320,563)	24,782	27,924	47,193	(220,664)
	\$ 1,323,538	\$ 39,257	\$ 41,002	\$ 815,765	\$ 2,219,562

S-A1-4

**Table of Contents**

	Year ended December 31, 2013				
	Operating income (loss)	Preopening and start-up expenses	Property transactions, net (in thousands)	Depreciation and amortization	Adjusted EBITDA
Bellagio	\$ 261,321	\$	\$ 470	\$ 96,968	\$ 358,759
MGM Grand Las Vegas	149,602		2,220	84,310	236,132
Mandalay Bay	78,096	1,903	2,823	84,332	167,154
The Mirage	63,090		4,722	49,612	117,424
Luxor	21,730	802	2,177	36,852	61,561
New York-New York	65,006		3,533	20,642	89,181
Excalibur	49,184		69	14,249	63,502
Monte Carlo	45,597	791	3,773	18,780	68,941
Circus Circus Las Vegas	(1,596)		1,078	17,127	16,609
MGM Grand Detroit	135,516		(2,402)	22,575	155,689
Beau Rivage	38,015		(260)	29,182	66,937
Gold Strike Tunica	22,767		1,330	13,390	37,487
Other resort operations	(21,951)		23,018	2,243	3,310
Domestic resorts	906,377	3,496	42,551	490,262	1,442,686
MGM China	501,021	9,109	390	303,589	814,109
Unconsolidated resorts	68,322	507			68,829
Management and other operations	13,749	189	4	11,835	25,777
	1,489,469	13,301	42,945	805,686	2,351,401
Stock compensation	(26,112)				(26,112)
Corporate	(326,076)	13	81,816	43,539	(200,708)
	\$ 1,137,281	\$ 13,314	\$ 124,761	\$ 849,225	\$ 2,124,581

	Year ended December 31, 2012				
	Operating income (loss)	Preopening and start-up expenses	Property transactions, net (in thousands)	Depreciation and amortization	Adjusted EBITDA
Bellagio	\$ 206,679	\$	\$ 2,101	\$ 94,074	\$ 302,854
MGM Grand Las Vegas	94,529		6,271	79,926	180,726
Mandalay Bay	64,818	830	3,786	77,327	146,761
The Mirage	65,266		929	51,423	117,618
Luxor	20,777		4,794	37,689	63,260
New York-New York	68,591		581	21,333	90,505
Excalibur	43,978		5	17,805	61,788
Monte Carlo	38,418		1,328	18,935	58,681
Circus Circus Las Vegas	4,514		106	19,452	24,072



Edgar Filing: MGM Growth Properties LLC - Form 424B5

MGM Grand Detroit	130,564	641	922	33,543	165,670
Beau Rivage	40,713		(50)	30,698	71,361
Gold Strike Tunica	27,420		(53)	13,102	40,469
Other resort operations	(904)		(14)	2,373	1,455
Domestic resorts	805,363	1,471	20,706	497,680	1,325,220
MGM China	302,092		2,307	374,946	679,345
Unconsolidated resorts	(17,456)	656			(16,800)
Management and other operations	(4,258)			14,205	9,947
	1,085,741	2,127	23,013	886,831	1,997,712
Stock compensation	(33,974)				(33,974)
Corporate	(930,416)		673,793	40,866	(215,757)
	\$ 121,351	\$ 2,127	\$ 696,806	\$ 927,697	\$ 1,747,981

S-A1-5

**Table of Contents**

	<b>Year ended December 31, 2011</b>				
	<b>Operating income (loss)</b>	<b>Preopening and start-up expenses</b>	<b>Gain on MGM China transaction and property transactions, net (in thousands)</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>
Bellagio	\$ 203,026	\$	\$ 2,772	\$ 96,699	\$ 302,497
MGM Grand Las Vegas	71,762		232	77,142	149,136
Mandalay Bay	84,105		531	84,488	169,124
The Mirage	41,338		1,559	59,546	102,443
Luxor	39,866		112	38,103	78,081
New York-New York	63,824		(76)	23,536	87,284
Excalibur	44,428		646	20,183	65,257
Monte Carlo	35,059		131	22,214	57,404
Circus Circus Las Vegas	4,040		(1)	18,905	22,944
MGM Grand Detroit	125,235		1,415	39,369	166,019
Beau Rivage	30,313		58	39,649	70,020
Gold Strike Tunica	15,991		36	13,639	29,666
Other resort operations	(86,012)		80,120	4,133	(1,759)
Domestic resorts	672,975		87,535	537,606	1,298,116
MGM China	137,440		1,120	221,126	359,686
MGM Macau (50%)	115,219				115,219
CityCenter (50%)	(56,291)				(56,291)
Other unconsolidated resorts	79,368				79,368
Management and other operations	(13,813)	(316)		14,416	287
	934,898	(316)	88,655	773,148	1,796,385
Stock compensation	(36,528)				(36,528)
Corporate	3,207,409		(3,407,493)	43,998	(156,086)
	\$ 4,105,779	\$ (316)	\$ (3,318,838)	\$ 817,146	\$ 1,603,771

	<b>Year ended December 31, 2010</b>				
	<b>Operating income (loss)</b>	<b>Preopening and start-up expenses</b>	<b>Property transactions, net (in thousands)</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>
Bellagio	\$ 174,355	\$	\$ (17)	\$ 96,290	\$ 270,628
MGM Grand Las Vegas	84,359		127	78,607	163,093

Edgar Filing: MGM Growth Properties LLC - Form 424B5

Mandalay Bay	29,859		2,892	91,634	124,385
The Mirage	36,189		(207)	66,124	102,106
Luxor	18,822		257	42,117	61,196
New York-New York	41,845		6,880	27,529	76,254
Excalibur	39,534		803	22,899	63,236
Monte Carlo	5,020	185	3,923	24,427	33,555
Circus Circus Las Vegas	(5,366)		230	20,741	15,605
MGM Grand Detroit	115,040		(327)	40,460	155,173
Beau Rivage	21,564		349	39,374	61,287
Gold Strike Tunica	26,115		(540)	14,278	39,853
Other resort operations	(6,391)		20	5,413	(958)
Domestic resorts	580,945	185	14,390	569,893	1,165,413
MGM Macau (50%)	129,575				129,575
CityCenter (50%)	(253,976)	3,494			(250,482)
Other unconsolidated resorts	84,940				84,940
Management and other operations	(27,084)	568		14,358	(12,158)
	514,400	4,247	14,390	584,251	1,117,288

S-A1-6

**Table of Contents**

	Year ended December 31, 2010				
	Operating income (loss)	Preopening and start-up expenses	Property transactions, net (in thousands)	Depreciation and amortization	Adjusted EBITDA
Stock compensation	(34,988)				(34,988)
Corporate	(1,599,042)		1,439,959	49,172	(109,911)
	\$ (1,119,630)	\$ 4,247	\$ 1,454,349	\$ 633,423	\$ 972,389

	Year ended December 31, 2009				
	Operating income (loss)	Preopening and start-up expenses	Property transactions, net (in thousands)	Depreciation and amortization	Adjusted EBITDA
Bellagio	\$ 157,079	\$	\$ 2,326	\$ 115,267	\$ 274,672
MGM Grand Las Vegas	123,378		30	90,961	214,369
Mandalay Bay	65,841	948	(73)	93,148	159,864
The Mirage	74,756		313	66,049	141,118
Luxor	37,527	(759)	181	39,218	76,167
Treasure Island <sup>(1)</sup>	12,730		(1)		12,729
New York-New York	45,445		1,631	31,479	78,555
Excalibur	47,973		(16)	24,173	72,130
Monte Carlo	16,439		(4,740)	24,895	36,594
Circus Circus Las Vegas	4,015		(9)	23,116	27,122
MGM Grand Detroit	90,183		7,336	40,491	138,010
Beau Rivage	16,234		157	49,031	65,422
Gold Strike Tunica	29,010		(209)	16,250	45,051
Other resort operations	(4,172)		(57)	5,988	1,759
Domestic resorts	716,438	189	6,869	620,066	1,343,562
MGM Macau (50%)	24,615				24,615
CityCenter (50%)	(260,643)	52,009			(208,634)
Other unconsolidated resorts	96,132	815			96,947
Management and other operations	7,285		2,473	8,564	18,322
	583,827	53,013	9,342	628,630	1,274,812
Stock compensation	(36,571)				(36,571)
Corporate	(1,511,132)		1,319,347	60,643	(131,142)
	\$ (963,876)	\$ 53,013	\$ 1,328,689	\$ 689,273	\$ 1,107,099

(1) Treasure Island was sold in March 2009.

S-A1-7

**Table of Contents**

	<b>Year ended December 31, 2008</b>				
	<b>Operating income (loss)</b>	<b>Preopening and start-up expenses</b>	<b>Property transactions, net (in thousands)</b>	<b>Depreciation and amortization</b>	<b>Adjusted EBITDA</b>
Bellagio	\$ 257,415	\$	\$ 1,130	\$ 133,755	\$ 392,300
MGM Grand Las Vegas	170,049	443	2,639	97,661	270,792
Mandalay Bay	145,005	11	1,554	101,925	248,495
The Mirage	99,061	242	6,080	62,968	168,351
Luxor	84,948	1,116	2,999	43,110	132,173
Treasure Island <sup>(1)</sup>	63,454		1,828	37,729	103,011
New York-New York	74,276	726	3,627	32,830	111,459
Excalibur	83,953		961	25,235	110,149
Monte Carlo	46,788		(7,544)	25,380	64,624
Circus Circus Las Vegas	33,745		5	22,401	56,151
MGM Grand Detroit	77,671	135	6,028	53,674	137,508
Beau Rivage	22,797		76	48,150	71,023
Gold Strike Tunica	15,093		2,326	13,981	31,400
Other resort operations	(5,367)		2,718	6,244	3,595
<b>Domestic resorts</b>	<b>1,168,888</b>	<b>2,673</b>	<b>24,427</b>	<b>705,043</b>	<b>1,901,031</b>
MGM Macau (50%)	11,898				11,898
CityCenter (50%)	(36,821)	17,270			(19,551)
Other unconsolidated resorts	101,297	3,011			104,308
Management and other operations	6,609			10,285	16,894
	1,251,871	22,954	24,427	715,328	2,014,580
Stock compensation	(36,277)				(36,277)
Corporate	(1,411,580)	105	1,252,705	62,908	(95,862)
	<b>\$ (195,986)</b>	<b>\$ 23,059</b>	<b>\$ 1,277,132</b>	<b>\$ 778,236</b>	<b>\$ 1,882,441</b>

(1) Treasure Island was sold in March 2009.

**Table of Contents****ANNEX II****CALCULATION OF MGM HISTORICAL CORPORATE RENT COVERAGE RATIO<sup>(1)</sup>**

The following table presents the formulation used to calculate MGM's historical corporate rent coverage ratio.

	2008	2009	2010	Year ended December 31, (in thousands) (unaudited)			2014	2015	2016 <sup>(2)</sup>
				2011	2012	2013			
<b>Adjusted EBITDA</b>									
Adjusted to:									
Domestic									
Parts	\$ 1,901,031	\$ 1,343,562	\$ 1,165,413	\$ 1,298,116	\$ 1,325,220	\$ 1,442,686	\$ 1,518,307	\$ 1,689,966	\$ 2,063,000
Management									
Other									
Operations	16,894	18,322	(12,158)	287	9,947	25,777	35,984	37,419	13,000
Corporate									
Including									
Stock-based									
Compensation)	(95,862)	(131,142)	(109,911)	(156,086)	(215,757)	(200,708)	(220,664)	(254,104)	(283,700)
	\$ 1,822,063	\$ 1,230,742	\$ 1,043,344	\$ 1,142,317	\$ 1,119,410	\$ 1,267,755	\$ 1,333,627	\$ 1,473,281	\$ 1,792,200
<b>Corporate Rent Coverage Ratio</b>									
Including									
Dividends and									
Contributions									
Received by									
MGM	3.3x	2.2x	1.9x	2.1x	2.0x	2.3x	2.4x	2.7x	3.0x
<b>Dividends and Contributions Received by MGM<sup>(3)</sup></b>									
Center								200,000	540,000
MGM China			192,355	30,513	203,886	312,225	389,739	304,159	52,900
and Victoria	41,125	33,750	33,500	30,000	22,000	16,275	15,450	16,850	14,200
Magata	19,579	60,136	113,422					14,094	2,600
	\$ 60,704	\$ 93,886	\$ 339,277	\$ 60,513	\$ 225,886	\$ 328,500	\$ 405,189	\$ 535,103	\$ 609,800
	\$ 1,882,767	\$ 1,324,628	\$ 1,382,621	\$ 1,202,830	\$ 1,345,296	\$ 1,596,255	\$ 1,738,816	\$ 2,008,384	\$ 2,402,000

Corporate Rent  
Coverage

	3.4x	2.4x	2.5x	2.2x	2.4x	2.9x	3.2x	3.7x	4.
--	------	------	------	------	------	------	------	------	----

- (1) MGM's historical corporate rent coverage ratio is calculated by dividing (a) the sum of Adjusted EBITDA as reported by MGM related to domestic resorts, management and other operations, and corporate (excluding stock-based compensation), plus dividends and distributions received by MGM from CityCenter, Borgata, Grand Victoria and MGM China, by (b) either (i) for all periods up to and including the year ended December 31, 2015, year one rent under the Master Lease of \$550.0 million, or (ii) for the year ended December 31, 2016, rent under the Master Lease of \$591.7 million, which reflects year one rent under the Master Lease of \$550.0 million prorated for the period prior to the Borgata Transaction, and \$650.0 million prorated for the remainder of the lease year following the closing of the Borgata Transaction on August 1, 2016.
- (2) The numerator to the calculation of MGM's historical corporate rent coverage ratio for the year ended December 31, 2016 shown above includes Adjusted EBITDA with respect to MGM National Harbor following its opening on December 8, 2016 and Adjusted EBITDA with respect to Borgata following its acquisition on August 1, 2016. However, the denominator to the calculation of the ratio shown above does not reflect what the rent would have been under the Master Lease had MGM National Harbor been subject to the Master Lease following its opening on December 8, 2016. In addition, the ratio shown above does not reflect what the historical corporate rent coverage ratio would have been had Borgata and MGM National Harbor been included in MGM's operating results (and, in the case of MGM National Harbor, had it been fully stabilized) and had such properties been subject to the Master Lease for the entire period presented. On August 1, 2016, Borgata was added to the existing Master Lease between the Landlord and the Tenant. As a result, the initial annual rent amount under the Master Lease increased by \$100.0 million to \$650.0 million, prorated for the remainder of the first lease year. Furthermore, upon the completion of the proposed MGM National Harbor Transaction, it is anticipated that the Master Lease will be amended to add MGM National Harbor, increasing the annual rent amount under the Master Lease by \$95.0 million to \$756.7 million, prorated for the remainder of the lease year.
- The calculation of MGM's historical corporate rent coverage ratio shown above does not include the impact of the MGM National Harbor Transaction. MGM National Harbor had operating income of \$28.6 million and Adjusted Property EBITDA of \$69.1 million for the six months ended June 30, 2017. Management currently anticipates that the corporate rent coverage ratio for the year ending December 31, 2017 will be negatively impacted as a result of the contractual rent escalator in the Master Lease that went into effect on April 1, 2017 and the expected \$95.0 million increase in annual rent under the Master Lease following the MGM National Harbor Transaction.
- (3) The numerator to the calculation of MGM's historical corporate rent coverage ratio includes \$60.7 million, \$93.9 million, \$339.3 million, \$60.5 million, \$225.9 million, \$328.5 million, \$405.2 million, \$535.1 million and \$609.8 million of special and ordinary dividends and

S-A2-1



**Table of Contents**

other cash distributions actually received by MGM from CityCenter, Borgata, Grand Victoria and MGM China for the years ended December 31, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015 and 2016, respectively. Dividends and distributions are made at the discretion of each relevant entity's board of directors or similar body, and depend on several factors, including financial position, results of operations, cash flows, capital requirements, debt covenants, and applicable law, among others. Accordingly, historical dividends and distributions may not be indicative of future dividends or distributions and should not be relied upon as an indicator of MGM's historical corporate rent coverage ratio for future periods. In addition, as described in note (1) above, Borgata was acquired by MGM on August 1, 2016. The historic dividends and distributions related to Borgata have not been adjusted as a result of the Borgata Transaction.

S-A2-2

**Table of Contents**

**PROSPECTUS**

**MGM Growth Properties LLC**

**Class A Shares**

**Preferred Shares**

**Depositary Shares**

**Warrants**

We and the selling securityholders identified in any prospectus supplement may, from time to time, offer to sell Class A shares representing limited liability company interests (the Class A shares ), preferred shares representing limited liability company interests (the preferred shares ), depositary shares representing fractional or multiple preferred shares, or warrants to purchase our Class A shares or preferred shares. Our Class A shares are listed and traded on the New York Stock Exchange under the symbol MGP.

We may offer the securities separately or together, in multiple series, in amounts, at prices and on terms to be described in one or more supplements to this prospectus as well as the documents incorporated or deemed to be incorporated by reference in this prospectus. This prospectus may also be used for offers of Class A shares by limited partners of MGM Growth Properties Operating Partnership LP who are issued Class A Shares in exchange for common units of limited partnership interest ( Operating Partnership units ) in MGM Growth Properties Operating Partnership LP or to cover the resale of securities by one or more selling securityholders. We will describe in a prospectus supplement, which must accompany this prospectus, the securities we are offering and selling, as well as the specifications of the securities.

**Investing in our securities involves risks. You should carefully read and consider the risk factors included in our periodic reports, in any prospectus supplement relating to any specific offering of securities and in other documents that we file with the Securities and Exchange Commission. See Risk Factors on page 8 of this prospectus.**

This prospectus describes only some of the general terms that may apply to these securities. The specific terms of any securities to be offered, and any other information relating to a specific offering, will be set forth in a supplement to this prospectus, in other offering material related to the securities or in one or more documents incorporated or deemed to be incorporated by reference in this prospectus. You should read this prospectus and any prospectus supplement, as well as the documents incorporated or deemed to be incorporated by reference in this prospectus and any prospectus supplement, carefully before you invest.

We or any selling security holder may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis.

Our principal executive offices are located at 6385 S. Rainbow Boulevard, Suite 500, Las Vegas, Nevada 89118. Our telephone number is (702) 669-1480.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**None of the Nevada Gaming Commission, the Nevada State Gaming Control Board, the New Jersey Casino Control Commission, the New Jersey Division of Gaming Enforcement, the Michigan Gaming Control Board, the Mississippi Gaming Commission, the Maryland Lottery and Gaming Control Commission, the Massachusetts Gaming Commission, nor any other gaming authority has passed upon the accuracy or adequacy of this prospectus or the investment merits of the securities offered. Any representation to the contrary is unlawful.**

**The date of this prospectus is May 18, 2017.**

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>About This Prospectus</u>	1
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	3
<u>Ratio of Earnings to Combined Fixed Charges and Preferred Share Distributions</u>	5
<u>The Company</u>	6
<u>Risk Factors</u>	8
<u>Use of Proceeds</u>	8
<u>Description of Shares</u>	9
<u>Description of Depositary Shares</u>	22
<u>Description of Warrants</u>	25
<u>Material U.S. Federal Income Tax Considerations</u>	27
<u>Selling Security Holders</u>	49
<u>Plan of Distribution</u>	49
<u>Legal Matters</u>	49
<u>Experts</u>	49
<u>Where You Can Find More Information</u>	49
<u>Incorporation of Certain Information by Reference</u>	50

**ABOUT THIS PROSPECTUS**

This prospectus is part of an automatic shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission (the SEC), as a well-known seasoned issuer as defined in Rule 405 under the Securities Act of 1933, as amended (the Securities Act). By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, one or any combination of the securities described in this prospectus and any accompanying prospectus supplement. As allowed by the SEC rules, this prospectus and any accompanying prospectus supplement does not contain all of the information included in the registration statement. For further information, we refer you to the registration statement, including its exhibits, as well as any accompanying prospectus supplement and any documents incorporated by reference herein or therein. Statements contained in this prospectus and any accompanying prospectus supplement about the provisions or contents of any agreement or other document are not necessarily complete. If the SEC's rules and regulations require that an agreement or document be filed as an exhibit to the registration statement, please see that agreement or document for a complete description of the related matters.

You should read this prospectus and any prospectus supplement together with any documents incorporated by reference and any additional information you may need to make your investment decision. You should also read and carefully consider the information in the documents we have referred you to in Where You Can Find More Information and Incorporation of Certain Information by Reference below. Information incorporated by reference after the date of this prospectus is considered a part of this prospectus and may add, update or change information contained in this prospectus. The information in this prospectus, any accompanying prospectus supplement or any document incorporated by reference herein or therein by reference is accurate only as of the date contained on the cover of such documents. Neither the delivery of this prospectus nor any accompanying prospectus supplement, nor any sale made under this prospectus and any accompanying prospectus supplement, will, under any circumstances, imply that the information in this prospectus or any accompanying prospectus supplement is correct as of any date after this prospectus or any accompanying prospectus supplement. Our business, financial condition and results of operations may have changed since that date. Any information in such subsequent filings that is inconsistent with this

prospectus or any accompanying prospectus supplement will supersede the information in this prospectus or any accompanying prospectus supplement.

**Table of Contents**

You should rely only on the information incorporated by reference or provided in this prospectus and any accompanying prospectus supplement.

We have not authorized anyone else to provide you with other information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

Unless otherwise stated, or the context otherwise requires, references in this prospectus to we, us, our, our company, the company or MGP are to MGM Growth Properties LLC and its consolidated subsidiaries, including MGM Growth Properties Operating Partnership LP, a Delaware limited partnership. MGM Growth Properties Operating Partnership LP is the entity through which MGP conducts substantially all of its business and owns substantially all of its assets. In addition, we sometimes refer to MGM Growth Properties Operating Partnership LP as the Operating Partnership. For periods prior to the IPO Date, references to the Predecessor refer to the real estate assets and related operations of the IPO Properties (as defined herein), which were controlled by MGM Resorts International prior to the IPO Date (as defined herein).

**Table of Contents**

**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus includes or incorporates by reference forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Securities and Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements can be identified by words such as anticipates, intends, plans, seeks, believes, estimates, expects, may, will and similar references to. Examples of forward-looking statements include, but are not limited to, statements we make regarding our ability to meet our financial and strategic goals and our ability to further grow its portfolio and drive shareholder value. The foregoing is not a complete list of all forward-looking statements we make.

Forward-looking statements are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. Our actual results may differ materially from those contemplated by the forward-looking statements. They are neither statements of historical fact nor guarantees or assurances of future performance. Therefore, we caution you against relying on any of these forward-looking statements. 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 Resorts International (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 for all of our anticipated cash flows.

We may not be able to re-lease our properties following the expiration or termination of the Master Lease (as defined herein).

Our sole material assets are Operating Partnership units representing 23.7% of the ownership interests in the Operating Partnership, over which we have operating control through our ownership of its general partner. Because our interest in the Operating Partnership represents our only cash-generating asset, our cash flows and distributions depend entirely on the performance of the Operating Partnership and its ability to distribute cash to us.

The Master Lease restricts our ability to sell our properties or our interests in the Operating Partnership and Landlord (as defined herein).

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

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

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

We have a limited operating history and our Predecessor historical financial information may not be a reliable indicator of future results.

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

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

Our pursuit of investments in, and acquisitions or development of, additional properties (including our acquisition of the MGM National Harbor in Maryland and MGM's development property located in Springfield, Massachusetts pursuant to the right of first offer) may be unsuccessful or fail to meet our expectations.



**Table of Contents**

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 real estate investment trust ( 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 forward-looking statements included or incorporated herein are made only as of the date of this prospectus, any prospectus supplement or as of the date of the documents incorporated by reference. Other factors or events not identified above could also cause our actual results to differ materially from those projected. Most of those factors and events are difficult to predict accurately and are generally beyond our control. A detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in Part I, Item 1A of our most recently filed Annual Report on Form 10-K in the section entitled Risk Factors and as may be included from time to time in our reports filed with the SEC. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

Table of Contents**RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED****SHARE DISTRIBUTIONS**

The following table sets forth MGP's ratio of earnings to combined fixed charges and preferred share distributions for the periods indicated:

	For the Three Months Ended March 31, 2017		For the Year Ended December 31,		
	2016	2015	2015	2014	2013
Ratio of Earnings to Fixed Charges and preferred share distributions <sup>(1)</sup>	2.07	1.32	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>

- (1) Earnings consist of income from continuing operations before income taxes and fixed charges. Combined fixed charges and preferred distributions consist of interest, whether expensed or capitalized, amortization of debt discounts, premiums and issuance costs, and preferred distributions on securities of MGP. We had no preferred shares outstanding for any period presented.
- (2) Not applicable. MGP was formed on October 23, 2015. The financial information incorporated by reference into this registration statement sets forth the historical operations of the Company and its Predecessor, which comprised the real estate assets and related operations of the IPO Properties (which do not include Borgata) prior to the Formation Transactions (as defined herein). There were no fixed charges prior to the IPO date.
- (3) Information used to calculate the December 31, 2016 ratio includes income statement activity of our Predecessor from January 1, 2016 through the IPO Date.

---

**Table of Contents****THE COMPANY**

MGP is a limited liability company that was formed in Delaware on October 23, 2015. MGP conducts its operations through the Operating Partnership, a Delaware limited partnership formed by MGM on January 6, 2016 and acquired by MGP on April 25, 2016 (the IPO Date ). 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. In connection with its initial public offering, MGP engaged in a series of transactions (the Formation Transactions ) through the Operating Partnership, in which MGP acquired from MGM the real estate assets of The Mirage, Mandalay Bay, Luxor, New York-New York, Monte Carlo, Excalibur, The Park, Gold Strike Tunica, MGM Grand Detroit and Beau Rivage (collectively, the IPO Properties ) pursuant to a master contribution agreement, 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. In addition, on August 1, 2016, MGM completed its acquisition of Boyd Gaming Corporation s interest in Borgata Hotel Casino and Spa ( Borgata ). Immediately following such transaction, we acquired Borgata s real estate assets from MGM for consideration consisting of the assumption by the Landlord of \$545 million of indebtedness from a subsidiary of MGM and the issuance of 27.4 million Operating Partnership units to a subsidiary of MGM (the Borgata Transaction ) and leased back the real property to the Tenant. As of December 31, 2016, our properties collectively comprised 27,233 hotel rooms, approximately 2.6 million square feet of convention space, over 100 retail outlets, over 200 food and beverage outlets and over 20 entertainment venues.

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 single Class B common share (the 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 under Description of Shares Shares Voting Rights, MGM will no longer be entitled to any voting rights in respect of 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%.

We generate all of our revenue by leasing all of our properties from 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 ). Upon consummation of MGP s initial public offering, the Tenant was obligated to pay us approximately \$550.0 million of rent under the Master Lease for the first lease year, which was increased in connection with the Borgata Transaction to an annual rent payment of \$650.0 million, prorated for the remainder of the first lease year after the Borgata Transaction. For the second lease year commencing April 1, 2017, the annual rent was increased to \$661.7 million. The Tenant s performance and payments under the Master Lease are guaranteed by MGM. Certain of MGM s operating and other subsidiaries also directly hold Operating Partnership units collectively comprising a majority economic interest in, and will participate in distributions made by, the Operating Partnership. Additionally, the Master Lease provides MGP with a right of first offer with respect to MGM National Harbor and MGM s development property in Springfield, Massachusetts, which MGP may exercise should MGM elect to sell these properties in the future.

Our portfolio consists of ten premier destination resorts operated by MGM, including properties that we believe are among the world's finest casino resorts, and The Park in Las Vegas. Our properties include six large-scale entertainment and gaming-related properties located on the Strip: Mandalay Bay, The Mirage, Monte Carlo, New York-New York, Luxor and Excalibur, and The Park, a dining and entertainment complex located between

**Table of Contents**

New York-New York and Monte Carlo which opened in April 2016. Outside of Las Vegas, we also own four market-leading casino resort properties: MGM Grand Detroit in Detroit, Michigan, Beau Rivage and Gold Strike Tunica, both of which are located in Mississippi, and Borgata in Atlantic City, New Jersey. In the future, we plan to explore opportunities to expand by acquiring similar properties as well as strategically targeting a broader universe of real estate assets within the entertainment, hospitality and leisure industries.

Our corporate office is located at 6385 S. Rainbow Blvd., Suite 500 in Las Vegas, Nevada and our phone number is (702) 669-1480. Our website address is <http://www.mmgrowthproperties.com>. The information on, or accessible through, our website is not part of or incorporated by reference into this prospectus.

**Table of Contents**

**RISK FACTORS**

Investing in our securities involves a high degree of risk. You should carefully consider the risks described under **Risk Factors** in Item 1A of our most recent Annual Report on Form 10-K and Item 1A of each subsequently filed Quarterly Report on Form 10-Q and in the other documents incorporated by reference into this prospectus, as well as the other information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement, before making a decision to invest in our securities. See **Where You Can Find More Information** and **Incorporation of Certain Information by Reference**.

**USE OF PROCEEDS**

Except as otherwise provided in the applicable prospectus supplement, we expect to use the net proceeds from the sale of the securities for general corporate purposes, which may include reducing our outstanding indebtedness, increasing our working capital, capital expenditures, or the acquisition, development, redevelopment or improvement of properties, subject to the terms of our senior credit facility, senior notes and our other indebtedness. Additional information on the use of net proceeds from the sale of securities offered by this prospectus may be set forth in the applicable prospectus supplement relating to such offering.

---

**Table of Contents****DESCRIPTION OF SHARES**

*The following is a summary of some of the terms of our Class A shares and preferred shares being registered hereby. Our Amended and Restated Limited Liability Company Agreement, effective April 18, 2016 (the "operating agreement"), provides for the issuance of our Class A shares, a single Class B share and preferred shares, as well as certain terms of our shares. The summaries and descriptions below of some of the terms of our Class A shares, our preferred shares, our operating agreement and certain provisions of the Limited Liability Company Act of Delaware (the "Delaware LLC Act") do not purport to be complete and are subject to, and qualified in their entirety by reference to, all of the provisions of our operating agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part, and the Delaware LLC Act.*

**General**

Our operating agreement provides that we have three classes of shares authorized: Class A shares, which are entitled to one vote per share; a single Class B share, which is entitled to a number of votes representing a majority of the total outstanding voting power of our common shares; and preferred shares. Pursuant to the terms of our operating agreement, we are authorized to issue up to 1,000,000,000 Class A shares, one Class B share and 100,000,000 preferred shares. Our Class A shares are traded on the New York Stock Exchange under the symbol MGP. As of May 1, 2017, there were 57,662,330 Class A shares, one Class B share, and no preferred shares issued and outstanding. All of the outstanding shares are validly issued, and holders of our outstanding shares have no obligation to make any further payments for the purchase of such shares or contributions to us solely by reason of their ownership of our shares.

**Shares***Voting Rights*

Subject to the restrictions contained in our operating agreement regarding the transfer and ownership of our Class A shares and except as may otherwise be specified in the terms of any class or series of shares, our Class A shareholders are entitled to one vote per share and our Class B shareholder is entitled to a number of votes representing a majority of the total outstanding voting power of our common shares. Specifically, the holder of our Class B share, in such holder's capacity as a holder of the Class B share, will be entitled to a number of votes (rounded up to the nearest whole number) equal to the product of (x) the number of votes held by holders of Class A shares plus any other class of shares (other than the Class B share), in each case, outstanding as of any applicable record date, *multiplied by* (y) 1.025. If the holder of the Class B share and its controlled affiliates (excluding us and our subsidiaries) aggregate beneficial ownership of the combined economic interests in MGP and the Operating Partnership falls below 30%, the Class B share will not be entitled to any voting rights. Class A shareholders and the Class B shareholder will vote together as a single class on all matters (including the election of directors) submitted to a vote of shareholders, unless otherwise required by law or our operating agreement. To the extent that the Class B share is entitled to majority voting power pursuant to our operating agreement, the Class B share may only be transferred (other than transfers to us, MGM or the holder of the Class B share's controlled affiliates) if and to the extent that such transfer is approved by special approval by the conflicts committee, not to be unreasonably withheld. When determining whether to grant such approval, the conflicts committee must take into account the interests of our Class A shareholders and us ahead of the interests of the holder of the Class B share.

Our shareholders are not entitled to cumulate their votes in the election of directors. Generally, all matters to be voted on by shareholders must be approved by a majority of the voting power of the outstanding voting shares present in person or represented by proxy, voting together as a single class.





## **Table of Contents**

### *Distribution Rights*

Subject to the preferential or other rights of any holders of preferred shares then outstanding, and subject to the restrictions contained in our operating agreement regarding the transfer and ownership of our shares, our Class A shareholders are entitled to receive any distributions that our board of directors may declare from time to time, and share ratably (based on the number of shares held) if and when any distribution is declared by our board of directors. Our Class B shareholder does not have any right to receive distributions.

Distributions consisting of shares or rights to acquire Class A shares shall be paid proportionally with respect to each outstanding Class A share.

### *Liquidation Rights*

If we become subject to a liquidation, dissolution or winding up, our Class A shareholders are entitled to a pro rata distribution of any assets available for distribution to shareholders, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding preferred shares. Our Class B shareholder does not have any right to receive a distribution upon a liquidation, dissolution or winding-up.

### *Other Matters*

Our Class A shares and Class B share are not convertible into any other class of shares. None of our Class A shares or the Class B share have preemptive rights to purchase additional shares.

### *Registration Rights Agreement with MGM*

We have entered into a registration rights agreement with the operating and other subsidiaries of MGM that hold Operating Partnership units. Pursuant to the registration rights agreement, MGM will have the right to require us to effect a registration statement to register the issuance and resale of Class A shares upon exchange of Operating Partnership Units beneficially owned by MGM. The registration rights agreement also provides for, among other things, demand registration rights and piggyback registration rights for the operating and other subsidiaries of MGM that hold Operating Partnership units.

## **Preferred Shares**

Our operating agreement authorizes our board of directors to designate and issue one or more classes or series of preferred shares without shareholder approval, except as required by the listing standards of the New York Stock Exchange. Our board of directors may determine the relative rights, preferences and privileges of each class or series of preferred shares so issued. Any series of preferred shares we issue will be governed by our operating agreement (as amended and in effect as of the date of such issuance). As of the date of this prospectus, there are no preferred shares currently issued and outstanding. The specific terms of any series of preferred shares offered hereunder will be described in the applicable prospectus supplement.

The authority of our board of directors with respect to each series of preferred shares includes, but is not limited to, the determination of the following:

the right to share in MGP distributions, the dates distributions will be payable and whether distributions with respect to such series or class will be cumulative or non-cumulative;

rights upon dissolution and liquidation of MGP;

whether, and the terms and conditions upon which, we may redeem such preferred shares;

## **Table of Contents**

whether the shares are issued with the privilege of conversion or exchange and, if so, the conversion or exchange price or prices or rate or rates, any rate adjustments, the date or dates on which, or the period or periods during which, the shares will be convertible or exchangeable and all other terms and conditions upon which the conversion or exchange may be made;

the terms and conditions upon which the shares will be issued, evidenced by certificates and assigned or transferred;

the method for determining the percentage interest as to the shares;

the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the same class or series;

whether there will be restrictions on the issuance of shares of the same class or series or any other class or series; and

the right, if any, of the holder of each such share to vote on MGP company matters, including matters relating to the relative rights, preferences and privileges of such shares.

Our board of directors may therefore, without shareholder approval, issue preferred shares with voting, conversion, or other rights that could adversely affect the voting power and other rights of the holders of Class A shares. Preferred shares could be issued quickly with terms calculated to delay, defer, or prevent a change of control or other corporate action, or make removal of management more difficult. See *Operating Agreement Provisions in the Operating Agreement that may have an Anti-Takeover Effect* for a discussion of other terms of our operating agreement that may delay, defer or prevent a change of control. Additionally, the issuance of preferred shares may have the effect of decreasing the market price of our Class A shares and may adversely affect the voting and other rights of the holders of our Class A shares.

## **Operating Agreement**

### *Organization and Duration*

We were formed in Delaware on October 23, 2015, and will remain in existence unless dissolved in accordance with our operating agreement.

### *Purpose*

Under our operating agreement, we are permitted to (a) engage directly in, or enter into or form, hold and dispose of any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by our board of directors, in its sole and absolute discretion, and that lawfully may be conducted by a limited liability company organized pursuant to the Delaware LLC Act and, in connection therewith, to exercise all of the rights and powers conferred upon the Company pursuant to the agreements relating to such business activity; and (b) do anything necessary or appropriate in furtherance of the foregoing, including the making of capital contributions or loans to a subsidiary of the Company, except that such business shall be limited to

and conducted in such a manner as to permit the Company at all times to be classified as a REIT for U.S. federal income tax purposes, unless the board of directors shall have determined pursuant to our operating agreement that it is no longer in the best interests of the Company to attempt to, or to continue to, qualify as a REIT.

*Transfers and Issuances; Agreement to be Bound*

Our operating agreement provides that, by acceptance of the transfer of our shares in accordance with our operating agreement, including the acceptance of our shares in this offering, pursuant to a future issuance of shares or through an acquisition of shares, each transferee of, or other person acquiring, shares shall be admitted as a member with respect to the shares transferred or issued when such transfer, issuance or admission is

## Table of Contents

reflected in our books and records, and such member shall become the record holder of the shares transferred or issued. Each transferee of, or other person acquiring, a share will (with or without execution of our operating agreement by such person):

represent that the transferee has the capacity, power and authority to enter into our operating agreement;

automatically become bound by the terms and conditions of, and will be deemed to have agreed to become bound by, our operating agreement; and

make the consents, acknowledgements and waivers contained in our operating agreement.

A transferee will become a member of our limited liability company with respect to the transferred or issued shares automatically upon the recording of the transfer on our books and records, and such transferee shall become the record holder of the shares.

Under our operating agreement, in the event that a transfer agent has been appointed with respect to a class of shares, we will be entitled to recognize the applicable record holder of a share as the owner of such share and, accordingly, we will not be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, regardless of whether we have notice thereof, except as otherwise provided by law or any applicable rule, regulation, guideline or requirement of any national securities exchange on which such shares are listed or admitted for trading. When a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing is acting as nominee, agent or in some other representative capacity for another person in acquiring and/or holding shares, as between us, on the one hand, and such other person, on the other hand, such representative person will be the record holder of such share and bound by our operating agreement and will have the rights and obligations of a shareholder thereunder as, and to the extent, provided therein.

### *Directors and Officers*

Our operating agreement provides that our business and affairs shall be managed by or under the direction of our board of directors, which shall have the power to appoint our officers.

### *Disclaimer of Fiduciary Duties*

Our operating agreement provides that our board of directors will be entitled to consider only such interests and factors as it desires, including its own interests, and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us and will not be subject to any different standards imposed by our operating agreement, the Delaware LLC Act or under any other law, rule or regulation or in equity. These modifications of fiduciary duties are expressly permitted by Delaware law.

### *Indemnification*

Under our operating agreement, in most circumstances, we will indemnify the following persons, by reason of their status as such, to the fullest extent permitted by law, from and against all losses, claims or damages arising out of or incurred in connection with our business:

any person who is or was a manager, managing member, officer, director, agent, tax matters partner, fiduciary or trustee of our company or our subsidiaries, or any affiliate of our company or our subsidiaries;

any person who is or was serving at the request of our company or our board of directors a manager, managing member, officer, director, agent, tax matters partner, fiduciary or trustee of another person (other than a person who is providing, on a fee-for-services basis, trustee, fiduciary or custodial services); and

any person whom the board of directors designates as an indemnitee for purposes of our operating agreement.

## **Table of Contents**

Our indemnification obligation arises only if the indemnified person did not act in bad faith or engage in fraud, willful misconduct or, in the case of a criminal matter, acted without knowledge that the indemnified person's conduct was unlawful.

Any indemnification under these provisions will be only out of our assets. Our operating agreement permits us to purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against liabilities under our operating agreement.

### *Manner of Voting at Shareholder Meetings and Election of Members of Our Board of Directors*

Generally, at all meetings of shareholders, all questions, except certain amendments to our operating agreement, the election of directors, and all such other questions, the manner of deciding of which is specially regulated by any applicable law or regulation, shall be determined by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares present in person or represented by proxy. Unless otherwise provided by law or our operating agreement, a quorum for the transaction of business at all meetings of shareholders shall be comprised of the holders of at least a majority of the voting power of the outstanding voting shares of the class or classes of shares for which a meeting has been called, present in person or represented by proxy.

Each director shall be elected by a majority of votes cast (as defined herein) to hold office until the next annual meeting, unless the election is contested, in which case directors shall be elected by a plurality of votes properly cast. An election shall be contested if, as determined by the board of directors, the number of nominees exceeds the number of directors to be elected. A majority of votes cast means that the number of votes properly cast for a director nominee exceeds the number of votes properly cast against and/or withheld with respect to such director nominee. Abstentions and broker non-votes do not count as votes against and have no effect with respect to the election of directors. Voting for the election of directors shall be by ballot. All other voting shall be viva voce, unless otherwise provided by law, the chairman of the board of directors or our operating agreement.

### *Removal of and Resignation by Members of Our Board of Directors*

A director may be removed with or without cause only by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares. Additionally, a director may resign at any time by giving written notice of such director's resignation to the board of directors. Any vacancy in the board of directors caused by any such removal or resignation will be filled by a majority of the remaining directors then in office (even if less than a quorum) or by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares.

### *Shareholder Meetings*

The annual meeting of shareholders for the election of directors and the transaction of other business shall be held on such date and at such time as may be determined by resolution of the board of directors. In addition, our operating agreement provides that a special meeting of shareholders may be called by our chairman, a majority of our directors, the holders of at least a majority of the voting power of the outstanding voting shares or resolution of the board of directors.

### *Advance Notice of Nominations and Shareholder Business*

Our operating agreement establishes advance notice procedures with respect to shareholder proposals and the nomination of persons for election as directors at annual meeting of our shareholders. Specifically, the shareholder



must deliver notice to the Company secretary not earlier than the close of business on the 120th day nor later than the close of business on the 90th day prior to the first anniversary of the date of the preceding year's annual meeting (except in certain circumstances).

**Table of Contents**

*Applicable Law; Forum, Venue and Jurisdiction*

Our operating agreement is governed by Delaware law. Our operating agreement requires that, unless we (through the approval of our board of directors) consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for any claims, suits, actions or proceedings:

arising out of or relating in any way to our operating agreement (including any claims, suits or actions to interpret, apply or enforce the provisions of our operating agreement or the duties, obligations or liabilities among shareholders or of shareholders to us, or the rights or powers of, or restrictions on, the shareholders or us);

brought in a derivative manner on our behalf;

asserting a claim of breach of a duty owed by any of our directors, officers or other employees to us or any indemnitee;

asserting a claim arising pursuant to any provision of the Delaware LLC Act; or

asserting a claim governed by the internal affairs doctrine, regardless of whether such claims, suits, actions or proceedings sound in contract, tort, fraud or otherwise, are based on common law, statutory, equitable, legal or other grounds, or are derivative or direct claims. However, if and only if the Court of Chancery of the State of Delaware dismisses any such claims, suits, actions or proceedings for lack of subject matter jurisdiction, such claims, suits, actions or proceedings may be brought in another state or federal court sitting in the State of Delaware. By acquiring or purchasing a share, a shareholder is irrevocably consenting to these limitations and provisions regarding claims, suits, actions or proceedings and submitting to the exclusive jurisdiction of the Court of Chancery of the State of Delaware in connection with any such claims, suits, actions or proceedings.

*Limited Liability*

The Delaware LLC Act provides that a member who receives a distribution from a Delaware limited liability company and knew at the time of the distribution that the distribution was in violation of the Delaware LLC Act shall be liable to the company for the amount of the distribution for three years. Under the Delaware LLC Act, a limited liability company may not make a distribution to a member if, after the distribution, all liabilities of the company, other than liabilities to members on account of their shares and liabilities for which the recourse of creditors is limited to specific property of the company, would exceed the fair value of the assets of the company. For the purpose of determining the fair value of the assets of a company, the Delaware LLC Act provides that the fair value of property subject to liability for which recourse of creditors is limited shall be included in the assets of the company only to the extent that the fair value of that property exceeds the nonrecourse liability. Under the Delaware LLC Act, an assignee who becomes a substituted member of a company is liable for the obligations of his assignor to make contributions to the company, except the assignee is not obligated for liabilities unknown to him at the time the assignee became a member and that could not be ascertained from the operating agreement.

*Issuance of Additional Securities*

Our operating agreement authorizes us, and our board of directors on our behalf, to issue additional company securities for such consideration or for no consideration and on the terms and conditions determined by our board of directors without shareholder approval except as required by the listing standards of the New York Stock Exchange.

Holders of any additional shares we issue (including any preferred shares registered hereby) will have such designations, preferences, rights, powers and duties as fixed by our board of directors, which may be junior, equivalent to or senior or superior to any existing classes of shares, including the right to share in (and other

## Table of Contents

relevant details regarding) our distributions, rights upon dissolution and liquidation of our limited liability company, the terms and conditions upon which we may redeem such shares, whether such shares are issued with (and the particular details regarding) the privilege of conversion or exchange, the terms and conditions upon which such shares may be issued, evidenced by certificates and assigned or transferred, the method for determining the percentage interests as to such shares, the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the same class or series, whether there will be restrictions on the issuance of shares of the same (or any other) class or series and the right, if any, of the holder of each such share to vote on our matters (including matters relating to the relative rights, preferences and privileges of such shares). Except as provided in our operating agreement (including any share designation), no shares entitle any shareholder to any preemptive, preferential or similar rights with respect to the issuance of shares.

### *Amendment of Our Operating Agreement*

Amendments to our operating agreement may be proposed only by our board of directors. However, our board of directors will have no duty or obligation to propose any amendment and may decline to do so free of any duty or obligation whatsoever to us or our shareholders, including any duty to act in good faith or in the best interests of us or our shareholders. To adopt a proposed amendment, other than the amendments discussed under *Operating Agreement Amendment of Our Operating Agreement No Shareholder Approval*, our board of directors is required to seek written approval of the holders of the number of shares required to approve the amendment or call a meeting of the shareholders to consider and vote upon the proposed amendment.

*Prohibited Amendments.* No amendment may be made that would enlarge the obligations of any shareholder without its consent, unless approved by at least a majority of the type or class of operating interests so affected, except that to the extent any such amendments enlarge the obligations of the holders of the Class A shares or Class B share, the Class A shares and the Class B share shall vote together as a single class. The provision of our operating agreement preventing the amendments having the effects described above can be amended upon the approval of the holders of at least 90% of the outstanding shares voting together as a single class.

*No Shareholder Approval.* Our board of directors may generally make amendments to our operating agreement without the approval of any shareholder to reflect:

a change in our name, the location of our principal place of business, our registered agent or registered office;

the admission, substitution, withdrawal or removal of members in accordance with our operating agreement;

any amendment to certain provisions related to our board of directors, our officers and shareholder meetings;

a change that our board of directors determines to be necessary or appropriate for us to qualify us or continue our qualification as a limited liability company or other entity in which the shareholders have limited liability under the laws of any state;

a change in our fiscal year or taxable year and related changes;

an amendment that is necessary, in the opinion of our counsel, to prevent us or our directors, officers, agents or trustees from in any manner being subject to the provisions of the Investment Company Act of 1940 (the Investment Company Act ), the Investment Advisers Act of 1940 or plan asset regulations adopted under the Employee Retirement Income Security Act of 1974, or ERISA, whether or not substantially similar to plan asset regulations currently applied or proposed;

an amendment that our board of directors determines to be necessary or appropriate in connection with the authorization or issuance of any class or series of shares, or options, warrants, rights or appreciation rights relating to any company securities;

**Table of Contents**

an amendment expressly permitted in our operating agreement to be made by our board of directors acting alone;

any amendment effected, necessitated or contemplated by a merger agreement or plan of conversion that has been approved under the terms of our operating agreement;

any amendment that our board of directors determines to be necessary or appropriate for the formation by us of, or our investment in, any corporation, partnership or other entity, as otherwise permitted by our operating agreement;

conversions into, mergers with or conveyances to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of the conversion, merger or conveyance other than those it receives by way of the conversion, merger or conveyance; or

any other amendment substantially similar to any of the matters described above.

In addition, our board of directors may amend our operating agreement, without the approval of the shareholders, if our board determines that those amendments:

do not adversely affect the shareholders (including any particular class of shares as compared to other classes of shares) in any material respect;

are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or contained in any federal or state statute;

are necessary or appropriate to facilitate the trading of shares (including the division of any class or classes of outstanding shares into different classes to facilitate uniformity of tax consequences within such classes of shares) or to comply with any rule, regulation, guideline or requirement of any national securities exchange on which the shares are or will be listed or admitted to trading;

are necessary or appropriate to implement the tax-related provisions of our operating agreement; or

are required to effect the intent expressed in this Registration Statement or the intent of the provisions of our operating agreement or are otherwise contemplated by our operating agreement.

*Shareholder Approval.* For amendments of the type not requiring shareholder approval, our board of directors will not be required to obtain an opinion of counsel that an amendment will not result in a loss of limited liability to our shareholders. No other amendments to our operating agreement will become effective without the approval of holders of at least 90% of the voting power of the outstanding voting shares if our board of directors determines that such

amendment will affect the limited liability of any shareholder under Delaware law.

In addition to the above restrictions, any amendment that would have a material adverse effect on the rights or preferences of any type or class of outstanding shares in relation to other classes of shares will require the approval of at least a majority of the type or class of shares so affected except that the Class A shares and Class B share shall vote together as a single class on all matters, including any such amendments. Except as provided below under the caption

Provisions in the Operating Agreement that may have an Anti-Takeover Effect or to change the vote required to approve an amendment to our operating agreement, any other amendment that reduces the voting percentage required to take any action is required to be approved by the affirmative vote of shareholders whose aggregate outstanding shares constitute not less than the voting requirement sought to be reduced.

*Merger, Consolidation, Conversion, Sale or Other Disposition of Our Assets*

A merger, consolidation or conversion of us requires the prior approval of our board of directors. However, our board of directors will have no duty or obligation to approve any merger, consolidation or conversion and

## **Table of Contents**

may decline to do so free of any fiduciary duty or obligation whatsoever to us or the shareholders, including any duty to act in good faith or any other standard imposed by our operating agreement, the Delaware LLC Act or applicable law. In addition, our operating agreement generally prohibits the Company and our board of directors, without the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares, from causing us to sell, exchange or otherwise dispose of all or substantially all of our assets in a single transaction or a series of related transactions. The Company and our board of directors may, however, mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets without the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares. Our board of directors may also sell all or substantially all of our assets under a foreclosure or other realization upon those encumbrances without that approval. Finally, our board of directors may consummate any merger, consolidation or conversion without the prior approval of our shareholders if we are the surviving entity in the transaction, our board of directors has received an opinion of counsel that the conversion, merger or conveyance would not result in the loss of the limited liability of any shareholder as compared to its limited liability under the Delaware LLC Act, the transaction will not result in an amendment to our operating agreement (other than an amendment that the board of directors could adopt without the consent of the shareholders), each of our shares will be an identical share of our company following the transaction and the number of company securities to be issued does not exceed 20% of our outstanding company securities immediately prior to the transaction.

If the conditions specified in our operating agreement are satisfied, our board of directors may convert us or any of our subsidiaries into a new limited liability entity or merge us or any of our subsidiaries into, or convey all of our assets to, a newly formed entity that shall have no assets, liabilities or operations at the time of such conversion, merger or conveyance other than those it receives from the Company or its subsidiaries if the purpose of that conversion, merger or conveyance is to effect a change in our legal form into another limited liability entity, our board of directors has received an opinion of counsel regarding limited liability and tax matters and our board of directors determines that the governing instruments of the new entity provide the shareholders with substantially the same rights and obligations as contained in our operating agreement. The shareholders are not entitled to dissenters' rights of appraisal under our operating agreement or applicable Delaware law in the event of a conversion, merger or consolidation, a sale of substantially all of our assets or any other similar transaction or event.

### *Termination and Dissolution*

We will continue as a limited liability company until terminated under our operating agreement. We will dissolve upon: (1) the election of our board of directors to dissolve us, if approved by the affirmative vote of the holders of at least a majority of the voting power of the outstanding voting shares; (2) the entry of a decree of judicial dissolution of the Company pursuant to the provisions of the Delaware LLC Act; or (3) at any time that we no longer have any shareholders, unless our business is continued in accordance with the Delaware LLC Act.

### *Provisions in the Operating Agreement that may have an Anti-Takeover Effect*

Some of the provisions in the operating agreement described above could make it more difficult or impossible for a third party to acquire, or may discourage a third party from acquiring, control of us. These provisions include, among others:

the majority voting rights attributed to our Class B share;



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

requiring 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;

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

## **Table of Contents**

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

requiring that (subject to certain exceptions) no person may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code of 1986, as amended (the Code), more than 9.8% of the aggregate value or number (whichever is more restrictive) of any class of our shares (other than our Class B share) or 9.8% in value of the aggregate outstanding shares of all classes and series of our shares (see Restrictions on Ownership and Transfer of our Shares below); and

limitations on 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 from adopting a poison pill or unitholder 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.

### *Books and Records*

We are required to keep appropriate books and records with respect to our business at our principal offices. The books and records will be maintained for financial reporting purposes as determined by our board of directors. Our fiscal year end is December 31.

### *Right to Information*

Our operating agreement provides that, subject to such reasonable standards as may be established by our board of directors, each shareholder is entitled to all information to which a member of a Delaware limited liability company is entitled to have access pursuant to the Delaware LLC Act under the circumstances and subject to the conditions therein stated. We may keep confidential from our shareholders information that we reasonably believe to be in the nature of trade secrets or any information the disclosure of which we believe is not in our or our subsidiaries' best interests, could damage us or our subsidiaries or our or their respective businesses or that we are or any of our subsidiaries is required by law or by agreements with third parties to keep confidential.

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

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

Our operating agreement, subject to certain exceptions, contains restrictions on the number of our shares that a person may own and may prohibit certain entities from owning our shares. Our operating agreement provides that (subject to

certain exceptions described below) no person may beneficially or constructively own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% of the aggregate value or number (whichever is more restrictive) of any class of our shares (other than our Class B share) or 9.8% in value of the aggregate outstanding shares of all classes and series of our shares. Pursuant to our operating

## **Table of Contents**

agreement, our board of directors has the power to increase or decrease the percentage of our shares that a person may beneficially or constructively own. However, any decreased ownership limit will not apply to any person whose percentage ownership of our shares is in excess of such decreased ownership limit until that person's percentage ownership of our shares equals or falls below the decreased ownership limit. Until such a person's percentage ownership of our shares falls below such decreased ownership limit, any further acquisition of shares will be in violation of the decreased ownership limit.

Our operating agreement also prohibits any person from beneficially or constructively owning our shares that would result in our being closely held under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT and from transferring our shares if the transfer would result in our shares being beneficially owned by fewer than 100 persons. In addition, no such person may own an interest in any tenant that would cause us to own, actually or constructively, more than a 9.8% interest in such tenant. Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of our shares that will or may violate any of the foregoing restrictions on transferability and ownership, or who is the intended transferee of our shares that are transferred to the trust (as described below), is required to give written notice immediately to us and provide us with such other information as we may request in order to determine the effect of such transfer on our qualification as a REIT. For purposes of these provisions, our operating agreement defines person to include a group as that term is used for purposes of Section 13(d)(3) of the Exchange Act. The foregoing restrictions on transferability and ownership will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Our board of directors, in its sole and absolute discretion, may exempt a person from the foregoing restrictions. The person seeking an exemption must provide to our board of directors such conditions, representations and undertakings as our board of directors may deem reasonably necessary to conclude that granting the exemption will not cause us to lose our qualification as a REIT. Our board of directors may also require a ruling from the Internal Revenue Service (the IRS) or an opinion of counsel in order to determine or ensure our qualification as a REIT in the context of granting such exemptions.

Any attempted transfer of our shares which, if effective, would result in a violation of the foregoing restrictions will cause the number of shares causing the violation (rounded up to the nearest whole share) to be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries, and the proposed transferee will not acquire any rights in such shares. The automatic transfer will be deemed to be effective as of the close of business on the business day (as defined in our operating agreement) prior to the date of the transfer. If, for any reason, the transfer to the trust does not occur or would not prevent a violation of the restrictions on ownership contained in our operating agreement, our operating agreement provides that the purported transfer will be void ab initio. Our shares held in the trust will be issued and outstanding shares. The proposed transferee will not benefit economically from ownership of any of our shares held in the trust, will have no rights to distributions and no rights to vote or other rights attributable to the shares held in the trust. The trustee of the trust will have all voting rights and rights to distributions with respect to shares held in the trust. These rights will be exercised for the exclusive benefit of the charitable beneficiary. Any distributions paid prior to our discovery that shares have been transferred to the trust will be paid by the recipient to the trustee upon demand. Any distribution authorized but unpaid will be paid when due to the trustee. Any distribution paid to the trustee will be held in trust for the charitable beneficiary. Subject to Delaware law, the trustee will have the authority to rescind as void any vote cast by the proposed transferee prior to our discovery that the shares have been transferred to the trust and to recast the vote in accordance with the desires of the trustee acting for the benefit of the charitable beneficiary. However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast the vote.

Within 20 days of receiving notice from us that our shares have been transferred to the trust, the trustee will sell the shares to a person designated by the trustee, whose ownership of the shares will not violate the above ownership limits. Upon such sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee and to the charitable beneficiary

## Table of Contents

as follows: the proposed transferee will receive the lesser of (1) the price paid by the proposed transferee for the shares or, if the proposed transferee did not give value for the shares in connection with the event causing the shares to be held in the trust (e.g., a gift, devise or other similar transaction), the market price (as defined in our operating agreement) of the shares on the day of the event causing the shares to be held in the trust and (2) the price received by the trustee from the sale or other disposition of the shares. The trust may reduce the amount payable to the proposed transferee by the amount of distributions paid to the proposed transferee and owned by the proposed transferee to the trust. Any net sale proceeds in excess of the amount payable to the proposed transferee will be paid immediately to the charitable beneficiary.

If, prior to our discovery that our shares have been transferred to the trust, the shares are sold by the proposed transferee, then (1) the shares shall be deemed to have been sold on behalf of the trust and (2) to the extent that the proposed transferee received an amount for the shares that exceeds the amount the proposed transferee was entitled to receive, the excess shall be paid to the trustee upon demand.

Our shares held in the trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of the price per share in the transaction that resulted in the transfer to the trust (or, in the case of a devise or gift, the market price at the time of the devise or gift) and the market price on the date we, or our designee, accept the offer. We will have the right to accept the offer until the trustee has sold the shares. Upon a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the proposed transferee.

In addition, if our board of directors determines in good faith that a transfer or other event has occurred that would violate the restrictions on ownership and transfer of our shares described above or that a person or entity intends to acquire or has attempted to acquire beneficial or constructive ownership of any of our shares in violation of the restrictions on ownership and transfer of our shares described above, our board of directors may take such action as it deems advisable to refuse to give effect to or to prevent such transfer or other event, including, but not limited to, causing us to redeem our shares, refusing to give effect to the transfer of our books or instituting proceedings to enjoin the transfer or other event.

Every owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) in number or in value of all classes or series of our shares, within 30 days after the end of each taxable year, will be required to give written notice to us stating the name and address of such owner, the number of shares of each class and series of shares of our shares that the owner beneficially owns and a description of the manner in which the shares are held. Each owner shall provide to us such additional information as we may request to determine the effect, if any, of the beneficial ownership on our qualification as a REIT and to ensure compliance with the ownership limits. In addition, each such owner shall, upon demand, be required to provide to us such information as we may request, in good faith, to determine our qualification as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the 9.8% ownership limits in operating agreement.

Any certificates representing our shares will bear a legend referring to the restrictions on ownership and transfer of our shares described above.

These ownership limits could delay, defer or prevent a transaction or a change in control that might involve a premium price for our shares or might otherwise be in the best interests of our shareholders.

Our operating agreement provides that, for so long as we directly or indirectly hold a license or franchise from a governmental agency to conduct our business and such license or franchise is conditioned upon some or all of the

holders of our shares possessing prescribed qualifications, any and all of our shares held by any person will be subject to, at the election of our board of directors, in its sole and absolute discretion, either redemption by us or a requirement to sell such shares within 120 days or any other period of time determined by our board of directors upon receipt of notice by an applicable government agency that such holder does not possess the

**Table of Contents**

prescribed qualifications. Any shares that become so redeemable may be called for redemption immediately upon at least five days' notice to the holder or holders of such securities at a redemption price equal to the average closing price of the applicable shares on any national securities exchange on which the shares are listed or admitted for trading for the 45 trading days immediately preceding the date of the redemption notice. If the shares are not listed or admitted for trading, or have not been listed or admitted for trading for 45 days, our operating agreement provides that the redemption price will be determined in good faith by our board of directors.

**Transfer Agent and Registrar**

The transfer agent and registrar for our shares is Computershare Trust Company, N.A. The principal business address of the transfer agent and registrar is 480 Washington Blvd., Jersey City, NJ 07310.



**Table of Contents**

**DESCRIPTION OF DEPOSITARY SHARES**

*The following is a summary of some of the terms of the deposit agreements to govern any depositary shares, the depositary shares themselves and the depositary receipts. The summaries and descriptions below of such terms do not purport to be complete and are subject to, and qualified in their entirety by reference to, the relevant depositary agreement and depositary receipts with respect to the particular series of depositary shares related to any particular series of preferred shares. The specific terms of any series of depositary shares will be described in the applicable prospectus supplement. The terms of any series of depositary shares may differ from the general summaries and descriptions below if so described in the applicable prospectus supplement.*

**General**

We may, at our option, elect to offer depositary shares, each of which would represent an interest in fractional or multiple preferred shares rather than whole preferred shares. If we elect to offer depositary shares, we will allow a depositary to issue to the public depositary shares representing interests in fractional or multiple preferred shares, as described in the prospectus supplement relating to such series of depositary shares.

**Deposit Agreement**

The preferred shares underlying any depositary shares will be deposited under a separate deposit agreement between us and a bank or trust company acting as depositary with respect to those preferred shares. The prospectus supplement relating to a series of depositary shares will specify the name and address of the depositary. Under the deposit agreement, each owner of a depositary share will be entitled, in proportion of its interest in a fractional share or multiple shares, of the preferred shares underlying that depositary share, to all the rights and preferences of those preferred shares, including dividend, voting, redemption, conversion, and exchange and liquidation rights, in each case as designated by our board of directors and described in the applicable prospectus supplement.

Depositary shares will be evidenced by one or more depositary receipts issued under the deposit agreement. We will distribute depositary receipts to those persons purchasing such depositary shares in accordance with the terms of the offering made by the related prospectus supplement.

**Dividends and Other Distributions**

The depositary will distribute all cash dividends or other cash distributions in respect of the preferred shares underlying the depositary shares to each record depositary shareholder based on the number of the depositary shares owned by that holder on the relevant record date under the terms specified in the deposit agreement and the related prospectus supplement.

If there is a distribution other than in cash, the depositary will distribute property to the entitled record depositary shareholders, unless the depositary determines that it is not feasible to make that distribution. In that case the depositary may, with our approval, adopt the method it deems equitable and practicable for making that distribution, including any sale of property and the distribution of the net proceeds from this sale to the concerned holders.

Each deposit agreement will also contain provisions relating to the manner in which any subscription or similar rights we offer to holders of the relevant series of preferred shares will be made available to depositary shareholders.

The amount distributed in all of the foregoing cases will be reduced by any amounts required to be withheld by us or the depositary on account of taxes and governmental charges.



## **Table of Contents**

### **Withdrawal of Preferred Shares**

Upon surrender of depositary receipts at the office of the depositary and upon payment of the charges provided in the deposit agreement and subject to the terms thereof, a holder of depositary receipts will be entitled to have the depositary deliver to such holder the applicable number of preferred shares underlying the depositary shares evidenced by the surrendered depositary receipts. There may be no market, however, for the underlying preferred shares and once the underlying preferred share is withdrawn from the depositary, it may not be redeposited.

### **Redemption and Liquidation**

The terms on which the depositary shares relating to the preferred shares of any series may be redeemed, and any amounts distributable upon our liquidation, dissolution or winding up, will be described in the applicable prospectus supplement.

### **Voting**

Upon receiving notice of any meeting at which preferred shareholders of any series are entitled to vote, the depositary will mail the information contained in that notice to the record depositary shareholders relating to those series of preferred shares. Each depositary shareholder on the record date will be entitled to instruct the depositary on how to vote the preferred shares underlying that holder's depositary shares. The depositary will vote the preferred shares underlying those depositary shares according to those instructions, and we will take reasonably necessary actions to enable the depositary to do so. If the depositary does not receive specific instructions from the depositary shareholders relating to those preferred shares, it will abstain from voting those preferred shares, unless otherwise discussed in the prospectus supplement.

### **Amendment and Termination of Deposit Agreement**

We and the depositary may amend the depositary receipt form evidencing the depositary shares and the related deposit agreement. However, any amendment that significantly affects the rights of the depositary shareholders will not be effective unless holders of a majority of the outstanding depositary shares approve that amendment. No amendment, however, may impair the right of any depositary shareholder to receive any money or other property to which such holder may be entitled under the terms of the deposit agreement at the times and in the manner and amount provided for therein. We or the depositary may terminate a deposit agreement only if:

we redeemed or reacquired all outstanding depositary shares relating to the deposit agreement;

all outstanding depositary shares have been converted (if convertible) into Class A shares or another series of preferred shares; or

there has been a final distribution in respect of the preferred shares of any series in connection with our liquidation, dissolution or winding up and such distribution has been made to the related depositary shareholders.

### **Charges of Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will also pay all charges of each depositary in connection with the initial deposit and any redemption of the preferred shareholders. Unless otherwise specified in the applicable deposit agreement and related prospectus supplement, depositary shareholders will be required to pay any other transfer and other taxes and governmental charges and any other charges expressly provided in the deposit agreement to be for their accounts.

## **Table of Contents**

### **Restrictions on Ownership**

In order to safeguard us against an inadvertent loss of REIT status, the deposit agreement will contain provisions restricting the ownership and transfer of depositary shares. These restrictions will be described in the applicable prospectus supplement.

### **Miscellaneous**

Each depositary will forward to the relevant depositary shareholders all our reports and communications that we are required to furnish to preferred shareholders of any series.

The deposit agreement will contain provisions relating to adjustments in the fraction of a preferred share represented by a depositary share in the event of a split-up, combination or other reclassification of the preferred share or upon any recapitalization, merger or sale of substantially all of our assets.

Neither the depositary nor our company will be liable if it is prevented or delayed by law or any circumstance beyond its control in performing its obligations under any deposit agreement, or subject to any liability under the deposit agreement to holders of depositary receipts other than for the relevant party's gross negligence or willful misconduct. The obligations of our company and each depositary under any deposit agreement will be limited to performance in good faith of their duties under that agreement, and they will not be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or preferred shares unless they are provided with satisfactory indemnity. They may rely upon written advice of counsel or accountants, or information provided by persons presenting preferred shares for deposit, depositary shareholders or other persons believed to be competent and on documents believed to be genuine.

### **Resignation of Depositary**

A depositary may resign at any time by issuing us a notice of resignation, and we may remove any depositary at any time by issuing it a notice of removal. Resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of appointment. That successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal.

**Table of Contents**

**DESCRIPTION OF WARRANTS**

*The following is a summary of some of the terms of the warrant agreements pursuant to which we may issue warrants in the future, the warrants, and any warrant certificates. The summaries and descriptions below of such terms do not purport to be complete and are subject to, and qualified in their entirety by reference to, the relevant warrant agreement with respect to the warrants of any particular series. The specific terms of any series of warrants will be described in the applicable prospectus supplement. The terms of any series of warrants may differ from the general summaries and descriptions below if so described in the applicable prospectus supplement.*

**General**

Our operating agreement provides that we may issue warrants without shareholder approval. We may issue warrants for the purchase of our Class A shares or preferred shares independently or together with any other securities offered by any prospectus supplement. The warrants we issue may be attached to or separate from such offered securities. Each series of warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent specified in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the warrants of such series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. The following sets forth certain general terms and provisions of the warrants that may be offered under this registration statement. Further terms of the warrants and the applicable warrant agreements will be set forth in the applicable prospectus supplement.

**Terms of Warrants**

The applicable prospectus supplement will describe the terms of the warrants in respect of which this prospectus is being delivered, including, where applicable, the following:

the title of such warrants;

the aggregate number of such warrants;

the price or prices at which such warrants will be issued;

the number of Class A shares or preferred shares purchasable upon exercise of such warrants;

the provisions for adjustment of the number of Class A shares or preferred shares receivable upon exercise of the warrants or the exercise price of the warrants;

the designation and terms of the other offered securities with which such warrants are issued and the number of such warrants issued with each such offered security;

Edgar Filing: MGM Growth Properties LLC - Form 424B5

the date, if any, on and after which such warrants and the related Class A shares or preferred shares will be separately transferable;

the price at which each Class A shares or preferred shares purchasable upon exercise of such warrants may be purchased;

the date on which the right to exercise such warrants shall commence and the date on which such right shall expire;

the minimum or maximum amount of such warrants which may be exercised at any one time;

whether the warrants represented by the warrant certificates will be issued in registered or bearer form, and, if registered, where they may be transferred and registered;

information with respect to book-entry procedures, if any;

**Table of Contents**

the currency or currency units in which the offering price, if any, and the exercise price are payable;

the anti-dilution provisions of such warrants, if any;

the redemption or call provisions, if any, applicable to such warrants;

a discussion of certain federal income tax considerations; and

any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

See [Description of Shares](#) for a general description of the Class A shares or preferred shares which may be acquired upon the exercise of any warrants we may issue in the future, including a description of certain restrictions on the ownership and transfer of such shares.



**Table of Contents**

**MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS**

**U.S. Federal Income Tax Considerations of an Investment in MGP Class A Shares**

The following is a summary of the material U.S. federal income tax consequences of an investment in MGP Class A shares. For purposes of this section under the heading Material U.S. Federal Income Tax Considerations, references to MGP, we, our and us generally mean only MGP and not its subsidiaries or other lower-tier entities, except as otherwise indicated, and references to tenants are to persons who are treated as lessees of real property for purposes of the REIT requirements. This summary is based upon the Code, the regulations promulgated by the U.S. Department of the Treasury (the Treasury), rulings and other administrative pronouncements issued by the IRS, and judicial decisions, all as currently in effect, and all of which are subject to differing interpretations or to change, possibly with retroactive effect. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below. The summary is also based upon the assumption that we and our subsidiaries and affiliated entities will operate in accordance with our and their applicable organizational documents. This summary is for general information only and is not tax advice. It does not discuss any state, local or non-U.S. tax laws or the possible application of the alternative minimum tax, the 3.8% Medicare tax on net investment income or U.S. federal gift or estate taxes, and it does not purport to discuss all aspects of U.S. federal income taxation that may be important to a particular investor in light of its investment or tax circumstances or to investors subject to special tax rules, such as:

banks, insurance companies, regulated investment companies, or other financial institutions;

dealers or brokers in securities or currencies;

partnerships, other pass-through entities and trusts, including REITs;

partners in partnerships holding MGP Class A shares;

persons who hold MGP Class A shares on behalf of other persons as nominees;

persons who receive MGP Class A shares as compensation;

persons holding MGP Class A shares as part of a straddle, hedge, conversion transaction, synthetic security or other integrated investment;

persons who are subject to alternative minimum tax;

tax-exempt organizations, except to the extent provided in Taxation of Shareholders Taxation of Tax-Exempt Shareholders below; and

foreign investors, except to the extent provided in Taxation of Shareholders Taxation of Non-U.S. Shareholders below.

This summary assumes that investors will hold their shares as a capital asset, which generally means property held for investment.

**The U.S. federal income tax treatment of holders of MGP Class A shares depends in some instances on determinations of fact and interpretations of complex provisions of U.S. federal income tax law for which no clear precedent or authority may be available. In addition, the tax consequences to any particular investor holding MGP Class A shares will depend on the investor's particular tax circumstances. You are urged to consult your tax advisor regarding the U.S. federal, state, local, and foreign income and other tax consequences to you in light of your particular investment or tax circumstances of acquiring, holding, exchanging, or otherwise disposing of MGP Class A shares.**

### **Taxation of MGP**

We intend to elect to be taxed as a REIT under Sections 856 through 860 of the Code commencing with our taxable year ending December 31, 2016, upon the filing of our U.S. federal income tax return for such period. We believe that we are organized and we currently operate in such a manner as to qualify for taxation as a REIT under the applicable provisions of the Code.

## **Table of Contents**

In connection with the filing of this prospectus, we expect to receive an opinion of Weil, Gotshal & Manges LLP ( REIT Tax Counsel ) to the effect that (i) we have been organized in conformity with the requirements for qualification and taxation as a REIT and (ii) our prior, current, and proposed organization, ownership and method of operation as represented by management have allowed and will allow us to satisfy the requirements for qualification and taxation as a REIT commencing with our taxable year ending December 31, 2016. It must be emphasized that the opinion of REIT Tax Counsel will be based on various assumptions relating to our organization and operation, and will be conditioned upon fact-based representations and covenants made by our management regarding our organization, assets, and income, and the present and future conduct of our business operations. While we intend to operate so that we will qualify to be taxed as a REIT, given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given that we will qualify to be taxed as a REIT for any particular year. The opinion will be expressed as of the date issued. REIT Tax Counsel will have no obligation to advise us or MGP shareholders of any subsequent change in the matters stated, represented or assumed, or of any subsequent change in the applicable law. You should be aware that opinions of counsel are not binding on the IRS or the courts, and no assurance can be given that the IRS will not challenge the conclusions set forth in such opinion.

Our qualification and taxation as a REIT depends on our ability to meet on a continuing basis, through actual operating results, distribution levels, and diversity of share ownership, various qualification requirements imposed upon REITs by the Code, the compliance with which will not be reviewed by REIT Tax Counsel. Our ability to qualify to be taxed as a REIT also requires that we satisfy certain asset tests, some of which depend upon the fair market values of assets that we own directly or indirectly. Such fair market values may not be susceptible to a precise determination. Accordingly, no assurance can be given that the actual results of our operations for any taxable year will satisfy such requirements for qualification and taxation as a REIT.

## **Taxation of REITs in General**

As indicated above, our qualification and taxation as a REIT depends upon our ability to meet, on a continuing basis, various qualification requirements imposed upon REITs by the Code. The material qualification requirements are summarized below under Requirements for Qualification General. While we believe that we operate so that we qualify and will continue to qualify to be taxed as a REIT, no assurance can be given that the IRS will not challenge our qualification, or that we will be able to operate in accordance with the REIT requirements in the future. See Failure to Qualify, below.

Provided that we qualify to be taxed as a REIT, generally we will be entitled to a deduction for distributions that we pay and therefore will not be subject to U.S. federal corporate income tax on our net REIT taxable income that is currently distributed to our shareholders. This treatment substantially eliminates the double taxation at the corporate and shareholder levels that generally results from an investment in a C corporation. A C corporation is a corporation that generally is required to pay tax at the corporate level. Double taxation means taxation once at the corporate level when income is earned and once again at the shareholder level when the income is distributed. In general, the income that we generate is taxed only at the shareholder level upon a distribution to our shareholders.

Most U.S. shareholders (as defined below) that are individuals, trusts or estates are taxed on corporate dividends at a maximum U.S. federal income tax rate of 20% (the same as long-term capital gains). With limited exceptions, however, distributions from us or from other entities that are taxed as REITs are generally not eligible for this rate and will continue to be taxed at rates applicable to ordinary income. Currently, the highest marginal non-corporate U.S. federal income tax rate (exclusive of any Medicare tax, if applicable) applicable to ordinary income is 39.6%. See Taxation of Shareholders Taxation of Taxable U.S. Shareholders Distributions below.



## Table of Contents

Any net operating losses, foreign tax credits and other tax attributes will be utilized at the corporate level and generally do not pass through to MGP shareholders, subject to special rules for certain items such as the capital gains that we recognize. See [Taxation of Shareholders](#) [Taxation of Taxable U.S. Shareholders](#) [Distributions](#) below.

If we qualify to be taxed as a REIT, we will nonetheless be subject to U.S. federal tax in the following circumstances:

We will be taxed at regular corporate rates on any undistributed net taxable income, including undistributed net capital gains.

We may be subject to the [alternative minimum tax](#) on our items of tax preference, under certain circumstances, including deductions of net operating losses.

If we have net income from prohibited transactions, which are, in general, sales or other dispositions of inventory or property held primarily for sale to customers in the ordinary course of business, other than foreclosure property, such income will be subject to a 100% tax. See [Prohibited Transactions](#) and [Foreclosure Property](#) below.

If we elect to treat property that we acquire in connection with certain leasehold terminations as [foreclosure property](#), we may thereby avoid the 100% tax on gain from a resale of that property (if the sale would otherwise constitute a prohibited transaction), but the income from the sale or operation of the property may be subject to corporate income tax at the highest applicable rate (currently 35%).

If we fail to satisfy the 75% gross income test and/or the 95% gross income test, as discussed below, but nonetheless maintain our qualification as a REIT because we satisfy other requirements, we will be subject to a 100% tax on an amount based on the magnitude of the failure, as adjusted to reflect the profit margin associated with our gross income.

If we violate the asset tests (other than certain *de minimis* violations) or certain other requirements applicable to REITs, as described below, and yet maintain qualification as a REIT because there is reasonable cause for the failure and other applicable requirements are met, we may be subject to a penalty tax. In that case, the amount of the penalty tax will be at least \$50,000 per failure, and, in the case of certain asset test failures, will be determined as the amount of net income generated by the nonqualifying assets in question multiplied by the highest corporate tax rate (currently 35%) if that amount exceeds \$50,000 per failure.

If we fail to distribute during each calendar year at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, we will be subject to a nondeductible 4% excise tax on the excess of the required distribution over the sum of (a) the amounts that we actually distributed and (b) the amounts we retained and upon which we paid income tax at the corporate level.

We may be required to pay monetary penalties to the IRS in certain circumstances, including if we fail to meet record-keeping requirements intended to monitor our compliance with rules relating to the composition of a REIT's shareholders, as described below in Requirements for Qualification General below.

A 100% tax may be imposed on certain transactions between us and a taxable REIT subsidiary ( TRS ) that do not reflect arm's-length terms.

If we acquire appreciated assets from a corporation that is not a REIT (i.e., a C corporation) in a transaction in which the adjusted tax basis of the assets in our hands is determined by reference to the adjusted tax basis of the assets in the hands of the C corporation, we may be subject to tax on such appreciation at the highest corporate income tax rate then applicable if we subsequently recognize gain on a disposition of any such assets during the five-year period following our acquisition from the

## **Table of Contents**

C corporation. Treasury regulations exclude from the application of this built-in gains tax any gain from the sale of property we acquire in an exchange under Section 1031 (a like-kind exchange) or 1033 (an involuntary conversion) of the Code.

The earnings of any TRS of us will generally be subject to U.S. federal corporate income tax.

We may elect to retain and pay income tax on our net capital gain. In that case, a shareholder would include its proportionate share of our undistributed net capital gain (to the extent we make a timely designation of such gain to the shareholder) in its income, would be deemed to have paid the tax that we paid on such gain, and would be allowed a credit for the shareholder's proportionate share of the tax deemed to have been paid, and an adjustment would be made to increase the shareholder's basis in our Class A shares.

In addition, we and our subsidiaries may be subject to a variety of taxes, including payroll taxes and state, local, and foreign income, property, gross receipts and other taxes on our assets and operations. We could also be subject to tax in situations and on transactions not presently contemplated.

### **Requirements for Qualification General**

The Code defines a REIT as a corporation, trust or association:

1. that is managed by one or more trustees or directors;
2. the beneficial ownership of which is evidenced by transferable shares, or by transferable certificates of beneficial interest;
3. that would be taxable as a domestic corporation but for its election to be subject to tax as a REIT;
4. that is neither a financial institution nor an insurance company subject to specific provisions of the Code;
5. the beneficial ownership of which is held by 100 or more persons;
6. in which, during the last half of each taxable year, not more than 50% in value of the outstanding shares or other beneficial interest is owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include specified tax-exempt entities); and
7. that meets other tests described below, including with respect to the nature of its income and assets and the amounts of its distributions.

The Code provides that conditions (1) through (4) above must be met during the entire taxable year, and that condition (5) above must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a

shorter taxable year. Conditions (5) and (6) above need not be met during an entity's initial tax year as a REIT (which, in our case, was 2016). Our operating agreement provides restrictions regarding the ownership and transfers of our shares of beneficial interest, which are intended to assist us in satisfying the share ownership requirements described in conditions (5) and (6) above. These restrictions, however, may not ensure that we, in all cases, will be able to satisfy the share ownership requirements described in conditions (5) and (6) above. If we fail to satisfy these share ownership requirements, except as provided in the next two sentences, our status as a REIT will terminate. If, however, we comply with the rules contained in applicable Treasury regulations that require us to ascertain the actual ownership of our shares and we do not know, or would not have known through the exercise of reasonable diligence, that we failed to meet the requirements described in condition (6) above, we will be treated as having met this requirement. Moreover, if our failure to satisfy the share ownership requirements is due to reasonable cause and not willful neglect, we may retain our REIT qualification but will be required to pay a penalty of \$50,000 for each such failure.



## **Table of Contents**

To monitor compliance with the share ownership requirements, we generally are required to maintain records regarding the actual ownership of our shares of beneficial interest. To do so, we must demand written statements each year from the record holders of significant percentages of our Class A shares pursuant to which the record holders must disclose the actual owners of the shares (i.e., the persons required to include our distributions in their gross income). We must maintain a list of those persons failing or refusing to comply with this demand as part of our records. We could be subject to monetary penalties if we fail to comply with these record-keeping requirements. If you fail or refuse to comply with the demands, you will be required by Treasury regulations to submit a statement with your tax return disclosing your actual ownership of our Class A shares and other information.

In addition, an entity generally may not elect to become a REIT unless its taxable year is the calendar year. We have adopted December 31 as our year-end, and thereby satisfy this requirement.

## **Effect of Subsidiary Entities**

### *Ownership of Partnership Interests*

If we are a partner in an entity that is treated as a partnership for U.S. federal income tax purposes, such as the Operating Partnership, Treasury regulations provide that we are deemed to own our proportionate share of the partnership's assets, and to earn our proportionate share of the partnership's income, for purposes of the asset and gross income tests applicable to REITs. Our proportionate share of a partnership's assets and income is based on our capital interest in the partnership (except that for purposes of the 10% value test, described below, our proportionate share of the partnership's assets is based on our proportionate interest in the equity and certain debt securities issued by the partnership). In addition, the assets and gross income of the partnership are deemed to retain the same character in our hands. Thus, our proportionate share of the assets and income of any of our subsidiary partnerships will be treated as our assets and items of income for purposes of applying the REIT requirements.

We have control of the Operating Partnership and its subsidiaries and intend to operate them in a manner consistent with the requirements for our qualification as a REIT. If we become a limited partner or non-managing member in any partnership or limited liability company and such entity takes or expects to take actions that could jeopardize our status as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause us to fail the gross income or asset test, and that we would not become aware of such action in time to dispose of our interest in the partnership or limited liability company or take otherwise corrective action on a timely basis. In that case, we could fail to qualify to be taxed as a REIT unless we were entitled to relief, as described below.

### *Disregarded Subsidiaries*

If we own a corporate subsidiary that is a qualified REIT subsidiary, that subsidiary is generally disregarded as a separate entity for U.S. federal income tax purposes, and all of the subsidiary's assets, liabilities and items of income, deduction and credit are treated as our assets, liabilities and items of income, deduction and credit, including for purposes of the gross income and asset tests applicable to REITs. A qualified REIT subsidiary is any corporation, other than a TRS (as described below), that is directly or indirectly wholly owned by a REIT. Other entities that are wholly owned by us or our subsidiaries, including single member limited liability companies that have not elected to be taxed as corporations for U.S. federal income tax purposes, are also generally disregarded as separate entities for U.S. federal income tax purposes, including for purposes of the REIT income and asset tests. Disregarded subsidiaries, along with any partnerships in which we hold an equity interest, are sometimes referred to herein as pass-through subsidiaries.

In the event that a disregarded subsidiary of ours ceases to be wholly owned for example, if any equity interest in the subsidiary is acquired by a person other than us or another disregarded subsidiary of ours the

---

**Table of Contents**

subsidiary's separate existence would no longer be disregarded for U.S. federal income tax purposes. Instead, the subsidiary would have multiple owners and would generally be treated as either a partnership or a taxable corporation. Such an event could, depending on the circumstances, adversely affect our ability to satisfy the various asset and gross income requirements applicable to REITs, including the requirements that REITs generally may not own, directly or indirectly, more than 10% of the securities of another corporation. See **Asset Tests** and **Income Tests** below.

*Taxable REIT Subsidiaries*

In general, we may jointly elect with a subsidiary corporation, whether or not wholly owned, to treat such subsidiary corporation as a TRS. We generally may not own more than 10% of the securities of a taxable corporation, as measured by voting power or value, and no more than 5% of the value of our assets can be represented by the securities of any single taxable corporation, in each case unless we and such corporation elect to treat such corporation as a TRS. The separate existence of a TRS or other taxable corporation is not ignored for U.S. federal income tax purposes. Accordingly, a TRS or other taxable subsidiary corporation generally is subject to corporate income tax on its earnings, which may reduce the cash flow that we and our subsidiaries generate in the aggregate and may reduce our ability to make distributions to MGP shareholders.

We are not treated as holding the assets of a TRS or other taxable subsidiary corporation or as receiving any income that the subsidiary earns. Rather, the stock issued by a taxable subsidiary corporation to us is an asset in our hands, and we treat the distributions paid to us from such taxable subsidiary corporation, if any, as income. This treatment can affect our income and asset test calculations, as described below. Because we do not include the assets and income of TRSs or other taxable subsidiary corporations on a look-through basis in determining our compliance with the REIT requirements, we may use such entities to undertake indirectly activities that the REIT rules might otherwise preclude us from doing directly or through pass-through subsidiaries. For example, we may use TRSs or other taxable subsidiary corporations to perform services or conduct activities that give rise to certain categories of income or to conduct activities that, if conducted by us directly, would be treated in our hands as prohibited transactions.

U.S. federal income tax law limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. Further, the rules impose a 100% excise tax on certain transactions between a TRS and its parent REIT or the REIT's tenants that are not conducted on an arm's-length basis. We intend that all of our transactions with our TRS, if any, will be conducted on an arm's-length basis.

**Income Tests**

In order to qualify to be taxed as a REIT, we must satisfy two gross income requirements on an annual basis. First, at least 75% of our gross income for each taxable year, excluding gross income from sales of inventory or dealer property in prohibited transactions, discharge of indebtedness, certain hedging transactions and certain foreign currency gains, generally must be derived from rents from real property, gains from the sale of real estate assets (other than publicly offered REIT debt instruments that would not be real estate assets but for the inclusion of publicly offered REIT debt instruments in the meaning of real estate assets), interest income derived from mortgage loans secured by real property or an interest in real property (including certain types of mortgage-backed securities and certain mortgage loans secured by both real and personal property), dividends received from other REITs, and specified income from temporary investments. Second, at least 95% of our gross income in each taxable year, excluding gross income from prohibited transactions, discharge of indebtedness, certain hedging transactions and certain foreign currency gains, must be derived from some combination of income that qualifies under the 75% gross income test described above, as well as other dividends, interest, and gain from the sale or disposition of stock or securities, which need not have any relation to real property. Income and gain from certain hedging transactions will

be excluded from both the numerator and the denominator for purposes of both the 75% and 95% gross income tests.

## Table of Contents

### *Rents from Real Property*

Rents we receive from a tenant generally will qualify as rents from real property for the purpose of satisfying the gross income requirements for a REIT described above only if all of the conditions described below are met.

The amount of rent is not based in whole or in part on the income or profits of any person. However, an amount we receive or accrue generally will not be excluded from the term rents from real property solely because it is based on a fixed-percentage or percentages of receipts or sales;

Neither we nor an actual or constructive owner of 10% or more of MGP shares actually or constructively owns 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. Rents we receive from such a tenant that is a TRS of ours, however, will not be excluded from the definition of rents from real property as a result of this condition if at least 90% of the space at the property to which the rents relate is leased to third parties, and the rents paid by the TRS are substantially comparable to rents paid by our other tenants for comparable space. Whether rents paid by a TRS are substantially comparable to rents paid by other tenants is determined at the time the lease with the TRS is entered into, extended, and modified, if such modification increases the rents due under such lease. Notwithstanding the foregoing, however, if a lease with a controlled taxable REIT subsidiary is modified and such modification results in an increase in the rents payable by such TRS, any such increase will not qualify as rents from real property. For purposes of this rule, a controlled taxable REIT subsidiary is a TRS in which the parent REIT owns stock possessing more than 50% of the voting power or more than 50% of the total value of the outstanding stock of such TRS;

Rent attributable to personal property that is leased in connection with a lease of real property is not greater than 15% of the total rent received under the lease. If this condition is not met, then the portion of the rent attributable to personal property will not qualify as rents from real property; and

We generally are not permitted to operate or manage our properties or to furnish or render services to our tenants, subject to a 1% *de minimis* exception and except as further provided below. We are permitted, however, to perform directly certain services that are usually or customarily rendered in connection with the rental of space for occupancy only and are not otherwise considered rendered to the occupant of the property. Examples of these permitted services include the provision of light, heat, or other utilities, trash removal and general maintenance of common areas. In addition, we are permitted to employ an independent contractor from whom we derive no revenue, or a TRS that is wholly or partially owned by us, to provide both customary and non-customary property management or services to our tenants without causing the rent that we receive from those tenants to fail to qualify as rents from real property. Any amounts that we receive from a TRS with respect to the TRS's provision of non-customary services will, however, be nonqualifying income under the 75% gross income test and, except to the extent received through the payment of dividends, the 95% gross income test.

We expect that the rent payments received pursuant to the Master Lease will be treated as rents from real property for purposes of the REIT gross income tests.

*Interest Income*

Interest income constitutes qualifying mortgage interest for purposes of the 75% gross income test (as described above) to the extent that the obligation upon which such interest is paid is secured by a mortgage on (i) real property or an interest in real property or (ii) property described in (i) and other property if such other property constitutes 15% or less of the total fair market value of the secured property. If we receive interest income with respect to a mortgage loan that is described in the preceding clause (ii) such interest income may need to be apportioned between the real property and the other collateral for purposes of the 75% gross income

## Table of Contents

test. Even if a loan is not secured by real property, or is undersecured, the income that it generates may nonetheless qualify for purposes of the 95% gross income test. For these purposes, the term *interest* generally does not include any amount received or accrued, directly or indirectly, if the determination of all or some of the amount depends in any way on the income or profits of any person.

However, an amount received or accrued generally will not be excluded from the term *interest* solely by reason of being based on a fixed percentage or percentages of receipts or sales.

### *Dividend Income*

We may directly or indirectly receive distributions from TRSs or other corporations that are not REITs or qualified REIT subsidiaries. These distributions generally are treated as dividend income to the extent of the earnings and profits of the distributing corporation. Such distributions will generally constitute qualifying income for purposes of the 95% gross income test, but not for purposes of the 75% gross income test. Any dividends that we receive from another REIT, however, will be qualifying income for purposes of both the 95% and 75% gross income tests.

### *Fee Income*

Any fee income that we earn will generally not be qualifying income for purposes of either gross income test. Any fees earned by a TRS, however, will not be included for purposes of our gross income tests.

### *Hedging Transactions*

Any income or gain that we or our pass-through subsidiaries derive from instruments that hedge certain risks, such as the risk of changes in interest rates, will be excluded from gross income for purposes of both the 75% and 95% gross income tests, provided that specified requirements are met, including the requirement that the instrument is entered into during the ordinary course of our business, the instrument hedges risks associated with indebtedness issued by us or our pass-through subsidiary that is incurred or to be incurred to acquire or carry real estate assets (as described below under *Asset Tests*, below), and the instrument is properly identified as a hedge along with the risk that it hedges within prescribed time periods. Certain items of income or gain attributable to hedges of foreign currency fluctuations with respect to income that satisfies the REIT gross income requirements may also be excluded from the 95% and 75% gross income tests as well as certain items of income or gain attributable to certain counteracting hedges that offset prior qualifying hedges where the prior debt is repaid or qualifying assets underlying such prior hedges are sold. To the extent that we do not properly identify such transactions as hedges or we hedge with other types of financial instruments, the income from those transactions is not likely to be treated as qualifying income for purposes of the gross income tests. We intend to structure any hedging transactions in a manner that does not jeopardize our status as a REIT.

### *Failure to Satisfy the Gross Income Tests*

If we fail to satisfy one or both of the 75% or 95% gross income tests for any taxable year, we may still qualify to be taxed as a REIT for such year if we are entitled to relief under applicable provisions of the Code. These relief provisions will be generally available if (i) our failure to meet these tests was due to reasonable cause and not due to willful neglect and (ii) following our identification of the failure to meet the 75% or 95% gross income test for any taxable year, we file a schedule with the IRS setting forth each item of our gross income for purposes of the 75% or 95% gross income test for such taxable year in accordance with Treasury regulations, which have not yet been issued. It is not possible to state whether we would be entitled to the benefit of these relief provisions in all circumstances. If these relief provisions are inapplicable to a particular set of circumstances, we will not qualify to be taxed as a REIT.

Even if these relief provisions apply, and we retain our status as a REIT, we will be required to pay a tax equal to (1) the greater of (A) the amount by which we fail to satisfy the 75% gross income test and (B) the amount by which we fail to satisfy the 95% gross income test,



---

## Table of Contents

multiplied by (2) a fraction intended to reflect our profitability (i.e., generally our net income divided by our gross income). We may not always be able to comply with the gross income tests for REIT qualification despite periodic monitoring of our income.

### **Asset Tests**

At the close of each calendar quarter, we must also satisfy certain tests relating to the nature of our assets. First, at least 75% of the value of our total assets must be represented by some combination of real estate assets, cash, cash items, U.S. government securities, and, under some circumstances, stock or debt instruments purchased with new capital. For this purpose, real estate assets include interests in real property and stock of other REITs, as well as some kinds of mortgage-backed securities and mortgage loans. The term real estate assets also includes debt instruments of publicly offered REITs, personal property securing a mortgage secured by both real property and personal property if the fair market value of such personal property does not exceed 15% of the total fair market value of all such property, and personal property leased in connection with a lease of real property for which the rent attributable to personal property is not greater than 15% of the total rent received under the lease. Assets that do not qualify for purposes of the 75% asset test are subject to the additional asset tests described below.

Second, the value of any one issuer's securities that we own may not exceed 5% of the value of our total assets.

Third, we may not own more than 10% of any one issuer's outstanding securities, as measured by either voting power or value. The 5% and 10% asset tests do not apply to securities of TRSs or qualified REIT subsidiaries and the 10% asset test does not apply to straight debt having specified characteristics or to certain other securities described below. Solely for purposes of the 10% asset test, the determination of our interest in the assets of a partnership or limited liability company in which we own an interest will be based on our proportionate interest in any securities issued by the partnership or limited liability company, excluding for this purpose certain securities described in the Code.

Fourth, the aggregate value of all securities of TRSs that we hold, together with other non-qualified assets (such as furniture and equipment or other tangible personal property (to the extent such property does not constitute a real estate asset) or non-real estate securities), may not, in the aggregate, exceed 25% of the value of our total assets. For taxable years beginning after December 31, 2017, the aggregate value of all securities of TRSs that we hold may not exceed 20% of the value of our total assets.

Fifth, not more than 25% of the value of our total assets may be represented by debt instruments of publicly offered REITs to the extent those debt instruments would not be real estate assets but for the inclusion of debt instruments of publicly offered REITs in the meaning of real estate assets.

Notwithstanding the general rule, as noted above, that for purposes of the REIT income and asset tests we are treated as owning our proportionate share of the underlying assets of a subsidiary partnership, if we hold indebtedness issued by a partnership, the indebtedness will be subject to, and may cause a violation of, the asset tests unless the indebtedness is a qualifying mortgage asset or other conditions are met.

Similarly, although stock of another REIT is a qualifying asset for purposes of the REIT asset tests, any non-mortgage debt that is issued by another REIT may not so qualify (although such debt will not be treated as securities for purposes of the 10% asset test, as explained below).

Certain securities will not cause a violation of the 10% asset test (for purposes of value) described above. Such securities include instruments that constitute straight debt, which term generally excludes, among other things, securities having contingency features. A security does not qualify as straight debt where a REIT (or a controlled TRS

of the REIT) owns other securities of the same issuer which do not qualify as straight debt, unless

---

**Table of Contents**

the value of those other securities constitute, in the aggregate, 1% or less of the total value of that issuer's outstanding securities. In addition to straight debt, the Code provides that certain other securities will not violate the 10% value limitation. Such securities include (i) any loan made to an individual or an estate, (ii) certain rental agreements pursuant to which one or more payments are to be made in subsequent years (other than agreements between a REIT and certain persons related to the REIT under attribution rules), (iii) any obligation to pay rents from real property, (iv) securities issued by governmental entities that are not dependent in whole or in part on the profits of (or payments made by) a non-governmental entity, (v) any security (including debt securities) issued by another REIT and (vi) any debt instrument issued by a partnership if the partnership's income is of a nature that it would satisfy the 75% gross income test described above under Income Tests. In applying the 10% value limitation, a debt security issued by a partnership is not taken into account to the extent, if any, of the REIT's proportionate interest in the equity and certain debt securities issued by that partnership.

No independent appraisals have been obtained to support our conclusions as to the value of our total assets or the value of any particular security or securities. Moreover, the values of some assets may not be susceptible to a precise determination, and values are subject to change in the future. Furthermore, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT asset requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in our subsidiaries or in the securities of other issuers will not cause a violation of the REIT asset tests.

Certain relief provisions are available to allow REITs to satisfy the asset requirements or to maintain REIT qualification, notwithstanding certain violations of the asset and other requirements. For example, if we should fail to satisfy the asset tests at the end of a calendar quarter, such a failure would not cause MGP to lose its REIT qualification if (i) it satisfied the asset tests at the close of the preceding calendar quarter and (ii) the discrepancy between the value of its assets and the asset requirements was not wholly or partly caused by an acquisition of non-qualifying assets, but instead arose from changes in the relative market values of our assets. If the condition described in (ii) were not satisfied, MGP still could avoid disqualification by eliminating any discrepancy within 30 days after the close of the calendar quarter in which it arose or by making use of the relief provisions described below.

In the case of *de minimis* violations of the 10% and 5% asset tests, a REIT may maintain its qualification despite a violation of such requirements if (i) the value of the assets causing the violation does not exceed the lesser of 1% of the REIT's total assets and \$10,000,000 and (ii) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure or the period of time prescribed by Treasury regulations to be issued, or the relevant tests are otherwise satisfied within that time frame.

Even if we did not qualify for the foregoing relief provisions, one additional provision allows a REIT that fails one or more of the asset requirements to nevertheless maintain its REIT qualification if (i) the REIT provides the IRS with a description of each asset causing the failure, (ii) the failure is due to reasonable cause and not willful neglect, (iii) the REIT pays a tax equal to the greater of (a) \$50,000 per failure and (b) the product of the net income generated by the assets that caused the failure multiplied by the highest applicable corporate tax rate (currently 35%) and (iv) the REIT either disposes of the assets causing the failure within six months after the last day of the quarter in which it identifies the failure or the period of time prescribed by Treasury regulations to be issued, or otherwise satisfies the relevant asset tests within that time frame.

**Annual Distribution Requirements**

In order to qualify to be taxed as a REIT, we are required to make distributions, other than capital gain dividends, to our shareholders in an amount at least equal to the sum of:

- (a) 90% of our REIT taxable income, computed without regard to our net capital gains and the deduction for dividends paid; and

---

**Table of Contents**

- (b) 90% of our after-tax net income, if any, from foreclosure property (as described below); minus the excess of the sum of specified items of non-cash income over 5% of our REIT taxable income, computed without regard to our net capital gain and the deduction for dividends paid.

We generally must make these distributions in the taxable year to which they relate, or in the following taxable year if declared before we timely file our tax return for the year and if paid with or before the first regular distribution payment after such declaration. These distributions will be treated as received by MGP shareholders in the year in which paid. Unless we qualify as a publicly offered REIT, our distributions must not be preferential dividends in order to be counted for purposes of satisfying the annual distribution requirements and qualify for the dividends paid deduction. A distribution is not a preferential dividend if the distribution is (i) pro rata among all outstanding shares within a particular class and (ii) in accordance with any preferences among different classes of shares as set forth in our organizational documents. We intend to be a publicly offered REIT and therefore any preferential dividends paid by us will qualify for the dividends paid deduction.

To the extent that we distribute at least 90%, but less than 100%, of our REIT taxable income, as adjusted, we will be subject to tax at ordinary corporate tax rates on the retained portion. We may elect to retain, rather than distribute, some or all of our net long-term capital gains and pay tax on such gains. In this case, we could elect for MGP shareholders to include their proportionate shares of such undistributed long-term capital gains in income, and to receive a corresponding credit for their share of the tax that we paid. MGP shareholders would then increase the adjusted basis of their shares by the difference between (i) the amounts of capital gain dividends that we designated and that they include in their taxable income, minus (ii) the tax that we paid on their behalf with respect to that income.

To the extent that we may have available net operating losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. Such losses, however, will generally not affect the tax treatment to MGP shareholders of any distributions that are actually made. See Taxation of Shareholders Taxation of Taxable U.S. Shareholders Distributions, below.

If we fail to distribute during each calendar year at least the sum of (i) 85% of our ordinary income for such year, (ii) 95% of our capital gain net income for such year and (iii) any undistributed net taxable income from prior periods, we will be subject to a non-deductible 4% excise tax on the excess of such required distribution over the sum of (a) the amounts actually distributed, plus (b) the amounts of income we retained and on which we have paid corporate income tax.

We expect that our REIT taxable income will be less than our cash flow because of depreciation and other non-cash charges included in computing REIT taxable income. Accordingly, we anticipate that we generally will have sufficient cash or liquid assets to enable us to satisfy the distribution requirements described above. However, from time to time, we may not have sufficient cash or other liquid assets to meet these distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses, and the inclusion of income and deduction of expenses in determining our taxable income. In addition, we may decide to retain our cash, rather than distribute it, in order to repay debt, acquire assets, or for other reasons. If these timing differences occur, we may borrow funds to pay distributions or we may pay distributions through the distribution of other property (including MGP Class A shares) in order to meet the distribution requirements, while preserving our cash.

If our taxable income for a particular year is subsequently determined to have been understated, we may be able to rectify a resultant failure to meet the distribution requirements for a year by paying deficiency dividends to shareholders in a later year, which may be included in our deduction for distributions paid for the earlier year but treated as an additional distribution to our shareholders in the year such dividends are paid. In this case, MGP may be able to avoid losing REIT qualification or being taxed on amounts distributed as deficiency dividends, subject to the

4% excise tax described above. We will be required to pay interest based on the amount of any deduction taken for deficiency dividends.

## **Table of Contents**

For purposes of the 90% distribution requirement and excise tax described above, any distribution that we declare in October, November or December of any year and that is payable to a shareholder of record on a specified date in any such month will be treated as both paid by us and received by the shareholder on December 31 of such year, provided that we actually pay the distribution before the end of January of the following calendar year.

## **Prohibited Transactions**

Net income that we derive from a prohibited transaction is subject to a 100% tax. The term prohibited transaction generally includes a sale or other disposition of property (other than foreclosure property, as discussed below) that is held as inventory or primarily for sale to customers in the ordinary course of a trade or business. We intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or having been, held as inventory or for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. Whether property is held as inventory or primarily for sale to customers in the ordinary course of a trade or business depends on the particular facts and circumstances. No assurance can be given that any property that we sell will not be treated as inventory or property held for sale to customers, or that we can comply with certain safe-harbor provisions of the Code that would prevent such treatment. The 100% tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate rates. We intend to structure our activities to avoid prohibited transaction characterization.

## **Like-Kind Exchanges**

We may dispose of properties in transactions intended to qualify as like-kind exchanges under the Code. Such like-kind exchanges are intended to result in the deferral of gain for U.S. federal income tax purposes. The failure of any transaction to qualify as a like-kind exchange could require us to pay U.S. federal income tax, possibly including the 100% prohibited transaction tax, depending on the facts and circumstances surrounding such transactions.

## **Derivatives and Hedging Transactions**

We may enter into hedging transactions with respect to interest rate exposure on one or more of our assets or liabilities. Any such hedging transactions could take a variety of forms, including the use of derivative instruments such as interest rate swap contracts, interest rate cap or floor contracts, futures or forward contracts, and options. Except to the extent provided by Treasury regulations, (i) income from a hedging transaction we enter into (A) in the normal course of our business primarily to manage risk of interest rate changes or currency fluctuations with respect to borrowings made or to be made, or ordinary obligations incurred or to be incurred, to acquire or carry real estate assets, including gain from the sale or disposition of a position in such a transaction or (B) primarily to manage risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the 75% or 95% income tests will not constitute gross income for purposes of the 75% or 95% gross income test; and (ii) if we enter into a position described in clause (i)(A) above with respect to indebtedness described therein or clause (i)(B) above with respect to property generating income described therein, and in connection with the extinguishment or disposition of such indebtedness or property we enter into a transaction that would be a hedging transaction within the meaning of clause (i) above as to any position referred to in this clause (ii) if such position were ordinary property, then any income from such a position or transaction described in this clause (ii) will not constitute gross income for purposes of the 75% or 95% gross income test so long as, in each of the foregoing clauses (i) and (ii), the transaction or position is clearly identified, as specified in Treasury regulations, before the close of the day on which it was acquired, originated, or entered into. To the extent that we enter into hedging transactions that are not described in the preceding clause (i) or (ii), the income from these transactions is likely to be treated as non-qualifying income for purposes of both the 75% and 95% gross income tests. Moreover, to the extent that a position in a hedging transaction

has positive value at any particular point in time, it may be treated as an asset that does not qualify for purposes of the REIT asset tests.



---

**Table of Contents**

We intend to structure any hedging transactions in a manner that does not jeopardize our qualification as a REIT. We may conduct some or all of our hedging activities (including hedging activities relating to currency risk) through a TRS or other corporate entity, the income from which may be subject to U.S. federal income tax, rather than by participating in the arrangements directly or through pass-through subsidiaries. No assurance can be given, however, that our hedging activities will not give rise to income or assets that do not qualify for purposes of the REIT tests, or that our hedging activities will not adversely affect our ability to satisfy the REIT qualification requirements.

**Foreclosure Property**

Foreclosure property is real property and any personal property incident to such real property (i) that we acquire as the result of having bid in the property at foreclosure, or having otherwise reduced the property to ownership or possession by agreement or process of law, after a default (or upon imminent default) on a lease of the property or a mortgage loan held by us and secured by the property, (ii) for which we acquired the related loan or lease at a time when default was not imminent or anticipated and (iii) with respect to which we made a proper election to treat the property as foreclosure property. We generally will be subject to tax at the maximum corporate rate (currently 35%) on any net income from foreclosure property, including any gain from the disposition of the foreclosure property, other than income that would otherwise be qualifying income for purposes of the 75% gross income test. Any gain from the sale of property for which a foreclosure property election has been made will not be subject to the 100% tax on gains from prohibited transactions described above, even if the property would otherwise constitute inventory or dealer property. We do not anticipate receiving any income from foreclosure property that does not qualify for purposes of the 75% gross income test.

**Penalty Tax**

Any redetermined rents, redetermined deductions, excess interest or redetermined TRS service income we generate will be subject to a 100% penalty tax. In general, redetermined rents are rents from real property that are overstated as a result of any services furnished to any of our tenants by a TRS, and redetermined deductions and excess interest represent any amounts that are deducted by a TRS for amounts paid to us that are in excess of the amounts that would have been deducted based on arm's-length negotiations or if the interest payments were at a commercially reasonable rate. Rents that we receive will not constitute redetermined rents if they qualify for certain safe harbor provisions contained in the Code. Redetermined TRS service income generally represents income of a TRS that is understated as a result of services provided to us or on our behalf.

**Failure to Qualify**

If we fail to satisfy one or more requirements for REIT qualification other than the income or asset tests, we could avoid disqualification as a REIT if our failure is due to reasonable cause and not to willful neglect and we pay a penalty of \$50,000 for each such failure. Relief provisions are also available for failures of the income tests and asset tests, as described above in [Income Tests](#) and [Asset Tests](#).

If we fail to qualify for taxation as a REIT in any taxable year, and the relief provisions described above do not apply, we would be subject to tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates. We cannot deduct distributions to shareholders in any year in which we are not a REIT, nor would we be required to make distributions in such a year. In this situation, to the extent of current and accumulated earnings and profits (as determined for U.S. federal income tax purposes), distributions to shareholders would be taxable as regular corporate dividends. Such dividends paid to U.S. shareholders that are individuals, trusts and estates may be taxable at the preferential income tax rates (*i.e.*, the 20% maximum U.S. federal rate) for qualified dividends. In addition, subject to the limitations of the Code, corporate distributees may be eligible for the dividends received

deduction. Unless we are entitled to relief under specific statutory provisions, we would also be disqualified from re-electing to be taxed as a REIT for the four taxable years following the year during which we lost our qualification. It is not possible to state whether, in all circumstances, we would be entitled to this statutory relief.

---

**Table of Contents*****Tax Aspects of Investments in Partnerships*****General**

MGP will hold property through the Operating Partnership, which intends to be taxed as a partnership for U.S. federal income tax purposes. In general, partnerships are pass-through entities that are not subject to U.S. federal income tax. Rather, partners are allocated their proportionate shares of the items of income, gain, loss, deduction and credit of a partnership, and are subject to tax on these items without regard to whether the partners receive a distribution from the partnership. MGP will include its allocable share of these partnership items for purposes of computing its REIT taxable income, and for purposes of the various REIT income tests, will include its proportionate share of these partnership items based on its capital interest in such partnership. Moreover, for purposes of the REIT asset tests, MGP must include its proportionate share of assets held by subsidiary partnerships, based on its capital interest in such partnerships (other than for purposes of the 10% value test, for which the determination of its interest in partnership assets will be based on MGP's proportionate interest in any securities issued by the partnership excluding, for these purposes, certain excluded securities as described in the Code). Consequently, to the extent that MGP holds an equity interest in a partnership, such as the Operating Partnership, such partnership's assets and operations may affect MGP's ability to continue to qualify as a REIT, even though it may have no control, or only limited influence, over any such partnership.

**Entity Classification**

The ownership by MGP of equity interests in a partnership involves special tax considerations, including the possibility of a challenge by the IRS of the status of a subsidiary partnership as a partnership, as opposed to an association taxable as a corporation, for U.S. federal income tax purposes. If a subsidiary partnership were treated as an association for U.S. federal income tax purposes, it would be taxable as a corporation and, therefore, generally would be subject to an entity-level tax on its income. In such a situation, the character of MGP's assets and items of its gross income would change and would preclude it from satisfying the REIT asset tests (particularly the tests generally preventing a REIT from owning more than 10% of the voting securities, or more than 10% of the value of the securities, of any one corporation) or the gross income tests as discussed in *Asset Tests* and *Income Tests* above, and in turn would prevent MGP from qualifying as a REIT. See *Failure to Qualify*, above, for a discussion of the effect of MGP's failure to meet these tests for a taxable year.

In addition, any change in the status of a subsidiary partnership for tax purposes might be treated as a taxable event, in which case MGP could have taxable income that is subject to the REIT distribution requirements without receiving any cash.

**Tax Allocations with Respect to an Investment in a Partnership**

Under the Code and Treasury regulations promulgated thereunder, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership must be allocated for tax purposes in a manner such that the contributing partner is charged with, or benefits from, the unrealized gain or unrealized loss associated with the property at the time of the contribution. The amount of the unrealized gain or unrealized loss at the time of contribution is generally equal to the difference between the fair market value of the contributed property at the time of contribution, and the adjusted tax basis of such property at the time of contribution, or the book-tax difference. Such allocations are solely for U.S. federal income tax purposes and do not affect the book capital accounts or other economic or legal arrangements among the partners.

Under Section 704(c) of the Code, income, gain, loss and deduction attributable to appreciated or depreciated property that is contributed to a partnership in exchange for an interest in the partnership or partnership property that has been revalued on the books of the partnership, must be allocated in a manner so that the contributing partners, or partners who held an interest in the partnership at the time of such revaluation, are charged with the unrealized gain or benefit from the unrealized loss associated with the property at the time of

## **Table of Contents**

such contribution or revaluation. Any elections or other decisions relating to Operating Partnership allocations under Section 704(c) of the Code (including whether to use the traditional method, the traditional method with curative allocations or the remedial method ) shall be made by the general partner of the Operating Partnership, which will be a wholly-owned subsidiary of MGP.

## **Partnership Audit Rules**

The recently enacted Bipartisan Budget Act of 2015 changes the rules applicable to U.S. federal income tax audits of partnerships. Under the new rules (which are generally effective for taxable years beginning after December 31, 2017), among other changes and subject to certain exceptions, any audit adjustment to items of income, gain, loss, deduction, or credit of a partnership (and any partner's distributive share thereof) is determined, and taxes, interest, or penalties attributable thereto are assessed and collected, at the partnership level. Although it is uncertain how these new rules will be implemented, it is possible that they could result in partnerships in which we directly or indirectly invest, including the Operating Partnership, being required to pay additional taxes, interest and penalties as a result of an audit adjustment, and we, as a direct or indirect partner of these partnerships, could be required to bear the economic burden of those taxes, interest, and penalties even though we, as a REIT, may not otherwise have been required to pay additional corporate-level taxes as a result of the related audit adjustment. The changes created by these new rules are sweeping and in many respects dependent on the promulgation of future regulations or other guidance by the Treasury. Investors are urged to consult their tax advisors with respect to these changes and their potential impact on their investment in our Class A shares.

## ***Taxation of Shareholders***

### **Taxation of Taxable U.S. Shareholders**

The following is a summary of certain material U.S. federal income tax consequences of the ownership and disposition of our Class A shares applicable to taxable U.S. shareholders. A U.S. shareholder is any holder of our Class A shares that is, for U.S. federal income tax purposes:

an individual who is a citizen or resident of the United States;

a corporation (or entity treated as a corporation) created or organized in the United States or under the laws of the United States, or of any state thereof, or the District of Columbia;

an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source; or

a trust if (i) a U.S. court is able to exercise primary supervision over the administration of such trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership, including for this purpose any entity that is treated as a partnership for U.S. federal income tax purposes, holds our Class A shares, the tax treatment of a partner in the partnership will generally depend upon the

status of the partner and the activities of the partnership. An investor that is a partnership and the partners in such partnership should consult their tax advisors about the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our Class A shares.

**Distributions**

So long as we qualify to be taxed as a REIT, the distributions that we make to our taxable U.S. shareholders out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) that we do not designate as capital gain dividends will generally be taken into account by such shareholders as ordinary

**Table of Contents**

income and will not be eligible for the dividends received deduction for corporations. With limited exceptions, our distributions are not eligible for taxation at the preferential income tax rates (*i.e.*, the 20% maximum U.S. federal income tax rate) for qualified dividends received by most U.S. shareholders that are individuals, trusts and estates from taxable C corporations. Such shareholders, however, are taxed at the preferential rates on distributions designated by and received from REITs to the extent that the distributions are attributable to:

income retained by the REIT in the prior taxable year on which the REIT was subject to corporate-level income tax (less the amount of corporate tax on such income);

dividends received by the REIT from TRSs or other taxable C corporations; or

income in the prior taxable year from the sales of built-in gain property acquired by the REIT from C corporations in carryover basis transactions (less the amount of corporate tax on such income).

Dividends that we designate as capital gain dividends will generally be taxed to our U.S. shareholders as long-term capital gains to the extent that such dividends do not exceed our actual net capital gain for the taxable year or our dividends paid for the taxable year, without regard to the period for which the shareholder that receives such dividend has held its shares. We may elect to retain and pay taxes on some or all of our net long-term capital gains, in which case we may elect to apply provisions of the Code that treat our U.S. shareholders as having received, solely for tax purposes, our undistributed capital gains, and the shareholders as receiving a corresponding credit for taxes that we paid on such undistributed capital gains. See *Taxation of MGP and Annual Distribution Requirements*. U.S. shareholders may be required to treat up to 20% of some capital gain dividends as ordinary income. Long-term capital gains are generally taxable at maximum U.S. federal rates of 20% in the case of U.S. shareholders that are individuals, trusts and estates (although depending on the characteristics of the assets that produced these gains and on designations that we may make, certain capital gain dividends may be taxed at a 25% rate), and 35% in the case of U.S. shareholders that are corporations.

Distributions in excess of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally represent a return of capital and will not be taxable to a U.S. shareholder to the extent that the amount of such distributions does not exceed the adjusted basis of the U.S. shareholder's shares in respect of which the distributions were made. Rather, the distribution will reduce the adjusted basis of the U.S. shareholder's shares. To the extent that such distributions exceed the adjusted basis of a U.S. shareholder's shares, the shareholder generally must include such distributions in income as long-term capital gain if the shares have been held for more than one year, or short-term capital gain if the shares have been held for one year or less. In addition, any distribution that we declare in October, November or December of any year and that is payable to a U.S. shareholder of record on a specified date in any such month will be treated as both paid by us and received by the U.S. shareholder on December 31 of such year, provided that we actually pay the distribution before the end of January of the following calendar year.

To the extent that we have available net operating losses and capital losses carried forward from prior tax years, such losses may reduce the amount of distributions that we must make in order to comply with the REIT distribution requirements. See *Taxation of MGP and Annual Distribution Requirements*.

Such losses, however, are not passed through to U.S. shareholders and do not offset income of U.S. shareholders from other sources, nor would such losses affect the character of any distributions that we make, which are generally subject to tax in the hands of U.S. shareholders to the extent that we have current or accumulated earnings and profits

(as determined for U.S. federal income tax purposes).

*Dispositions of MGP Class A Shares*

If a U.S. shareholder sells or disposes of our Class A shares, it will generally recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale or other disposition, and the shareholder's adjusted tax basis in the



**Table of Contents**

shares (generally the amount paid for such shares). In general, capital gains recognized by individuals, trusts and estates upon the sale or disposition of our Class A shares will be subject to a maximum U.S. federal income tax rate of 20% if the shares are held for more than one year, and will be taxed at ordinary income rates (of up to 39.6%) if the shares are held for one year or less. Gains recognized by U.S. shareholders that are corporations are subject to U.S. federal income tax at a maximum rate of 35%, whether or not such gains are classified as long-term capital gains. Capital losses recognized by a U.S. shareholder upon the disposition of our Class A shares that were held for more than one year at the time of disposition will be considered long-term capital losses, and are generally available only to offset capital gain income of the U.S. shareholder but not ordinary income (except in the case of individuals, trusts and estates who may also offset up to \$3,000 of ordinary income each year). In addition, any loss upon a sale or exchange of our Class A shares by a U.S. shareholder who has held the shares for six months or less, after applying holding period rules, will be treated as a long-term capital loss to the extent of actual or deemed distributions that we make that are required to be treated by the shareholder as long-term capital gain.

If an investor recognizes a loss upon a subsequent disposition of our Class A shares or other securities in an amount that exceeds a prescribed threshold, it is possible that the provisions of Treasury regulations involving reportable transactions could apply, with a resulting requirement to separately disclose the loss-generating transaction to the IRS. These regulations, though directed towards tax shelters, are broadly written and apply to transactions that would not typically be considered tax shelters. The Code imposes significant penalties for failure to comply with these requirements. You should consult your tax advisor concerning any possible disclosure obligation with respect to the receipt or disposition of our Class A shares or securities or transactions that we might undertake directly or indirectly. Moreover, you should be aware that we and other participants in the transactions in which we are involved (including their advisors) might be subject to disclosure or other requirements pursuant to these regulations.

*Passive Activity Losses and Investment Interest Limitations*

Distributions that we make and gains arising from the sale or exchange by a U.S. shareholder of our Class A shares will not be treated as passive activity income. As a result, shareholder will not be able to apply any passive losses against income or gain relating to our Class A shares. A U.S. shareholder may elect to treat capital gain dividends, capital gains from the disposition of our capital shares and income designated as qualified dividend income, as described above, as investment income for purposes of computing the investment interest limitation, but in such case, the shareholder will be taxed at ordinary income rates on such amount. To the extent that distributions we make do not constitute a return of capital, they will generally be treated as investment income for purposes of computing the investment interest limitation.

**Taxation of Non-U.S. Shareholders**

The following is a summary of certain U.S. federal income and estate tax consequences of the ownership and disposition of MGP Class A shares applicable to non-U.S. shareholders. A non-U.S. shareholder is any holder of MGP Class A shares other than a partnership or U.S. shareholder.

*Ordinary Dividends*

The portion of distributions received by non-U.S. shareholders that (i) is payable out of our current or accumulated earnings and profits, (ii) is not designated as capital gains, (iii) is not effectively connected with a U.S. trade or business of the non-U.S. shareholder (or if required by an applicable income tax treaty, the non-U.S. shareholder does not maintain a permanent establishment in the United States to which such distributions are attributable) and (iv) is not attributable to gains from the sales or exchanges of United States real property interests, as defined in Section 897 of the Code ( USRPIs ), will be subject to U.S. withholding tax at the rate of 30%, unless reduced or eliminated by

treaty. Under certain treaties, however, lower withholding rates generally applicable to dividends do not apply to dividends from a REIT.

---

**Table of Contents**

In general, non-U.S. shareholders will not be considered to be engaged in a U.S. trade or business solely as a result of their ownership of our Class A shares. In cases where the distribution income from a non-U.S. shareholder's investment in our Class A shares is, or is treated as, effectively connected with the non-U.S. shareholder's conduct of a U.S. trade or business (through a United States permanent establishment, where applicable), the non-U.S. shareholder generally will be subject to U.S. federal income tax at graduated rates, in the same manner as U.S. shareholders are taxed with respect to such distributions. Such effectively connected income must generally be reported on a U.S. income tax return filed by or on behalf of the non-U.S. shareholder. The income, as adjusted for certain items, may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the case of a non-U.S. shareholder that is a corporation.

Except as otherwise provided below, we expect to withhold U.S. federal income tax at the rate of 30% on any distributions made to a non-U.S. shareholder unless (i) a lower treaty rate applies and the non-U.S. shareholder provides us an IRS Form W-8BEN or W-8BEN-E (or applicable successor form) evidencing eligibility for that reduced treaty rate; or (ii) the non-U.S. shareholder provides us an IRS Form W-8ECI (or applicable successor form) with us claiming that the distribution is income effectively connected with the non-U.S. shareholder's trade or business.

*Non-Dividend Distributions*

Unless our Class A shares constitute a USRPI, distributions that we make which are not dividends out of our earnings and profits, not attributable to gain from the disposition of USRPIs and not in excess of the adjusted tax basis of the non-U.S. shareholder's shares will not be subject to U.S. income tax. If we cannot determine at the time a distribution is made whether or not the distribution will exceed current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to dividends. For withholding purposes, because we generally cannot determine at the time we make a distribution whether the distribution will exceed our current and accumulated earnings and profits, we expect to treat all distributions as made out of our current or accumulated earnings and profits. The non-U.S. shareholder may seek a refund from the IRS of any amounts withheld if it is subsequently determined that the distribution was, in fact, in excess of our current and accumulated earnings and profits. To the extent that such distributions exceed the non-U.S. shareholder's adjusted tax basis in such shares, the distributions will generally give rise to gain from the sale or exchange of such shares, the tax treatment of which is described below. However, recent legislation may cause such excess distributions to be treated as dividend income for certain non-U.S. shareholders.

*Capital Gain Dividends and Distributions Attributable to a Sale or Exchange of United States Real Property Interests*

Under the Foreign Investment in Real Property Tax Act of 1980 ( FIRPTA ), a distribution that we make to a non-U.S. shareholder, to the extent attributable to gains from dispositions of USRPIs that we held directly or through pass-through subsidiaries, or USRPI capital gains, will, except as described below, be considered effectively connected with a U.S. trade or business of the non-U.S. shareholder and will be subject to U.S. income tax at the rates applicable to U.S. individuals or corporations, without regard to whether we designate the distribution as a capital gain dividend. See above under Ordinary Dividends for a discussion of the consequences of income that is effectively connected with a U.S. trade or business. In addition, we will be required to withhold tax equal to 35% (20% to the extent provided in Treasury regulations) of the maximum amount that could have been designated as USRPI capital gain dividends. Distributions subject to FIRPTA may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty) in the hands of a non-U.S. shareholder that is a corporation. A distribution is not attributable to USRPI capital gain if we held an interest in the underlying asset solely as a creditor. Dividends received by a non-U.S. shareholder that we properly designate as capital gain dividends and are attributable to dispositions of our assets other than USRPIs generally are not subject to U.S. federal income or withholding tax, unless (i) the

investment in our Class A shares is effectively connected with the non-U.S. shareholder's U.S. trade or business (through a United States permanent establishment where applicable), in which case the non-U.S. shareholder would be subject to the same

---

**Table of Contents**

treatment as U.S. shareholders with respect to such gain, except that a non-U.S. shareholder that is a corporation may also be subject to a branch profits tax at the rate of 30% (unless reduced or eliminated by treaty), or (ii) the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and certain other conditions are met, in which case the non-U.S. shareholder will be subject to a 30% tax on his capital gains (reduced by certain capital losses). We expect that a significant portion of our assets will be USRPIs.

A capital gain dividend that would otherwise have been treated as a USRPI capital gain will not be so treated or be subject to FIRPTA, and generally will not be subject to the 35% withholding tax described above, and instead will be treated in the same manner as an ordinary dividend, if the distribution is received (i) with respect to a class of shares that is regularly traded on an established securities market located in the United States and the recipient non-U.S. shareholder does not own more than 10% of that class of shares at any time during the year ending on the date on which the distribution is received; (ii) by certain non-U.S. publicly traded shareholders that meet certain record-keeping and other requirements (qualified shareholders) except to the extent owners of such qualified shareholders that are not also qualified shareholders own, actually or constructively, more than 10% of our capital shares; or (iii) by a qualified foreign pension fund (as defined in the Code) or any entity all of the interests of which are held by such a qualified foreign pension fund. We anticipate that our Class A shares will be regularly traded on an established securities exchange.

*Retention of Net Capital Gains*

Although the law is not clear on the matter, it appears that amounts we designate as retained net capital gains in respect of our Class A shares held by U.S. shareholders generally should be treated with respect to non-U.S. shareholders in the same manner as actual distributions of capital gain dividends. Under this approach, the non-U.S. shareholders may be able to offset as a credit against their U.S. federal income tax liability their proportionate share of the tax paid by us on such retained net capital gains and to receive from the IRS a refund to the extent their proportionate share of such tax paid by us exceeds their actual U.S. federal income tax liability. If we were to designate any portion of our net capital gain as retained net capital gain, non-U.S. shareholders should consult their tax advisors regarding the taxation of such retained net capital gain.

*Dispositions of Our Class A Shares*

Unless our Class A shares constitute USRPIs, a sale of the shares by a non-U.S. shareholder generally will not be subject to U.S. taxation under FIRPTA. Subject to certain exceptions discussed below, our Class A shares will be treated as USRPIs if 50% or more of our assets throughout a prescribed testing period consist of interests in real property located within the United States, excluding, for this purpose, interests in real property solely in a capacity as a creditor. We expect that 50% or more of our assets will consist of USRPIs.

Even if the foregoing 50% test is met, however, our Class A shares will not constitute a USRPI if we are a domestically controlled qualified investment entity. A domestically controlled qualified investment entity includes a REIT, less than 50% of value of which is held, directly or indirectly, by non-U.S. persons at all times during a specified testing period. No assurance can be given that we will be a domestically controlled qualified investment entity.

In the event that we are not a domestically controlled qualified investment entity, but our Class A shares are regularly traded, as defined by applicable Treasury regulations, on an established securities market, a non-U.S. shareholder's sale of our Class A shares nonetheless also would not be subject to tax under FIRPTA as a sale of a USRPI, provided that the selling non-U.S. shareholder held 10% or less of our outstanding shares at any time during a prescribed testing

period. We expect that our Class A shares will be regularly traded on an established securities market.

**Table of Contents**

Even if none of the foregoing tests are met and our Class A shares are not considered to be regularly traded on an established securities market, dispositions of our capital shares by qualified shareholders would still be exempt from FIRPTA, except to the extent owners of such qualified shareholders own, actually or constructively, more than 10% of our capital shares. Furthermore, dispositions of our capital shares by qualified foreign pension funds or entities all of the interests of which are held by qualified foreign pension funds are exempt from FIRPTA. Non-U.S. holders should consult their tax advisors regarding the application of these rules.

If gain on the sale of our Class A shares were subject to taxation under FIRPTA, the non-U.S. shareholder would be required to file a U.S. federal income tax return and would be subject to the same treatment as a U.S. shareholder with respect to such gain, subject to applicable alternative minimum tax and a special alternative minimum tax in the case of non-resident alien individuals. Moreover, in order to enforce the collection of the tax, the purchaser of the shares could be required to withhold 15% of the purchase price and remit such amount to the IRS.

Gain from the sale of our Class A shares that would not otherwise be subject to FIRPTA will nonetheless be taxable in the United States to a non-U.S. shareholder in two cases: (i) if the non-U.S. shareholder's investment in the shares is effectively connected with a U.S. trade or business conducted by such non-U.S. shareholder (through a United States permanent establishment, where applicable), the non-U.S. shareholder will be subject to the same treatment as a U.S. shareholder with respect to such gain, except that a non-U.S. shareholder that is a corporation may also be subject to a branch profits tax at a rate of 30% (unless reduced or eliminated by treaty), or (ii) if the non-U.S. shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and certain other conditions are met, the nonresident alien individual will be subject to a 30% tax on the individual's capital gain (reduced by certain capital losses). In addition, even if we are a domestically controlled qualified investment entity, upon disposition of our Class A shares, a non-U.S. shareholder may be treated as having gain from the sale or exchange of a USRPI if the non-U.S. shareholder (a) disposes of our Class A shares within a 30-day period preceding the ex-dividend date of a distribution, any portion of which, but for the disposition, would have been treated as gain from the sale or exchange of a USRPI and (b) acquires, or enters into a contract or option to acquire, other of our Class A shares during the 61-day period beginning with the first day of the 30-day period described in clause (a). The preceding sentence shall not apply to a non-U.S. shareholder if the non-U.S. shareholder did not own more than 5% of the shares at any time during the one-year period ending on the date of the distribution described in clause (a) of the preceding sentence and the class of shares is regularly traded, as defined by applicable Treasury regulations, on an established securities market in the United States.

**Non-U.S. shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning our Class A shares.**

**Taxation of Tax-Exempt Shareholders**

Tax-exempt entities, including qualified employee pension and profit sharing trusts and individual retirement accounts, generally are exempt from U.S. federal income taxation. However, they may be subject to taxation on their unrelated business taxable income (UBTI). While some investments in real estate may generate UBTI, the IRS has ruled that dividend distributions from a REIT to a tax-exempt entity do not constitute UBTI. Based on that ruling, and provided that a tax-exempt shareholder has not held our Class A shares as debt financed property within the meaning of the Code (i.e., where the acquisition or holding of the property is financed through a borrowing by the tax-exempt shareholder), distributions that we make and income from the sale of the shares generally should not give rise to UBTI to a tax-exempt shareholder.

Tax-exempt shareholders that are social clubs, voluntary employee benefit associations, supplemental unemployment benefit trusts, and qualified group legal services plans exempt from U.S. federal income taxation under sections

501(c)(7), (c)(9), (c)(17) and (c)(20) of the Code are subject to different UBTI rules, which generally require such shareholders to characterize distributions that we make as UBTI.



## **Table of Contents**

In certain circumstances, a pension trust that owns more than 10% of our Class A shares could be required to treat a percentage of any distributions received from it as UBTI if we are a pension-held REIT. We will not be a pension-held REIT unless (i) we are required to look through one or more of our pension trust shareholders in order to satisfy the REIT closely held test and (ii) either (a) one pension trust owns more than 25% of the value of our Class A shares or (b) one or more pension trusts, each individually holding more than 10% of the value of the shares, collectively own more than 50% of the value of the shares. Certain restrictions on ownership and transfer of our shares generally should prevent a tax-exempt entity from owning more than 10% of the value of our Class A shares and generally should prevent us from becoming a pension-held REIT.

**Tax-exempt shareholders are urged to consult their tax advisors regarding the U.S. federal, state, local and foreign income and other tax consequences of owning the MGP Class A Shares.**

## **Other Tax Considerations**

### *Legislative or Other Actions Affecting REITs*

The present U.S. federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time. The REIT rules are constantly under review by persons involved in the legislative process, the IRS and the Treasury which may result in statutory changes as well as revisions to regulations and interpretations. Changes to the U.S. federal income tax laws and interpretations thereof could adversely affect an investment in MGP Class A shares.

### *Backup Withholding and Information Reporting*

In general, MGP is required to report to U.S. shareholders of MGP Class A shares and the IRS the amount of dividends paid during each calendar year and the amount of any tax withheld. Backup withholding may apply to dividends paid to a U.S. holder of MGP Class A shares unless such holder (1) is a corporation or comes within other exempt categories and, when required, demonstrates this fact or (2) provides a taxpayer identification number or social security number, certifies under penalties of perjury that such number is correct and that such holder is not subject to backup withholding and otherwise complies with applicable requirements of the backup withholding rules. A U.S. holder of MGP Class A shares that does not provide its correct taxpayer identification number or social security number may also be subject to penalties imposed by the IRS.

In general, MGP is required to report annually to non-U.S. shareholders of MGP Class A shares and the IRS the amount of dividends paid to such non-U.S. shareholders and the tax withheld with respect to such dividends, regardless of whether withholding was required. Copies of the information returns reporting such dividends and withholding may also be made available to the tax authorities in the country in which the non-U.S. holder of MGP Class A shares resides under the provisions of an applicable income tax treaty. A non-U.S. holder of MGP Class A shares may be subject to backup withholding unless applicable certification requirements are met.

Payment of the proceeds from a sale of MGP Class A shares within the United States is subject to both backup withholding and information reporting requirements unless the beneficial owner certifies under penalties of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person) or the holder otherwise establishes an exemption. Payment of the proceeds of a sale of MGP Class A shares conducted through certain United States related financial intermediaries is subject to information reporting requirements (but not backup withholding) unless the financial intermediary has documentary evidence in its records that the beneficial owner is a non-U.S. holder and specified conditions are met or an exemption is otherwise established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

**Table of Contents**

*Foreign Account Tax Compliance Act*

A U.S. federal withholding tax of 30% generally will be imposed on certain payments made to a foreign financial institution (as specifically defined under these rules) unless such institution enters into an agreement with the U.S. tax authorities to withhold certain payments and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or otherwise qualifies for an exemption from these rules. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these withholding and reporting requirements may be subject to different rules. Under the legislation and administrative guidance, a U.S. federal withholding tax of 30% generally also will be imposed on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent with certification identifying certain of its direct and indirect U.S. owners. Under certain circumstances, a shareholder may be eligible for refunds or credits of such taxes. These withholding taxes are imposed on distributions paid with respect to our Class A shares, and on gross proceeds from the sale or other taxable disposition of our Class A shares after December 31, 2018 by, foreign financial institutions or non-financial entities (including in their capacity as agents or custodians for beneficial owners of our Class A shares) that fail to satisfy the above requirements. Shareholders should consult with their tax advisors regarding the possible implications of this legislation on their ownership and disposition of our Class A shares.

*State, Local and Foreign Taxes*

We and our subsidiaries and shareholders may be subject to state, local or foreign taxation in various jurisdictions, including those in which we or they transact business, own property or reside. Our state, local or foreign tax treatment and that of our shareholders may not conform to the U.S. federal income tax treatment discussed above. Any foreign taxes that we incur do not pass through to shareholders as credit against their U.S. federal income tax liability. Prospective investors should consult their tax advisors regarding the application and effect of state, local and foreign income and other tax laws on an investment in our Class A shares.

**Table of Contents**

**SELLING SECURITY HOLDERS**

Information about selling securityholders, where applicable, will be set forth in an accompanying prospectus supplement, in a post-effective amendment, or in filings we make with the SEC under the Exchange Act that are incorporated by reference into this prospectus.

**PLAN OF DISTRIBUTION**

We and the selling securityholders may offer and sell these securities to or through one or more underwriters, in at-the market offerings (as defined in Rule 415 promulgated under the Securities Act) to or through market makers or into an existing market for the securities, to dealers and agents, or directly to purchasers, on a continuous or delayed basis. We will provide the specific plan of distribution for any securities to be offered in an accompanying prospectus supplement.

**LEGAL MATTERS**

The validity of the securities offered hereby will be passed upon for us by Milbank, Tweed, Hadley & McCloy LLP, New York, New York. In addition, the description of U.S. federal income tax consequences contained in the section entitled Material U.S. Federal Income Tax Considerations is based on the opinion of Weil, Gotshal & Manges LLP. If the validity of any securities is also passed upon by counsel for the underwriters, dealers or agents of an offering of those securities, that counsel will be named in the applicable prospectus supplement.

**EXPERTS**

The consolidated financial statements and the related financial statement schedule, incorporated in this Prospectus by reference from the MGP and the Operating Partnership's Annual Report on Form 10-K, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at Station Place, 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Also, the SEC maintains an Internet web site that contains reports, proxy and information statements, and other information regarding issuers, including us, that file electronically with the SEC. The public can obtain any documents that we file electronically with the SEC at <http://www.sec.gov>.

We also make available, free of charge, on or through our Internet web site (<http://www.mgmgrowthproperties.com>), our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements on Schedule 14A and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our web site and the information contained on our web site, or connected to our web site, are not incorporated into and are not a part of this prospectus supplement. In addition, you may request copies of these filings at no cost through our Secretary: Andrew Hagopian III, Esq., Secretary, MGM Growth Properties LLC, 3950 Las Vegas Boulevard South, Las Vegas, Nevada 89119; telephone number: (702) 632-7777.



**Table of Contents**

We filed a registration statement and related exhibits on Form S-3 relating to the securities covered by this prospectus. You may inspect the registration statement and its exhibits without charge at the office of the SEC at 100 F Street N.E., Washington, D.C. 20549, and obtain copies, at prescribed rates, from the SEC.

**INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

We incorporate by reference the documents listed below and any future filings made with the SEC by us under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, until the completion of this offering (except any portions of such filings that are not deemed to be filed under such sections):

The Combined Annual Report on Form 10-K of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP for the fiscal year ended December 31, 2016;

The Combined Quarterly Report on Form 10-Q of MGM Growth Properties LLC and MGM Growth Properties Operating Partnership LP for the fiscal quarter ended March 31, 2017;

The information responsive to Part III of Form 10-K for the fiscal year ended December 31, 2016 provided in our Proxy Statement on Schedule 14A filed on April 19, 2017;

Our Current Reports on Form 8-K filed on January 13, 2017, February 16, 2017, February 17, 2017, April 27, 2017 and May 1, 2017; and

The description of our common shares contained in our Registration Statement on Form 8-A filed with the SEC on April 11, 2016.

All documents and reports filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and on or before the time that our offering of the securities is completed are deemed to be incorporated by reference in this prospectus supplement from the date of filing of such documents or reports, except as to any portion of any future document or report which is not deemed to be filed under those sections. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that any statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus supplement modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

Any person receiving a copy of this prospectus supplement may obtain, without charge, upon written or oral request, a copy of any of the documents incorporated by reference except for the exhibits to such documents (other than the exhibits expressly incorporated in such documents by reference). To obtain copies of these filings, see [Where You Can Find More Information](#).



**Table of Contents**

**11,500,000 Shares**

**MGM Growth Properties LLC**

**Class A Shares**

**PROSPECTUS SUPPLEMENT**

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Barclays**

**Deutsche Bank Securities**

**J.P. Morgan**

**Evercore ISI**

**Morgan Stanley**

*Co-Managers*

**BNP PARIBAS Citigroup**

**Fifth Third Securities**

**SMBC Nikko**

**SunTrust Robinson Humphrey**

**Credit Agricole CIB Citizens Capital Markets Ladenburg Thalmann Scotiabank UBS Investment Bank Union Gaming**



**September 6, 2017**