

MGM Growth Properties LLC
Form 8-K
January 29, 2019

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
Date of report (Date of earliest event reported): January 29, 2019

MGM Growth Properties LLC
MGM Growth Properties Operating Partnership LP
(Exact name of registrant as specified in its charter)

DELAWARE (MGM Growth
Properties LLC)

001-37733

47-5513237

**DELAWARE (MGM Growth
Properties Operating Partnership
LP)**

333-215571

81-1162318

(State or other jurisdiction

(Commission

(I.R.S. Employer

of incorporation)

File Number)

Identification No.)

1980 Festival Plaza Drive, Suite #750, Las Vegas, NV 89135

(Address of principal executive offices Zip Code)

(702) 669-1480

(Registrant's telephone number, including area code)

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR § 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement.

On January 29, 2019, MGP Lessor, LLC (the Landlord), a Delaware limited liability company and a subsidiary of MGM Growth Properties LLC (the Company), entered into a Third Amendment (the Amendment) to the Master Lease Agreement, dated as of April 25, 2016 between MGM Lessee, LLC (the Tenant), a Delaware limited liability company and a subsidiary of MGM Resorts International (MGM Resorts), (as amended, the Master Lease) with respect to the developed real property associated with the Empire City Casino (Empire City) in Yonkers, New York. The Amendment provides that, among other things, the initial rent under the Master Lease will be increased by \$50 million, 90% of which shall be allocated to the Base Rent (as defined in the Master Lease) and 10% of which shall be allocated to the Percentage Rent (as defined in the Master Lease). As a result of the foregoing, following the closing of the acquisition, the rent under the Master Lease will be \$820.3 million, with Base Rent of \$740.8 million and Percentage Rent of \$79.5 million. In addition, the Amendment provides the Landlord with a right of first offer with respect to certain undeveloped land adjacent to the property to the extent MGM Resorts or any of its affiliates develops additional gaming facilities and chooses to sell or transfer the property in the future. This description of the Amendment is qualified in its entirety by reference to the full text of the Amendment attached hereto as Exhibit 10.1.

Item 3.02 Unregistered Sale of Equity Securities.

On January 29, 2019, the Company, MGM Resorts, MGM Growth Properties Operating Partnership LP (the Operating Partnership), Landlord and Tenant, closed the transactions contemplated by the previously disclosed master transaction agreement entered into on May 28, 2018 (the Master Transaction Agreement). Pursuant to the terms of the Master Transaction Agreement, the Landlord acquired the interests in a newly acquired subsidiary (the Acquisition) that holds the developed real estate assets related to Empire City from a subsidiary of MGM Resorts. In connection with the Acquisition, the Company issued 12,901,634 Operating Partnership units, which amount was determined based on a price per unit of \$29.38 (the last closing price of the Class A common shares prior to announcement). The Operating Partnership units are exchangeable into the Company's Class A shares on a one-to-one basis or cash at the fair value of a Class A share. The determination of settlement method is at the option of the Company's independent conflicts committee.

The Operating Partnership units have not been registered under the Securities Act of 1933, as amended (the Securities Act), or any state securities law and may not be offered or sold in the United States or to any U.S. persons absent registration under the Securities Act, or pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Company offered and sold the Shares to MGM Resorts in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act and Regulation D promulgated thereunder based on MGM Resort's status as an accredited investor, as defined in the Securities Act. The Company has a pre-existing relationship with MGM Resorts.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits:

Exhibit

No.	Description
10.1	<u>Third Amendment to Master Lease Agreement, dated as of January 29, 2019, between MGP Lessor, LLC and MGM Lessee, LLC.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MGM Growth Properties LLC

Date: January 29, 2019

By: /s/ Andrew Hagopian III
Name: Andrew Hagopian III
Title: Secretary

MGM Growth Properties Operating Partnership LP

Date: January 29, 2019

By: /s/ Andrew Hagopian III
Name: Andrew Hagopian III
Title: Secretary