

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549  
**FORM 10-K**

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(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2024  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
Commission file number: 1-12882

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**BOYD GAMING**

**BOYD GAMING CORPORATION**

(Exact name of registrant as specified in its charter)

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Nevada  
(State or other jurisdiction of  
incorporation or organization)

88-0242733  
(I.R.S. Employer  
Identification No.)

6465 South Rainbow Boulevard , Las Vegas , NV 89118  
(Address of principal executive offices) (Zip Code)

(702) 792-7200  
(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value of \$0.01 per share	BYD	New York Stock Exchange

**Securities registered pursuant to section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

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

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of June 30, 2024, the aggregate market value of common stock held by non-affiliates of the registrant, based on the closing price on the New York Stock Exchange for such date, was approximately \$ 3.6 billion.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding as of February 17, 2025
Common stock, \$0.01 par value	83,746,400

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive Proxy Statement for the registrant's 2025 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after the registrant's fiscal year end of December 31, 2024 are incorporated by reference into Part III of this Form 10-K.

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**BOYD GAMING CORPORATION  
ANNUAL REPORT ON FORM 10-K  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024  
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## PART I

### ITEM 1. Business

#### Overview

Boyd Gaming Corporation (the "Company," the "Registrant," "Boyd Gaming," "we" or "us") is a multi-jurisdictional gaming company that has been in operation since 1975. Headquartered in Las Vegas, we operate 28 wholly owned brick-and-mortar gaming entertainment properties ("gaming entertainment properties") in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania. In addition, we own and operate Boyd Interactive, a business-to-business ("B2B") and business-to-consumer ("B2C") online casino gaming business in the United States and Canada. Through a management agreement with Wilton Rancheria, we also manage the Sky River Casino, which is located in California.

We have a strategic partnership with and are a 5% equity owner of FanDuel Group, the nation's leading sports-betting operator. Through our strategic partnership, we pursue sports-betting opportunities, both at our properties and online, across the country. We operate FanDuel-branded sportsbooks at 16 of our properties. We also offer online sports-betting under the FanDuel brand in all states that our 28 gaming entertainment properties are located, except in Mississippi where online sports-betting has not been legalized, Missouri where online sports-betting was legalized in November 2024 but has not yet taken effect as regulations are being established, and in Nevada where we operate our own brand, Boyd Sports. In addition, we have market access agreements outside of Nevada with other third parties for online sports-betting.

We continually work to position our Company for greater success by strengthening our existing operations and growing through acquisitions, capital investments and other strategic initiatives. Our operating strategy is focused on building loyalty with core customers and operating efficiently. Our operating model is focused on maximizing gaming revenues, streamlining our cost structure, targeting our marketing investments and reducing lower margin offerings, which allows us to flow a higher percentage of our revenues to the bottom line.

In addition, we believe the following factors have contributed to our success in the past and are central to our success in the future:

- we have an experienced management team;
- our operations are geographically diversified;
- we are focused on building loyalty and driving growth with our core customers, a valuable customer segment in our business;
- our Las Vegas Locals properties are well-positioned to capitalize on the attractive Las Vegas locals market;
- three of our properties are located in the growing downtown Las Vegas market and also market to a unique niche - Hawaiian customers;
- we have used our increased free cash flow to strengthen our balance sheet, invest in our properties and return capital to shareholders; and
- we have the ability to expand certain existing properties, develop new properties and to act opportunistically to make strategic acquisitions.

#### Properties

We view each of our 28 gaming entertainment properties and our online gaming operations as an operating segment. For financial reporting purposes, we aggregate these operations into four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online, (collectively "Reportable Segments"). The Online segment includes the operating results of our online gaming operations through collaborative arrangements with third parties throughout the United States and the operations of Boyd Interactive. To reconcile Reportable Segments information to the consolidated information, the Company has aggregated nonreportable operating segments into a Managed & Other category. The Managed & Other category includes management fees earned under our management agreement with Wilton Rancheria and the operating results of Lattner Entertainment Group Illinois, LLC, our Illinois distributed gaming operator ("Lattner") with 921 gaming units in 164 locations across the state of Illinois as of December 31, 2024.

For financial information related to our segments as of and for the three years in the period ended December 31, 2024, see Note 14, *Segment Information*, to our consolidated financial statements presented in Part II, Item 8.

As of December 31, 2024, we operated 27 of our 28 wholly owned gaming entertainment properties (as our Eastside Cannery property has remained closed since March 18, 2020 due to the current levels of demand in the market) offering a total of 1,764,063 square feet of casino space, 28,102 slot machines, 616 table games and 10,481 hotel rooms. We derive the majority of our revenues from gaming at our gaming entertainment properties and Lattner, which generated approximately 66% and 70% of our revenues in 2024 and 2023, respectively. Online revenues from Boyd Interactive and third-party market access arrangements, including reimbursements received from our third-party operators for gaming taxes and other expenses we pay under the collaborative arrangements, represent our next most significant revenue source, generating 15% and 11% of our revenues in 2024 and 2023, respectively. Food & beverage revenues, room revenues, management fee revenues and other revenues separately contributed 8% or less of revenues in each of 2024 and 2023.

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The following table sets forth certain information regarding our gaming entertainment properties (listed by Reportable Segment classification) as of and for the year ended December 31, 2024:

	Location	Year Opened or Acquired	Casino Space (Sq. ft.)	Slot Machines	Table Games	Hotel Rooms	Hotel Occupancy	Average Daily Rate
<b>Las Vegas Locals</b>								
Gold Coast Hotel and Casino	Las Vegas, NV	2004	88,915	1,430	44	705	55%	\$ 66
The Orleans Hotel and Casino	Las Vegas, NV	2004	135,460	1,860	54	1,885	68%	\$ 72
Sam's Town Hotel and Gambling Hall	Las Vegas, NV	1979	120,681	1,401	12	645	53%	\$ 79
Suncoast Hotel and Casino	Las Vegas, NV	2004	95,898	1,213	20	427	74%	\$ 98
Eastside Cannery Casino and Hotel	Las Vegas, NV	2016	“	“	“	“	“	“
Aliante Casino + Hotel + Spa	North Las Vegas, NV	2016	125,000	1,389	26	202	91%	\$ 109
Cannery Casino Hotel	North Las Vegas, NV	2016	86,000	1,158	20	200	72%	\$ 94
Jokers Wild	Henderson, NV	1993	23,698	333	N/A	N/A	N/A	N/A
<b>Downtown Las Vegas</b>								
California Hotel and Casino	Las Vegas, NV	1975	34,403	795	19	779	78%	\$ 52
Fremont Hotel & Casino	• Las Vegas, NV	1985	43,414	781	21	447	73%	\$ 58
Main Street Station Hotel and Casino	Las Vegas, NV	1993	26,918	514	7	406	61%	\$ 58
<b>Midwest &amp; South</b>								
Par-A-Dice Casino	• East Peoria, IL	1996	26,116	561	18	202	57%	\$ 88
Belterra Casino Resort ***	• Florence, IN	2018	70,232	802	25	662	40%	\$ 91
Blue Chip Casino Hotel Spa	• Michigan City, IN	1999	65,000	1,311	22	486	51%	\$ 95
Diamond Jo Casino	• Dubuque, IA	2012	41,408	704	17	N/A	N/A	N/A
Diamond Jo Worth	• Northwood, IA	2012	38,630	799	19	102	55%	\$ 116
Kansas Star Casino	• Mulvane, KS	2012	70,010	1,229	43	N/A	N/A	N/A
Amelia Belle Casino	• Amelia, LA	2012	27,484	623	11	N/A	N/A	N/A
Delta Downs Racetrack Hotel & Casino	• Vinton, LA	2001	45,000	1,463	N/A	370	46%	\$ 80
Evangeline Downs Racetrack & Casino	• Opelousas, LA	2012	39,208	1,093	N/A	N/A	N/A	N/A
Sam's Town Shreveport	• Shreveport, LA	2004	29,285	752	15	514	39%	\$ 82
Treasure Chest Casino	• Kenner, LA	1997	47,000	934	33	N/A	N/A	N/A
IP Casino Resort Spa	• Biloxi, MS	2011	81,700	1,142	45	1,088	64%	\$ 80
Sam's Town Hotel and Gambling Hall								
Tunica	• Tunica, MS	1994	39,740	531	7	335	30%	\$ 58
Ameristar Casino * Hotel Kansas City ***	Kansas City, MO	2018	140,000	1,597	42	184	74%	\$ 96
Ameristar Casino * Resort * Spa St. Charles ***	St. Charles, MO	2018	130,000	1,795	46	397	61%	\$ 101
Belterra Park ***	• Cincinnati, OH	2018	56,863	1,042	N/A	N/A	N/A	N/A
Valley Forge Casino Resort	• King of Prussia, PA	2018	36,000	850	50	445	30%	\$ 112
<b>Total</b>			<b>1,764,063</b>	<b>28,102</b>	<b>616</b>	<b>10,481</b>		

**N/A = Not Applicable**

- These properties feature FanDuel-branded sportsbooks.
- The Eastside Cannery Casino and Hotel remains closed due to local market conditions.
- Property is subject to a master lease agreement with a real estate investment trust.

We also own a travel agency in Hawaii. Financial results for the travel agency are included in our Downtown Las Vegas segment, as our Downtown Las Vegas properties focus marketing efforts on gaming customers from Hawaii.

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### **Las Vegas Locals Properties**

Our Las Vegas Locals segment consists of eight casinos that primarily serve the resident population in the Las Vegas metropolitan area. Las Vegas has historically been characterized by a vibrant economy and strong demographics that include a large population of retirees and other active gaming customers. In recent years, the Las Vegas economy has strengthened, as reflected in the positive trends in employment, construction activity and visitation. Our Las Vegas Locals segment competes directly with other locals casinos and gaming companies, some of which operate larger casinos and offer different promotions than ours. The target markets for our Las Vegas Locals segment consists primarily of local residents and visitors to the Las Vegas area.

#### *Gold Coast Hotel and Casino*

Gold Coast Hotel and Casino ("Gold Coast") is located on Flamingo Road, approximately one mile west of the Las Vegas Strip and one-quarter mile west of Interstate 15, the major highway linking Las Vegas and southern California. Its location offers easy access from the entire Las Vegas Valley. Gold Coast's amenities include 705 recently remodeled hotel rooms and suites along with meeting facilities, multiple restaurant options and a 70-lane bowling center.

#### *The Orleans Hotel and Casino*

The Orleans Hotel and Casino ("The Orleans") is located on Tropicana Avenue, a short distance from the Las Vegas Strip. The Orleans provides a New Orleans French Quarter-themed environment. Amenities at The Orleans include 1,885 hotel rooms, a variety of restaurants and bars, a spa and fitness center, 18 stadium-seating movie theaters, a 52-lane bowling center, banquet and meeting space, and a special events arena that seats up to 9,500 patrons.

#### *Sam's Town Hotel and Gambling Hall*

Sam's Town Hotel and Gambling Hall ("Sam's Town Las Vegas") is located on the Boulder Strip, approximately six miles east of the Las Vegas Strip, and features a contemporary western theme. Amenities at Sam's Town Las Vegas include 645 hotel rooms, a variety of restaurants and bars, 18 stadium-seating movie theaters, and a 56-lane bowling center.

#### *Suncoast Hotel and Casino*

Suncoast Hotel and Casino ("Suncoast") is located in Peccole Ranch, a master-planned community adjacent to Summerlin, and is readily accessible from most major points in Las Vegas, including downtown and the Las Vegas Strip. Suncoast features 427 hotel rooms, multiple restaurant options, banquet and meeting facilities, 16 stadium-seating movie theaters, a 64-lane bowling center, and a newly remodeled sportsbook.

#### *Eastside Cannery Casino and Hotel*

Eastside Cannery Casino and Hotel ("Eastside Cannery") has been closed to the public since March 18, 2020 and has not yet re-opened due to the current levels of market demand. Eastside Cannery is located directly south of Sam's Town Las Vegas at the intersection of Boulder Highway and Harmon Avenue in Las Vegas. Its location offers easy access for both the Las Vegas and Henderson valleys. At the time of its closure in March 2020, Eastside Cannery offered 63,879 square feet of casino space with 881 slots and eight table games, 306 hotel rooms, a restaurant and bars, meeting and ballroom space, and an entertainment lounge.

#### *Aliante Casino + Hotel + Spa*

Aliante Casino + Hotel + Spa ("Aliante") is located in North Las Vegas adjacent to an 18-hole championship golf course and has convenient access to major freeways connecting it to points throughout Las Vegas. Aliante features a full-service Scottsdale-modern, desert-inspired casino and resort, which includes 202 hotel rooms, multiple restaurant options, a 16-screen movie theater complex, showroom, spa, and a resort style pool with cabanas.

#### *Cannery Casino Hotel*

Cannery Casino Hotel ("Cannery") is located in the northeastern part of the Las Vegas Valley and has convenient access to major freeways connecting it to points throughout Las Vegas. The Cannery has a 200-room hotel, a variety of restaurants and bars, an entertainment venue and a 16-screen movie theater.

#### *Jokers Wild*

Located in Henderson, the Jokers Wild is approximately 14 miles from the Las Vegas Strip and includes slots, a sportsbook and dining options. The principal customers of this property are Henderson residents. We are in the process of building a new casino on the current Jokers Wild site. The new casino will be Cadence Crossing and will replace the existing Jokers Wild casino upon opening. Cadence Crossing will feature a 10,000 square foot casino, 450 slots and several restaurants, and is expected to open in mid-2026.

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### **Downtown Las Vegas Properties**

Our three Downtown Las Vegas properties directly compete with nine other casinos that operate in downtown Las Vegas. As such, we have developed a distinct niche for our downtown properties by focusing on customers from Hawaii. Our downtown properties focus their marketing on gaming enthusiasts from Hawaii as well as tour and travel agents in Hawaii with whom we have cultivated relationships since we opened our California Hotel and Casino (the "Cal" or "California") in 1975. We have strong relationships with Hawaiian travel agencies and offer affordable all-inclusive packages. These relationships, combined with our Hawaiian promotions, have allowed the Cal, Fremont Hotel & Casino ("Fremont") and Main Street Station Hotel and Casino ("Main Street Station") to capture a significant share of the Hawaiian tourist trade in Las Vegas. During the year ended December 31, 2024, patrons from Hawaii comprised approximately 74% of the occupied room nights at the Cal, 35% of the occupied room nights at Fremont, and 45% of the occupied room nights at Main Street Station.

#### *California Hotel and Casino*

The Cal's amenities include 779 hotel rooms, multiple dining options, a sportsbook and meeting space. The Cal and Main Street Station are connected by an indoor pedestrian bridge.

#### *Fremont Hotel & Casino*

Fremont is adjacent to the principal pedestrian thoroughfare in downtown Las Vegas, known as the Fremont Street Experience. The property's amenities include 447 hotel rooms, a FanDuel branded sportsbook, a contemporary new food hall and other dining options and meeting space.

#### *Main Street Station Hotel and Casino*

Main Street Station's amenities include 406 recently remodeled hotel rooms and two restaurants. In addition, Main Street Station features a 96-space recreational vehicle park, the only such facility in the downtown area.

### **Midwest & South Properties**

Our Midwest & South properties consist of five land-based casinos, five dockside riverboat casinos, three racinos and four barge-based casinos that operate in nine states predominantly in the midwest and southern United States. Generally, these states allow casino gaming on a limited basis through the issuance of a limited number of gaming licenses. Our Midwest & South properties primarily serve customers within a 100-mile radius and compete directly with other casino facilities operating in their respective immediate and surrounding market areas, as well as with gaming operations in surrounding jurisdictions. Online sportsbooks are operated under the respective property gaming license of certain of our Midwest & South properties pursuant to collaborative arrangements with FanDuel or one of our other market access partners.

#### *Par-A-Dice Casino*

Par-A-Dice Casino ("Par-A-Dice") is a dockside riverboat casino located on the Illinois River in East Peoria, Illinois that features a FanDuel branded sportsbook and a 202-room hotel. Located adjacent to the Par-A-Dice riverboat is a land-based pavilion, which includes multiple restaurants and a gift shop. Par-A-Dice is strategically located near Interstate 74, a major east-west interstate highway, and it is the only casino gaming facility located within an approximately 90-mile radius of Peoria, Illinois.

#### *Belterra Casino Resort*

Belterra Casino Resort ("Belterra Resort") is a dockside riverboat casino located in Florence, Indiana, approximately 50 miles from downtown Cincinnati, Ohio, 70 miles from Louisville, Kentucky, 60 miles from Lexington, Kentucky and 115 miles from Indianapolis, Indiana. Belterra Resort features 608 hotel rooms, a FanDuel branded sportsbook and an 18-hole championship golf course. The real estate utilized by Belterra Resort is subject to a Master Lease with Gaming and Leisure Properties, Inc. ("GLPI"). Ogle Haus Inn, a 54-room boutique hotel that we lease from GLPI, is operated by us and located near Belterra Resort.

#### *Blue Chip Casino Hotel Spa*

Blue Chip Casino Hotel Spa ("Blue Chip") is a dockside riverboat casino located in Michigan City, Indiana, which is 40 miles west of South Bend, Indiana and 60 miles east of Chicago, Illinois. The property competes primarily with six casinos in northern Indiana, southern Michigan and eastern Illinois and, to a lesser extent, with casinos in the Chicago area and racinos located near Indianapolis. The property features 486 recently renovated guest rooms, a spa and fitness center, dining and nightlife venues, meeting and event space, including a land-based pavilion, and a FanDuel branded sportsbook.

#### *Diamond Jo Casino*

Diamond Jo Casino ("Diamond Jo Dubuque") is a land-based casino located in the Port of Dubuque, a waterfront development on the Mississippi River in downtown Dubuque, Iowa. Diamond Jo Dubuque is a two-story property that includes several dining outlets and bars. The property has meeting space, a 30-lane bowling alley, an entertainment venue and a FanDuel branded sportsbook.

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### *Diamond Jo Worth*

Diamond Jo Worth is a land-based casino situated on a 32-acre site in Northwood, Iowa, which is located in north-central Iowa, near the Minnesota border and approximately 30 miles north of Mason City, Iowa. The casino has a 102-room hotel, an event center, several dining options and a FanDuel branded sportsbook.

### *Kansas Star Casino*

Kansas Star Casino ("Kansas Star") serves as Lottery Gaming Facility Manager for the South Central Gaming Zone on behalf of the Kansas Lottery pursuant to a Lottery Gaming Facility Management Contract with the State of Kansas (the "Kansas Management Contract"). The land-based casino is located in Mulvane, Kansas, approximately 20 miles south of Wichita, Kansas and has multiple dining venues, casino bars and a FanDuel branded sportsbook. Kansas Star also has an arena that provides a venue for concerts, trade shows and equestrian events. In addition, the property has an event center and an equestrian pavilion that includes a practice arena and covered stalls. There is a 300-room Hampton Inn & Suites hotel connected to the casino that is owned and operated by a third party. Under the terms of the agreement, Kansas Star has the option to purchase the hotel.

### *Amelia Belle Casino*

The Amelia Belle Casino ("Amelia Belle") is located in south-central Louisiana and is a three-level dockside riverboat with gaming, including a FanDuel branded sportsbook, located on the first two decks as well as a café on the first deck. The property's third deck includes a banquet room.

### *Delta Downs Racetrack Hotel & Casino*

Delta Downs Racetrack Hotel & Casino ("Delta Downs") is a land-based racino located in Vinton, Louisiana and conducts horse races on a seasonal basis and operates year-round simulcast facilities for customers to wager on races held at other tracks. In addition, Delta Downs offers slots, a 370-room hotel and a FanDuel branded sportsbook. Delta Downs is approximately 25 miles closer to Houston than the next closest gaming properties. Located near Lake Charles, Louisiana, Delta Downs is conveniently near a route taken by customers traveling between Houston, Beaumont and other parts of southeastern Texas to Lake Charles, Louisiana.

### *Evangeline Downs Racetrack & Casino*

Evangeline Downs Racetrack & Casino ("Evangeline Downs") is a land-based racino located in Opelousas, Louisiana and approximately 20 miles north of Lafayette, Louisiana. The racino currently includes a casino with a convention center, a FanDuel branded sportsbook and multiple food venues and bars. The racino includes a one-mile dirt track, a 7/8-mile turf track, stables for 1,008 horses and a clubhouse, which together with the grandstand and patio area, provides seating capacity for up to 4,295 patrons and includes a concession stand and bar. There is also a 117-room hotel connected to the racino, which is owned and operated by a third party.

Evangeline Downs operates three Off Track Betting ("OTB") locations in Henderson, Eunice and St. Martinville, Louisiana. Each OTB offers simulcast pari-mutuel wagering and video poker. Under Louisiana's racing and off-track betting laws, we have a right of prior approval with respect to any applicant seeking a permit to operate an OTB within a 55-mile radius of the Evangeline Downs racetrack, which effectively gives us the exclusive right, at our option, to operate additional OTBs within such a radius, provided that such OTB is not also within a 55-mile radius of another horse racetrack.

### *Sam's Town Shreveport*

Sam's Town Shreveport is a dockside riverboat casino located along the Red River in Shreveport, Louisiana. Amenities at the property include 514 hotel rooms, a FanDuel branded sportsbook, multiple restaurants, a live entertainment venue, and convention and meeting space. Feeder markets include east Texas (including Dallas), Texarkana, Arkansas, and surrounding Louisiana cities.

### *Treasure Chest Casino*

Treasure Chest Casino ("Treasure Chest") opened its new land-based casino facility in June 2024. Prior to the opening of the land-based casino, the property was a dockside riverboat casino. The casino is located near Lake Pontchartrain in the western suburbs of New Orleans, Louisiana. Located approximately five miles from the New Orleans International Airport, Treasure Chest primarily serves residents of suburban New Orleans. The single-level facility features a 47,000-square-foot casino, several new restaurants and bars, nearly 10,000 square feet of convention and meeting space and a FanDuel branded sportsbook.

### *IP Casino Resort Spa*

IP Casino Resort Spa ("IP") is a barge-based casino overlooking the scenic back bay of Biloxi, Mississippi and, as a recipient of a AAA Four Diamond Award, is one of the premier resorts on the Mississippi Gulf Coast. The property includes 1,088 hotel rooms and suites, a FanDuel branded sportsbook, convention and meeting space, a spa and salon, an entertainment venue, and multiple restaurants and bars.

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### *Sam's Town Hotel and Gambling Hall Tunica*

Sam's Town Hotel and Gambling Hall Tunica ("Sam's Town Tunica") is a barge-based casino located in Tunica County, Mississippi. The property has 335 hotel rooms, a FanDuel branded sportsbook, multiple dining venues, a recreational vehicle park, and entertainment venues.

### *Ameristar Casino \* Hotel Kansas City*

Ameristar Casino \* Hotel Kansas City ("Ameristar Kansas City") is a barge-based casino located 10 miles from downtown Kansas City, Missouri. The property competes primarily with five casinos in the Kansas City area and bordering eastern Kansas market. The property features 184 guest rooms, several restaurants and a concert venue. The real estate utilized by Ameristar Kansas City is subject to a Master Lease with GLPI.

### *Ameristar Casino \* Resort \* Spa St. Charles*

Ameristar Casino \* Resort \* Spa St. Charles ("Ameristar St. Charles") is a barge-based casino located in St. Charles along the Missouri River, strategically situated to attract guests from the St. Charles and the greater St. Louis areas, as well as tourists from outside the region. The property, which is in close proximity to the St. Charles convention facility, is located along the western bank of the Missouri River. The property features a AAA Four Diamond full-service luxury suite hotel with 397 rooms, an indoor-outdoor pool, several dining venues and bars, an entertainment venue, a full-service luxury day spa, two TopGolf Swing Suites and a conference center. The real estate utilized by Ameristar St. Charles is subject to a Master Lease with GLPI.

### *Belterra Park*

Belterra Park is a land-based racino located in Cincinnati, Ohio, situated on approximately 160 acres of land, 40 of which are undeveloped. The property is a gaming and entertainment center offering live racing, pari-mutuel wagering, video lottery terminal gaming, a FanDuel branded sportsbook, several restaurants and the only grass horse racing track in Ohio. The real estate utilized by Belterra Park is subject to a Master Lease with GLPI.

### *Valley Forge Casino Resort*

Valley Forge Casino Resort ("Valley Forge") is a land-based casino hotel located in King of Prussia, Pennsylvania. The property features meeting, conference and banquet facilities and two hotel towers with 445 rooms total. The property also includes multiple dining options, a FanDuel branded sportsbook and an entertainment venue.

## **Online**

### *Boyd Interactive*

On November 1, 2022, the Company completed the acquisition of Pala Interactive and Pala Canada (individually and collectively rebranded, "Boyd Interactive"). Boyd Interactive is an innovative online gaming technology company that provides proprietary solutions on both a B2B and B2C basis in regulated markets across the United States and Canada. Under the Stardust brand, we offer B2C online casino gaming in New Jersey, Pennsylvania and the Canadian province of Ontario. In January 2024, we began offering online social gaming via the Boyd Interactive platform in the United States and Ontario. Our B2B customers in the United States and Canada license our platform for use in their online casino offerings.

On September 1, 2024, the Company completed the acquisition of Resorts Digital Gaming, LLC ("Resorts Digital"), growing the Boyd Interactive business. Resorts Digital is an online casino operator based in New Jersey, operating a dual-brand strategy across Resorts Casino and Mohegan Sun. In addition to acquiring the existing online business under both brands, the acquisition included a 20-year marketing agreement with a 10-year renewal option that provides for marketing and promotional services at Resorts Casino in Atlantic City, New Jersey.

### *Online Sports Betting*

Through our strategic partnerships with FanDuel and other third-party market access partners, we offer online sports wagering in Illinois, Indiana, Iowa, Kansas, Louisiana, Ohio and Pennsylvania.

## **Management Agreement**

We have a management agreement with Wilton Rancheria, a federally recognized Native American tribe, to manage the Sky River Casino, a gaming entertainment complex, located southeast of Sacramento, California. Sky River Casino has over 2,100 slot machines and 80 table games with 18 food and beverage options and live entertainment. The Sky River Casino is currently expanding its amenities in two phases. The first phase of the expansion will add 400 slots and a 1,600-space parking garage and is expected to be completed in the first quarter of 2026. The second phase of the expansion will include a 300-room hotel, two additional food and beverage outlets, a day spa, and an entertainment and events center. The second phase is expected to be completed in mid-2027.

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### **Competition**

Our properties generally operate in highly competitive environments. We compete against other gaming companies as well as online gaming and other hospitality, entertainment and leisure companies. We face significant competition in each of the jurisdictions in which we operate. Such competition may intensify in some of these jurisdictions if new gaming operations open in these markets, including online gaming, or existing competitors expand their operations. Our properties compete directly with other gaming properties in each state in which we operate, as well as in adjacent states. In addition, some of our properties compete with online gaming, to the extent it has been legalized, in and adjacent to the states we operate. We also compete for customers with other casino operators in and around our markets, including Native American casinos, and other forms of gaming, such as lotteries. In some instances, particularly with Native American casinos, our competitors pay substantially lower taxes or no taxes at all. We believe that increased legalized gaming in other states, particularly in areas close to our existing gaming properties, and the development or expansion of Native American gaming in or near the states in which we operate, could create additional competition for us and could adversely affect our operations or future development projects.

### **Frequent Player Loyalty Program**

#### *Boyd Rewards*

We have established a nationwide branding and loyalty program. Our players can use their "Boyd Rewards" cards to earn and redeem points. The program has five player tiers - Ruby, Sapphire, Emerald, Onyx and Titanium. The "Boyd Rewards" loyalty program, among other benefits, rewards players for their loyalty and allows players to qualify for promotions, earn rewards toward slot, video poker, or table games play and redeem points for complimentary slot play, food & beverage, hotel rooms and other free goods and services. Benefits for certain tiers of our loyalty program include annual cruises, vacations, and gifts of luxury jewelry and electronics.

Through the Boyd Rewards card, players may link their card to our digital cashless wallet "BoydPay", in jurisdictions with regulatory approval, providing players with a cashless gaming experience. We have also linked the BoydPay wallet to our Boyd Rewards mobile app, creating a contactless experience that allows customers to use their smartphones to play and cash out on casino games.

### *Other Promotional Activities*

We provide other promotional offers and discounts targeted towards new customers, frequent customers, inactive customers, customers of various levels of play, and prospective customers who have not yet visited our properties. We also provide mid-week promotional offers and other promotional activities that seek to generate visits to our properties during slower periods. Complimentaries generally are in the form of monetary discounts, and other rewards generally are limited to redemption at our hotels, restaurants, spas and retail facilities.

### **Government Regulation**

We are subject to extensive regulation under laws, rules and supervisory procedures primarily in the jurisdictions where our facilities are located or docked. The states in which we operate empower their regulators to investigate participation by licensees in gaming outside their jurisdiction and may require access to periodic reports with respect to those gaming activities. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. A detailed description of the governmental gaming regulations to which we are subject is filed as Exhibit 99.1 and is herein incorporated by reference.

If additional gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions or costs that could have a significant adverse effect on us. From time to time, various proposals have been introduced in the legislatures of some of the jurisdictions in which we have existing or planned operations that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the gaming industry and us. We do not know whether or not such legislation will be enacted. The federal government of the United States has also previously considered a federal tax on casino revenues and the elimination of betting on National Collegiate Athletic Association events. With the recent expansion of sports wagering in various states, and online casinos on a more limited basis, a federal government may enact legislation taxing and regulating sports wagering and online casino wagering, or alternatively may elect to prohibit such wagering. In addition, gaming companies are currently subject to significant state and local taxes and fees in addition to normal federal and state corporate income taxes, and such taxes and fees are subject to increase at any time. Any material increase in these taxes or fees could adversely affect us.

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**Human Capital and Labor Relations**

As of December 31, 2024, we had 16,129 employees ("Team Members"), including 15,362 Team Members at our properties and 767 Team Members in our corporate function. We have collective bargaining agreements with six unions covering 1,090 employees.

Our Team Members are the most important contributors to our business. For our business to operate successfully, to execute on our long-term strategy, and to continue to grow, we depend on having Team Members with the necessary talent and skills to support our property operations and corporate function.

Our access to talent is impacted by local factors in each of our communities, including employment levels, and demand for and availability of specialized skills. In the near term, we expect hiring pressures to continue to be a challenge for our business, however we are confident that we will be able to maintain our workforce and add Team Members with the specialized skills and experience necessary to sustain and grow our business.

We strive to attract individuals who are people-focused and share the values of our culture, which we refer to as "Boyd Style." Our culture includes valuing relationships, exceeding expectations, working smart, and exhibiting our commitment to integrity in everything we do. These values are expected and reinforced at all levels of our organization. We believe this fosters dignity and respect between our Team Members and creates a positive working environment, reinforces the customer experience, and promotes long-term stakeholder value.

We have programs dedicated to selecting new talent and enhancing the skills of our Team Members, including recruiting relationships with numerous industry associations, government agencies and colleges. We believe we provide competitive wages and benefits to attract and retain the talent necessary for the successful operation of our business. Our benefits include healthcare and retirement benefits, holiday and paid time off, and tuition assistance.

We believe our business is differentiated from our competitors due to our commitment to customer service and delivering a customer experience that fosters long-term loyalty. As such, our business depends on the capability and friendliness of each of our Team Members in order to provide outstanding customer service to each of our guests. Every new Team Member at Boyd Gaming is required to complete the Company's guest service training program. The program is strongly linked to our culture and values and gives Team Members the tools and training to create outstanding customer service experiences for our guests. Additionally, all Boyd Gaming leaders are required to attend leadership training. The program provides our leaders with the tools and training to effectively communicate and coach their team to success.

The Company has adopted a Code of Business Conduct that promotes ethical behavior and encourages Team Members to talk to supervisors, managers, or other appropriate personnel when in doubt about the best course of action. Furthermore, we also maintain a confidential Team Member hotline operated by an independent firm for anonymously reporting suspected wrongdoing.

Boyd Gaming strives to provide all Team Members a work environment free of discrimination and harassment. All supervisors and management staff are required to attend annual harassment awareness training, are responsible for ensuring that all Team Members comply with this policy and are responsible for ensuring appropriate action is taken if harassment occurs in the workplace.

We have formal, annual goal setting and performance review processes to drive engagement, performance and retention. Our commitment to Team Member engagement is evidenced by our average Team Member service tenure of 8.5 years. In our most recent survey, 77% of Team Members reported high levels of job satisfaction.

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### **Corporate Social Responsibility ("CSR")**

We believe our promotion of CSR initiatives is consistent with our values and an integral part of our success as a Company. Dating back to our Company's founding, we strive to share our success with others, treating every stakeholder of our Company with respect and integrity, and making sure that our home communities are better places because we are a part of them.

We strive to help protect the environment and meaningfully reduce our consumption of natural resources across our nationwide operations. Through these efforts, we endeavor to find ways to continue to reduce our carbon footprint, lower water stress on our communities and reduce the amount of waste sent to the landfills, helping ensure the health of our shared environment for future generations.

We believe our long-term success is intertwined with healthy and vibrant communities. We look to invest in our communities, providing donations each year to non-profit organizations across the United States. When crises like pandemics or natural disasters strike our communities, we look for ways to support our neighbors and team members in need.

We strive to be an employer of choice and create a workplace environment that embraces all Team Members. Our commitment to being an employer of choice has been recognized by US News & World Report, which named Boyd Gaming one of "America's Best Companies to Work For" in 2024. Additionally, our Company's CSR initiatives were recognized by Newsweek magazine, which named us one of "America's Most Responsible Companies" in 2024.

We are committed to promoting responsible gaming throughout our operations and our marketing efforts, and to helping provide assistance to those who need help. We provide support to problem gambling and responsible gaming organizations across the country, require all employees to participate in annual responsible gaming awareness training and post prominent signage throughout our properties providing problem gambling helpline information. We also ensure all advertising and marketing includes information on problem gambling and additional information is available to our customers at our properties.

To fulfill our commitment to our shareholders to operate with the highest level of integrity and respect, we follow a robust set of corporate governance policies and procedures and have assembled an experienced Board of Directors that shares our commitment.

### **Corporate Information**

Boyd Gaming was founded in 1975 and incorporated in Nevada in June 1988. Our principal executive offices are located at 6465 South Rainbow Boulevard, Las Vegas, Nevada 89118, and our main telephone number is (702) 792-7200. Our website is [www.boydgaming.com](http://www.boydgaming.com). Information on our website is not incorporated by reference herein.

### **Available Information**

We file annual, quarterly, current and special reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). In addition, the SEC maintains an Internet site, at <http://www.sec.gov>, containing reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Copies of our SEC filings are available on the SEC's website. You also may read and copy reports and other information filed by us at the office of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. A copy of this Annual Report on Form 10-K will be provided to a stockholder, with exhibits, without charge upon written request to Boyd Gaming Corporation, 6465 South Rainbow Boulevard, Las Vegas, Nevada 89118, (702) 792-7200, Attn: David Strow, Vice President, Corporate Communications.

We make our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and all amendments to these reports, available free of charge on our corporate website as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. In addition, our Code of Business Conduct and Ethics, Corporate Governance Guidelines, and charters of the Audit Committee, Compensation Committee, and the Corporate Governance and Nominating Committee are available on our website. We will provide reasonable quantities of electronic or paper copies of filings free of charge upon request. In addition, we will provide a copy of the above referenced charters to stockholders upon request.

**Important Information Regarding Forward-Looking Statements**

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Such statements contain words such as "may," "will," "might," "expect," "believe," "anticipate," "could," "would," "estimate," "pursue," "target," "project," "intend," "plan," "seek," "should," "assume," and "continue," or the negative thereof or comparable terminology. Forward-looking statements in this Annual Report on Form 10-K may include, but are not limited to, statements regarding the factors listed below. The following factors, along with the Risk Factors included in Part I, Item 1A of this Form 10-K, could affect future results and cause those results to differ materially from those expressed in the forward-looking statements:

- the general effect and expectation of the national and global economy on our business, including but not limited to interest rates and inflationary pressures, as well as the economies where our properties are located;
- our business model, areas of focus and strategy for driving business results;
- our ability to maintain the integrity of our information technology systems and to protect our internal information;
- impacts caused by public health emergencies and man-made or natural disasters we may encounter;
- competition, including expansion of gaming into additional markets including online gaming, our ability to respond to such competition, and our expectations regarding continued competition in the markets in which we compete;
- our expectations regarding the expansion of sports betting and online wagering;
- our expectations regarding future trends affecting the gaming industry and the impact of these trends on growth in our industry, future development opportunities, and merger and acquisition activity in general;
- our compliance with government regulations, including our ability to receive and maintain necessary approvals for our projects;
- the sufficiency of our cash flows from operating activities and financing sources to meet our projected operating and maintenance capital expenditures for the next twelve months;
- indebtedness, including our ability to refinance or pay amounts outstanding under our credit agreement and our unsecured notes, when they become due and our compliance with related covenants, and our expectation that we will need to refinance all or a portion of our respective indebtedness at or before maturity;
- our belief that all pending litigation claims, if adversely decided, will not have a material effect on our business, financial position, results of operations or cash flows;
- our estimates and expectations regarding anticipated taxes, tax credits or tax refunds;
- our asset impairment analyses and our intangible asset and goodwill impairment tests;
- the likelihood of interruptions to our rights in the land we lease under long-term leases for certain of our hotels and casinos.

All forward-looking statements should be evaluated with the understanding of their inherent uncertainty. All forward-looking statements in this Form 10-K (including any document incorporated by reference) are made only as of the date of the document in which they are contained, based on information available to us as of the date of that document, and we caution you not to place undue reliance on forward-looking statements in light of their associated risks and uncertainties. Forward-looking statements are necessarily estimates reflecting the best judgment of our senior management and involve a number of risks and uncertainties, some of which may be beyond our control, which could cause actual results to differ materially from those suggested by the forward-looking statements. If any of those risks and uncertainties were to materialize, actual results could differ materially from those discussed in any such forward-looking statement. Among the factors that could cause actual results to differ materially from those discussed in forward-looking statements are those discussed under the heading "Risk Factors" in this Annual Report on Form 10-K and in our other current and periodic reports filed with the SEC from time to time.

In addition, historical, current, and forward-looking CSR-related statements may be based on standards for measuring progress that are still developing and internal controls and processes that continue to evolve. Our CSR initiatives are subject to additional risks and uncertainties, including regarding the evolving nature of data availability, quality, and assessment; related methodological concerns; our ability to implement various initiatives under expected timeframes, cost, and complexity; our dependency on third parties to provide certain information and to comply with applicable laws and policies; and other unforeseen events or conditions. These factors, as well as others, may cause results to differ materially and adversely from those expressed in any of our forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Additionally, we may provide information that is not necessarily material for SEC reporting purposes but that is informed by various CSR and environmental, social and governance standards and frameworks (including standards for the measurement of underlying data), internal controls, and assumptions or third-party information that are still evolving and subject to change. Our disclosures based on any standards may change due to revisions in framework requirements, availability of information, changes in our business or applicable governmental policies, or other factors, some of which may be beyond our control.

All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by our cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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### **ITEM 1A. Risk Factors**

In addition to the other information contained in this report on Form 10-K, the following Risk Factors should be considered carefully in evaluating our business.

If any of the following risks actually occurs, our business, financial condition and results of operations could be materially and adversely affected. If this were to happen, the value of our securities, including our common stock and senior notes, could decline significantly, and investors could lose all or part of their investment.

This report is qualified in its entirety by these risk factors.

#### **Risks Related to our Business**

##### ***Our business is particularly sensitive to reductions in discretionary consumer spending due to inflation and downturns in the economy.***

Consumer demand for entertainment and other amenities at our casino hotel properties is particularly sensitive to downturns in the economy and the corresponding impact on discretionary spending on leisure activities. Changes in discretionary consumer spending or consumer preferences brought about by factors such as inflation, rising interest rates, perceived or actual general economic conditions, effects of declines in consumer confidence in the economy, including any future housing, employment and credit crisis, the impact of high energy and food costs, the increased cost of travel, the potential for bank failures, decreased disposable consumer income and wealth, or fears of war and future acts of terrorism could further reduce customer demand for the amenities that we offer, thus imposing practical limits on pricing and negatively impacting our results of operations and financial condition.

In 2008, we experienced a profound reduction in consumer demand as a result of the economic recession in the U.S. economy, and we are now experiencing the impacts of inflation, which are significantly impacting customer visitations and business revenue. Consumer spending habits changed significantly due to the recession in 2008, and we expect that consumer behavior due to inflation may be similarly altered for an extended period of time. Because our business model relies on consumer expenditures on entertainment, luxury and other discretionary items, an ongoing economic downturn could materially adversely affect our operating results and financial condition.

##### ***Failure to maintain the integrity of our information technology systems, protect our internal information, or comply with applicable privacy and data security regulations could adversely affect us.***

We rely extensively on our computer systems to process customer transactions, manage customer and employee data, and communicate with third-party vendors and other third parties, and we may also access the internet to use our computer systems. Our operations require that we collect and store customer data, including credit card numbers and other personal information, for various business purposes, including marketing and promotional purposes. We also collect and store personal information about our employees. Breaches of our security measures or information technology systems or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive personal information or confidential data about us, or our customers, or our employees, including the potential loss or disclosure of such information as a result of hacking or other cyber-attack, computer virus, fraudulent use by customers, employees or employees of third party vendors, trickery or other forms of deception or unauthorized use, or due to system failure, could expose us, our customers, our employees or other individuals affected to a risk of loss or misuse of this information, result in litigation and potential liability for us, damage our casino or brand names and reputations or otherwise harm our business, financial condition, and results of operations. We rely on proprietary and commercially available systems, software, tools and monitoring to provide security for processing, transmitting, and storing of customer information, such as payment card, employee information and other confidential or proprietary information. Our data security measures are reviewed and evaluated regularly; however, they might not protect us against increasingly sophisticated and aggressive threats, and disruptions in our computer systems can occur notwithstanding the data security measures and disaster recovery plans that we have in place. Further, our systems are not fully redundant, and our disaster recovery planning cannot account for all possible scenarios. The cost and operational consequences of implementing further data security measures could be significant.

Any loss, disclosure of, misappropriation of, or access to customers' or other personal, proprietary information or any other breach of our information security could result in extensive legal proceedings or legal claims, including regulatory investigations and actions, or liability for failure to comply with state or federal privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, cause extensive damage to our reputation, and expose us to legal claims from customers, financial institutions, regulators, payment card associations, employees, and other persons, any of which could have an adverse effect on our financial condition, results of operations, and cash flow.

Additionally, the collection of customer and employee personal information imposes various privacy compliance-related obligations on our business and increases the risks associated with a breach or failure of the integrity of our information technology systems. The collection and use of personal data are governed by privacy laws and regulations enacted by the various states, the federal government of the United States, and various foreign jurisdictions. Privacy laws and regulations continue to evolve and on occasion may be inconsistent between jurisdictions. California has enacted the California Consumer Privacy Act of 2018 (the "CCPA"), which provides to California consumers certain access, deletion and opt-out rights related to their personal information, imposes civil penalties for violations and affords, in certain cases, a private right of action for data breaches. Compliance with the CCPA may require us to incur significant costs and expenses. Similar laws have been passed or proposed in other states and at a federal level, reflecting a trend toward more stringent privacy legislation in the United States. In addition to fines and penalties that may be imposed for failure to comply with state law, some states provide for private rights of action to customers for misuse of or unauthorized access to personal information.

Compliance with privacy laws and regulations may increase our operating costs and/or adversely impact our ability to market our products, properties, and services to our customers. In addition, non-compliance with applicable privacy laws and regulations by us (or in some circumstances non-compliance by third-party service providers engaged by us) may also result in damage to our reputation, vulnerabilities that could be exploited to breach our systems and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of personal information.

**Our technology infrastructure is critical to the performance of our digital gaming operations, and any system failures, errors, defects, or disruptions could adversely affect our operations.**

Our technology infrastructure is critical to the performance of our digital gaming operations and to user satisfaction, and we rely significantly on our computer systems and software to receive and properly process internal and external data. Our systems may not be adequate to avoid performance delays or outages that could be harmful to our online business. In addition, while we believe we have taken appropriate steps to protect our systems, we cannot guarantee that the measures we take to prevent cyberattacks and to protect our systems will be sufficient to ensure uninterrupted operation of our digital platform and provide absolute security. We may be subject to website disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, human or software errors and capacity constraints. Disruptions from unauthorized access to, fraudulent manipulation of, or tampering with our computer systems and technological infrastructure, or those of third parties that provide support to our operations, could result in a wide range of negative outcomes, each of which could materially affect the operation of our online business and our financial condition, results of operations and prospects.

Additionally, our computer systems and software may contain faults, errors, bugs, flaws or corrupted data, and these defects may affect our online offerings or cause systemic shutdowns. These types of issues could disrupt our operations or render a product unavailable. Inaccessibility or intermittent problems with our products could make users less likely to return to our digital platform as often, if at all, or to recommend our offerings to other potential users.

If our systems are damaged, breached, attacked, interrupted, or otherwise cease to function properly, we may be required to make significant investments to repair or replace them and may experience loss or corruption of critical data as well as suffer interruptions in our business operations in the interim.

***Intense competition exists in the gaming industry, and we expect competition to continue to intensify.***

The gaming industry is highly competitive for both customers and employees, including those at the management level. We compete with numerous gaming entertainment properties. We also compete with other non-gaming resorts and vacation destinations and with various other casino and entertainment businesses, including online gaming websites, and could compete with any new forms of gaming that may be legalized in the future. For example, there has been recent expansion of sports betting in various states with legislation allowing for sports betting in casinos and/or online. Expansion of traditional and online gaming in jurisdictions where we do not operate could create additional competition. The casino entertainment business is characterized by competitors that vary considerably in their size, type of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, amenities, management talent and geographic diversity. We face competition from nearby markets in addition to direct competition within our market areas. Furthermore, competition from online platforms continues to increase.

With fewer new markets opening for development, competition in existing markets has also intensified in recent years. We and our competitors have invested in expanding existing facilities, developing new facilities, and acquiring established facilities in existing markets. This expansion of existing casino entertainment properties, the increase in the number of properties and the aggressive marketing strategies of many of our competitors have increased competition in many markets in which we compete, and we expect this to continue. Additionally, competition may intensify if our competitors commit additional resources to aggressive pricing and promotional activities to attract customers.

We also compete with legalized gaming from casinos located on Native American tribal lands. Expansion of Native American gaming in areas located near our properties, or in areas in or near those from which we draw our customers, could have an adverse effect on our operating results.

In addition, we also compete to some extent with other forms of gaming on both a local and national level, including state-sponsored lotteries, charitable gaming, video gaming terminals at bars, restaurants, taverns and truck stops, on-and off-track wagering, and other forms of entertainment, including motion pictures, sporting events and other recreational activities. These secondary competitors could reduce the number of visitors to our facilities or the amount they are willing to wager, which could have a material adverse effect on our ability to generate revenue or maintain our profitability and cash flows.

If our competitors operate more successfully than we do, if they attract customers away from us as a result of aggressive pricing and promotion, if they are more successful than us in attracting and retaining employees, if their properties are enhanced or expanded, if they operate in jurisdictions that give them operating advantages due to differences or changes in gaming regulations or taxes, or if additional hotels and casinos are established in and around the locations in which we conduct business, we may lose market share or the ability to attract or retain employees. In particular, the expansion of casino gaming in or near any geographic area from which we attract or expect to attract a significant number of our customers could have a significant adverse effect on our business, financial condition and results of operations.

In addition, increased competition may require us to make substantial capital expenditures to maintain and enhance the competitive positions of our properties, including updating slot machines to reflect changing technology, refurbishing public service areas periodically, replacing obsolete equipment on an ongoing basis and making other expenditures to increase the attractiveness and add to the appeal of our facilities. There can be no assurance that we will have sufficient funds to undertake these expenditures or that we will be able to obtain sufficient financing to fund such expenditures. If we are unable to make such expenditures, our competitive position could be materially adversely affected.

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### ***We may incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets.***

In accordance with the authoritative accounting guidance for goodwill and other intangible assets, we test our goodwill and indefinite-lived intangible assets for impairment annually or if a triggering event occurs. We perform our annual impairment testing for goodwill and indefinite-lived intangible assets as of October 1. Impairment charges of \$10.5 million, \$107.8 million and \$40.8 million were recorded as a result of our 2024, 2023 and 2022 impairment tests and triggering event reviews, respectively.

If our estimates of projected cash flows related to our assets are not achieved, we may be subject to future impairment charges, which could have a material adverse impact on our consolidated financial statements.

### **Risks Related to the Regulation of our Industry**

#### ***We are subject to extensive governmental regulation, including federal, state and local laws affecting business in general, which may harm our business.***

Our ownership, management and operation of gaming facilities are subject to extensive laws, regulations and ordinances, which are administered by various federal, state and local government entities and agencies. We are subject to regulations that apply specifically to the gaming industry, horse racetracks and casinos, including regulation with respect to gambling, live racing, and approval standards applicable to our directors, officers, key employees, joint venture partners and certain shareholders. We are also subject to regulations applicable to businesses generally, including regulation with respect to alcoholic beverages, smoking, currency transactions, taxation, zoning and building codes, anti-money laundering and marketing and advertising. A more detailed description of the governmental gaming regulations to which we are subject is filed as Exhibit 99.1 herewith. If significant additional or differing gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions or costs that could have an adverse effect on us. From time to time, various proposals are introduced in the legislatures of some of the jurisdictions in which we have existing or planned operations that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the gaming industry and our company. Additionally, some regulatory authorities have adopted laws and policies regarding climate considerations, emissions, and water usage. Such requirements could result in increased costs related to regulatory compliance, including potential additional capital expenditures.

We can give no assurance that any additional licenses, permits and approvals that may be required will be given or that existing ones will be renewed. Renewal is subject to, among other things, continued satisfaction of suitability requirements. Any failure to renew or maintain our licenses or to receive new licenses when necessary could have a material adverse effect on us.

#### ***We are subject to extensive taxation policies, which may harm our business.***

From time-to-time, federal, state, and local legislators and officials have proposed changes in tax laws, or in the administration of such laws, affecting the gaming industry. For example, the federal government has considered a federal tax on casino revenues. In addition, worsening economic conditions could intensify the efforts of state and local governments to raise revenues through increases in gaming taxes, property taxes and/or by authorizing additional gaming properties each subject to payment of a new license fee. It is not possible to determine with certainty the likelihood of changes in such laws or in the administration of such laws. Such changes, if adopted, could have a material adverse effect on our financial condition, results of operations, and cash flows.

In addition, gaming companies are often subject to significant revenue-based taxes and fees, in addition to normal federal, state and local corporate income taxes. Such taxes and fees are subject to increase at any time and increases may be retroactive to prior years. A material increase in state and local taxes and fees could cause our business, financial condition and results of operations to be adversely affected.

## Risks Related to our Properties

***We own real property and are subject to extensive environmental regulation, which creates uncertainty regarding future environmental expenditures and liabilities and could affect our ability to develop, sell or rent our property or to borrow money using such property as collateral.***

We are subject to various federal, state and local environmental laws, ordinances and regulations, including those governing discharges into air and water, the generation, handling and disposal of petroleum products, hazardous substances and wastes, and the health and safety of our employees. For example, our horse racing operations are subject to oversight by the Environmental Protection Agency ("EPA"), which includes regulations governing concentrated animal feeding operations and the related processing of animal wastewater. Permits may be required for us to conduct business on our properties, and these permits are subject to renewal, modification and, potentially, revocation.

In addition, under environmental laws, ordinances and regulations, a current or previous owner or operator of property may be liable for the costs of investigation and removal or remediation of some kinds of hazardous substances or petroleum products on, under, or in its property, without regard to whether the owner or operator knew of, or caused, the presence of the contaminants, and regardless of whether the practices that resulted in the contamination were legal at the time they occurred. Additionally, as an owner or operator, we could also be held responsible to a government entity or third parties for property damage, personal injury and investigation and cleanup costs incurred by them in connection with any contamination. The costs of investigation, remediation or removal of those substances may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to use our property.

The presence of, or failure to remediate properly, such substances may adversely affect the ability to sell or rent the property or to borrow funds using the property as collateral. Additionally, the owner of a site may be subject to claims by third parties based on damages and costs resulting from environmental contamination emanating from a site.

Future developments regarding environmental matters could lead to material costs of environmental compliance for us, and such costs could have a material adverse effect on our business and financial condition, operating results and cash flows.

### ***Our operations could be impacted by extreme weather conditions.***

Certain of our properties are located in areas that may be subject to extreme weather conditions, including, but not limited to, hurricanes, floods, tornadoes, wildfires, and winter storms. Extreme weather conditions may interrupt our operations, damage our properties and reduce the number of customers who visit our facilities in the affected areas.

Our properties in Illinois, Indiana, Iowa, Kansas, Louisiana, Missouri, Ohio and Pennsylvania are at risk of experiencing snowstorms, tornadoes and flooding.

Snowstorms and other adverse weather conditions have interrupted our operations, damaged our properties and reduced the number of customers who visit our facilities in an affected area. Likewise, some of our properties have been forced to close for extended periods due to floods and hurricanes, and certain of our properties are in areas that have been identified by the director of the Federal Emergency Management Agency ("FEMA") as a special flood hazard area. If there is a prolonged disruption at any of our properties due to natural disasters or other catastrophic weather events, our business, results of operations and financial condition could be materially adversely affected. In addition, the operations of critical suppliers could be negatively impacted by severe weather conditions, and which adversely affect our business.

There can be no assurance that we will be able to fully collect under our insurance coverage on any claims resulting from extreme weather conditions. If any of our properties are damaged or if our operations are disrupted because of extreme weather, or if extreme weather adversely impacts general economic or other conditions in the areas in which our properties are located or from which we draw our patrons, our business, financial condition and results of operations could be materially adversely affected.

***We draw a significant percentage of our customers from certain geographic regions. Events adversely impacting the economy of these regions, including public health outbreaks and man-made or natural disasters, may adversely impact our business.***

The California, Fremont and Main Street Station draw a substantial portion of their customers from the Hawaiian market, with such customers historically comprising more than half of the room nights sold at each property. Decreases in discretionary consumer spending, as well as an increase in fuel costs or transportation prices, a decrease in airplane seat availability, or a deterioration of relations with tour and travel agents, particularly as they affect travel between the Hawaiian market and our facilities, could adversely affect our business, financial condition and results of operations. In recent years, this portion of our business was substantially disrupted due to the COVID-19 pandemic, including as a result of travel restrictions and quarantine requirements in Hawaii.

### ***Our facilities, including our riverboats and dockside facilities, are subject to risks relating to mechanical failure and regulatory compliance.***

Generally, all of our facilities are subject to the risk that operations could be halted for a temporary or extended period of time due to casualty, forces of nature, mechanical failure, or extended or extraordinary maintenance, among other causes.

We currently conduct our Par-A-Dice, Blue Chip, Sam's Town Shreveport, Amelia Belle and Belterra Resort gaming operations on riverboats. Each of our riverboats must comply with the United States Coast Guard ("USCG") requirements as to boat design, on-board facilities, equipment, personnel and safety. Each riverboat must hold a Certificate of Inspection for stabilization and flotation and may also be subject to local zoning codes. The USCG requirements establish design standards, set limits on the operation of the vessels and require individual licensing of all personnel involved in the operation of the vessels. Loss of a vessel's Certificate of Inspection would preclude its use as a casino.

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**Some of our hotels and casinos are located on leased property. If we default on one or more leases, the applicable lessors could terminate the affected leases and we could lose possession of the affected hotel and/or casino.**

We lease certain property on which our hotels and gaming facilities are located. As a lessee, we have the right to use the leased land, including the structures on such land; however, we do not retain fee ownership in the property. Accordingly, we have no interest in the land or improvements thereon at the expiration of the leases. Moreover, since we do not completely control the land underlying such property, a landowner could take certain actions to disrupt our rights in the land leased under the long-term leases. While such interruption is unlikely, such events are beyond our control. If the entity owning any property chose to disrupt our use either permanently or for a significant period of time, then the value of our assets could be impaired and our business, financial condition and results of operations could be adversely affected. If we were to default on any one or more of these leases, the applicable lessors could terminate the affected leases, and we could lose possession of the affected property, including the underlying land, hotels and casinos. This could have a material adverse effect on our business, financial condition and results of operations. In addition, if some of our leased facilities should prove to be unprofitable, we could remain obligated for lease payments and other obligations under the leases even if we decided to withdraw from those locations.

### **Risks Related to our Indebtedness**

#### **We have a significant amount of indebtedness.**

We and our subsidiaries had approximately \$3.2 billion of long-term debt on a consolidated basis as of December 31, 2024 (of which approximately \$1.3 billion was outstanding under the Credit Facility) and which included approximately \$44.0 million of current maturities of long-term debt and excludes approximately \$13.0 million in aggregate outstanding letters of credit. In addition, an aggregate amount of approximately \$895.7 million was available for borrowing under the Revolving Credit Facility as of December 31, 2024.

Our current debt instruments contain, and any future debt instruments likely will contain, a number of restrictive covenants that impose significant operating and financial restrictions on us, including restrictions on our ability to, among other things: incur additional debt, including providing guarantees or credit support; incur liens securing indebtedness or other obligations; make certain investments; dispose of assets; make certain acquisitions; pay dividends or make distributions and make other restricted payments; enter into sale and leaseback transactions; engage in any new businesses; and enter into transactions with our stockholders and our affiliates.

In addition, our Credit Facility contains certain financial covenants, including, without limitation, various covenants: (i) requiring the maintenance of a minimum consolidated interest coverage ratio on a quarterly basis of 2.50 to 1.00, (ii) requiring the maintenance of a maximum Consolidated Total Net Leverage Ratio ("CTNL Ratio") on a quarterly basis, (iii) imposing limitations on the incurrence of indebtedness and liens, (iv) imposing limitations on transfers, sales and other dispositions and (v) imposing restrictions on investments, dividends and certain other payments. The maximum permitted CTNL Ratio is calculated as Consolidated Net Indebtedness to twelve-month trailing Consolidated EBITDA, as defined by the Credit Agreement. Our maximum CTNL Ratio must be no higher than 4.50 to 1.00.

Failure to comply with these covenants could result in an event of default, which, if not cured or waived, could have a significant adverse effect on our business, results of operations and financial condition.

Note 7, *Long-Term Debt*, included in the notes to our audited consolidated financial statements presented in Part II, Item 8, contains further disclosure regarding our current outstanding debt.

#### **We require a significant amount of cash to service our debt. Our ability to generate cash depends on many factors beyond our control.**

Our ability to make payments on and to refinance our indebtedness and to fund planned capital expenditures and expansion efforts depends on our ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, including rising interest rates.

It is unlikely that our business will generate sufficient cash flows from operations or that future borrowings will be available to us under the Credit Facility in amounts sufficient for us to retire our current indebtedness as such indebtedness matures, and to fund our other liquidity needs. We believe that we will need to refinance all or a portion of our current indebtedness at or before maturity and cannot provide assurances that we will be able to refinance any of our current indebtedness, including amounts borrowed under the Credit Facility on commercially reasonable terms, or at all. We may have to adopt one or more alternatives, such as reducing or delaying planned expenses and capital expenditures, selling assets, restructuring debt, or obtaining additional equity or debt financing or joint venture partners. These financing strategies may not be achieved on satisfactory terms, or at all. In addition, certain state laws contain restrictions on the ability of companies engaged in the gaming business to undertake certain financing transactions. Such restrictions may prevent us from obtaining the necessary capital to meet our current repayment obligations.

#### **Current and future economic, capital and credit market conditions could adversely affect our ability to service our substantial indebtedness and significant financial commitments or make planned expenditures.**

Our ability to make payments on our substantial indebtedness and other significant financial commitments, including the rent payments under our leases, and to fund planned or committed capital expenditures and other investments depends on our ability to generate cash flow, borrow under the Credit Facility or incur new indebtedness. Capital market volatility and prevailing high interest rates increases our cost of capital. Additionally, borrowings under certain of our facilities are at variable rates of interest and expose us to interest rate volatility. If interest rates increase, our debt service obligations on certain of our variable rate indebtedness will increase even though the amount borrowed remains the same. Our ability to timely refinance and replace our indebtedness, on attractive terms or at all, will be significantly influenced by the economic and capital market conditions at the time of such refinancing. If we are unable to refinance our indebtedness on a timely basis or if attractive financing terms are not available to us, we might be forced to seek alternate forms of financing, dispose of certain assets or minimize capital expenditures and other investments. There is no assurance that any of these alternatives would be available to us, if at all, on satisfactory terms.

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### ***We and our subsidiaries are able to incur substantially more debt, which could further exacerbate the risks described above.***

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of our Credit Facility and the indentures governing our senior notes do not fully prohibit us or our subsidiaries from doing so. Borrowings under the Credit Facility are effectively senior to our senior notes and the guarantees of our subsidiary guarantors to the extent of the value of the collateral securing such borrowings. If new debt is added to our consolidated debt levels the related risks that we face could intensify.

If we pursue, or continue to pursue, any expansion, development, investment or renovation projects requiring capital beyond our available borrowing capacity, we expect that our long-term debt will substantially increase in connection with related capital expenditures. This indebtedness could have important consequences, including: difficulty in satisfying our obligations under our current indebtedness; increasing our vulnerability to adverse economic and industry conditions; requiring us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness, which would reduce the availability of our cash flows to fund working capital, capital expenditures, expansion efforts and other general corporate purposes; limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; placing us at a disadvantage compared to our competitors that have less debt; and limiting, along with the financial and other restrictive covenants in our indebtedness, among other things, our ability to borrow additional funds.

### ***We are required to pay a substantial amount of rent pursuant to our Master Lease agreements with GLPI, which impacts free cash flow and could limit our ability to invest in our operations or seek additional development or strategic opportunities.***

We lease the real estate of Ameristar Kansas City, Ameristar St. Charles, Belterra Resort and Belterra Park (each an "OpCo," and collectively the "OpCos") from GLPI, pursuant to two triple net REIT Master Leases (the "Master Leases"). Current annual rent under the Master Leases is \$111.4 million, with rental increases over time. The Master Leases also include substantial additional obligations that may require future uses of free cash flow, including obligations to maintain and repair the properties, including minimum annual capital investment requirements, and provides that we have assumed the risk of loss with respect to any casualty or condemnation event, including the obligation to repair or rebuild the facility.

These obligations, should the circumstances arise, could significantly impact free cash flow and could adversely impact our ability to invest in our operations or seek additional development or strategic opportunities. For example, our obligations under the Master Leases may:

- limit our ability to prepay or repay our long-term debt and to obtain additional indebtedness;
- limit our ability to fund working capital, capital expenditures and other general corporate purposes; and
- limit our ability to respond to changes in our business and the industry in which we operate, including pursuing new markets and additional lines of business, development opportunities, acquisitions and other strategic investments that we would otherwise pursue.

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

### **Risks Related to our Equity Ownership**

#### ***Certain of our stockholders own large interests in our capital stock and may significantly influence our affairs.***

Marianne Boyd Johnson, our Executive Chairman of the Board of Directors, together with her immediate family, beneficially owned approximately 27% of the Company's outstanding shares of common stock as of December 31, 2024. As such, the Boyd family has the ability to significantly influence our affairs, including electing the members of our Board of Directors and, except as otherwise provided by law, approving or disapproving other matters submitted to a vote of our stockholders, including a merger, consolidation, or sale of assets.

**ITEM 1B. Unresolved Staff Comments**

None

**ITEM 1C. Cybersecurity**

Cybersecurity represents a critical component of the Company's overall approach to risk management. The Company's cybersecurity policies, standards and practices are fully integrated into our approach to risk management, and cybersecurity risks are among the core enterprise risks that are subject to oversight by our Board of Directors (the "Board"). The Company uses recognized frameworks from the National Institute of Standards and Technology as guidelines to inform its cybersecurity policies, standards, and practices. We generally approach cybersecurity matters through a cross-functional, multilayered approach, with specific goals of: (i) identifying, preventing and mitigating cybersecurity threats to the Company; (ii) preserving the confidentiality, integrity and availability of the information that we collect and store to use in our business; (iii) protecting our intellectual property; (iv) maintaining the confidence of our customers, clients and business partners; and (v) providing appropriate public disclosure of cybersecurity risks and incidents when required.

*Risk Management and Strategy*

Consistent with our Information Security Policies and Standards, our cybersecurity program focuses on the following areas:

- **Awareness:** We maintain an extensive presence with cybersecurity threat operations functioning continuously and uninterrupted with the specific goal of identifying, preventing, and mitigating cybersecurity threats and responding to cybersecurity incidents in accordance with our established incident response and recovery plans.
- **Systems Safeguards:** We deploy systems safeguards that are designed to protect our information systems from cybersecurity threats, including firewalls, intrusion prevention and detection systems, anti-malware functionality and access controls, which are evaluated and improved through ongoing vulnerability assessments and cybersecurity threat intelligence.
- **Collaboration:** We use collaboration mechanisms established with public and private entities, including intelligence and enforcement agencies, industry groups and third-party service providers, to identify, assess and respond to cybersecurity risks.
- **Third-Party Risk Management:** We employ a risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers and other external users of our systems, as well as third-party systems that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.
- **Training:** We provide regular mandatory training for personnel regarding cybersecurity threats, which reinforces our information security policies, standards and practices, and such training is scaled to reflect the roles, responsibilities and information systems access of such personnel. We also publish an internal newsletter on a monthly and ad-hoc basis for enterprise-wide consumption to promote awareness of trends in cybersecurity threats and attack techniques.
- **Incident Response and Recovery Planning:** We have established and maintain comprehensive incident response and recovery plans that fully address our response to and recovery from a cybersecurity incident, and such plans are tested and evaluated on a periodic basis.
- **Communication, Coordination and Disclosure:** We take a cross-functional approach to address the risk from cybersecurity threats, involving management personnel from our technology, operations, legal, internal audit and other key business functions and engage with our Board in an ongoing dialogue regarding cybersecurity threats and incidents while also implementing controls and procedures for the assessment and escalation of cybersecurity incidents pursuant to established thresholds so that decisions regarding the disclosure and reporting of such incidents can be made by management in a timely manner.
- **Governance:** Our Board regularly interacts with our Chief Information Security Officer and other members of management on cybersecurity risk management.

A key part of our strategy for managing risks from cybersecurity threats is the ongoing assessment and testing of our processes and practices through auditing, assessments, tabletop exercises, vulnerability testing, and other exercises focused on evaluating our cybersecurity measures effectiveness. We regularly engage third parties to perform assessments of our cybersecurity program, including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to the Board, and we adjust our cybersecurity policies, standards, processes, and practices as necessary based on the information provided.

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### *Governance*

Our Board oversees the management of risks from cybersecurity threats, including the policies, standards, processes and practices that management implements to address risks from cybersecurity threats. Our Board receives regular presentations and reports on cybersecurity risks, which address a wide range of topics including, for example, recent developments, evolving standards, vulnerability assessments, third-party and independent reviews, the threat environment, technological trends and information security considerations arising with respect to our peers and third parties. Our Board also receives prompt and timely information regarding any cybersecurity incident that meets established reporting thresholds, as well as ongoing updates regarding such incident until it has been addressed. At least quarterly, the Board discusses the Company's approach to cybersecurity risk management with our Chief Information Security Officer ("CISO").

Our CISO is the member of our management team that is principally responsible for overseeing our cybersecurity program, in partnership with other business leaders across the Company. Our CISO has served in various roles in information technology and information security for over 25 years and holds a degree in Business Administration with a major in Accounting and Finance and a graduate degree in International Management. Our CISO also holds advanced certifications as a Certified Information Systems Security Professional and as a Qualified Technology Executive granted by Digital Directors Network and works in coordination with the other members of management, including, but not limited to, the Company's President and Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, and General Counsel. Our Chief Technology Officer holds an undergraduate degree in computer science and economics from Northwestern and has served in various roles in information technology for over 33 years with Boyd Gaming and numerous other public companies. The Company's President and Chief Executive Officer, Chief Financial Officer, and General Counsel each hold undergraduate and graduate degrees in their respective fields, and each has years of experience with managing risks at the Company and in environments similar to the Company's, including risks arising from cybersecurity threats.

Our CISO works collaboratively across the Company to implement a program designed to protect our information systems from cybersecurity threats and to promptly respond to any cybersecurity incidents. To facilitate the success of this program, multidisciplinary teams are deployed to address cybersecurity threats and to respond to cybersecurity incidents in accordance with our incident response and recovery plans. Through the ongoing communications from these teams, the CISO monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents in real time, and reports such incidents to the Board when appropriate.

Cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected the Company, including our business strategy, results of operations, or financial condition. We believe with the cybersecurity and governance program we have in place that we have and continue to implement effective processes and controls to prevent cybersecurity incidents from being reasonably likely to materially affect the Company. Refer to "Item 1A. Risk Factors" in this annual report on Form 10-K, including "Failure to maintain the integrity of our information technology systems, protect our internal information, or comply with applicable privacy and data security regulations could adversely affect us", for additional discussion about cybersecurity-related risks.

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**ITEM 2. Properties**

Information relating to the location and general characteristics of our properties is provided in Part I, Item 1, *Business - Properties*, and is incorporated herein by reference.

As of December 31, 2024, some of our properties utilized leased property in their operations.

The real estate parcels utilized by four of our properties are subject to Master Lease agreements with GLPI. The properties under the Master Lease agreements are:

- Ameristar Kansas City, including approximately 250 acres of leased land and building.
- Ameristar St. Charles, including approximately 240 acres of leased land and building.
- Belterra Resort, including approximately 315 acres of leased land and building.
- Belterra Park, including approximately 160 acres of leased land and building.

In addition, all or a portion of the sites for the following properties are leased:

- Suncoast, located on 49 acres of leased land.
- Eastside Cannery, located on 30 acres of leased land.
- California, located on 13.9 acres of owned land and 1.6 acres of leased land.
- Fremont, located on 1.4 acres of owned land and 0.9 acres of leased land.
- IP, located on 24 acres of owned land and 3.9 acres of leased land.
- Treasure Chest, located on 13 acres of leased land.
- Sam's Town Shreveport, located on 18 acres of leased land.
- Diamond Jo Dubuque, located on 7 acres of owned land and approximately 2 acres of leased parking surfaces.
- Evangeline Downs, which leases the facilities that comprise the Henderson, Eunice and St. Martinville OTBs.

**ITEM 3. Legal Proceedings**

See Item 8 of Part II, "Financial Statements and Supplementary Data - Note 9, *Commitments and Contingencies - Legal Matters*."

**ITEM 4. Mine Safety Disclosures**

Not applicable

**PART II****ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "BYD". On February 17, 2025, the closing sales price of our common stock on the NYSE was \$78.53 per share. On that date, we had approximately 464 holders of record of our common stock and our directors and executive officers owned approximately 30% of the outstanding shares. There are no other classes of common equity outstanding.

**Share Repurchase Program**

On October 21, 2021, our Board of Directors authorized a share repurchase program of \$300.0 million (the "Share Repurchase Program"). In addition, our Board of Directors authorized increases to the Share Repurchase Program of \$500.0 million on each of June 1, 2022, May 4, 2023, May 9, 2024 and December 5, 2024. We repurchased 11.1 million shares during the year ended December 31, 2024. As of December 31, 2024, \$640.5 million of repurchase authorization remained available under the Share Repurchase Program.

The following table discloses share repurchases that we have made pursuant to the Share Repurchase Program during the three months ended December 31, 2024.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Approximate Dollar Value That May Yet Be Purchased Under the Plan
October 1, 2024 through October 31, 2024	552,958	\$ 65.25	552,958	\$ 307,006,688
November 1, 2024 through November 30, 2024	1,168,810	72.43	1,168,810	222,348,874
December 1, 2024 through December 31, 2024	1,100,667	74.41	1,100,667	640,453,301
<b>Totals</b>	<b>2,822,435</b>	<b>\$ 71.79</b>	<b>2,822,435</b>	<b>\$ 640,453,301</b>

Subject to applicable corporate securities laws, repurchases under the Share Repurchase Program may be made at such times and in such amounts as we deem appropriate. We are subject to certain limitations regarding the repurchase of common stock, such as restricted payment limitations contained in our Credit Facility and the indentures for our outstanding senior notes. We are not obligated to repurchase any shares under this program and repurchases under the Share Repurchase Program can be discontinued at any time at our sole discretion. Repurchases under the Share Repurchase Program are funded with existing cash resources, cash generated from operations and availability under our Credit Facility.

We may acquire our debt or equity securities through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine. Repurchases of shares may also be made under Rule 10b5-1 plans, which would permit common stock to be repurchased when the Company might otherwise be precluded from doing so under insider trading laws. The timing, volume and nature of share repurchases will be at the sole discretion of management, dependent on market conditions, applicable securities laws and other factors, and may be suspended or discontinued at any time.

Our Definitive Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders, incorporated herein by reference, contains information concerning securities authorized for issuance under equity compensation plans within the captions *Ownership of Certain Beneficial Owners and Management* and *Equity Compensation Plan Information*.

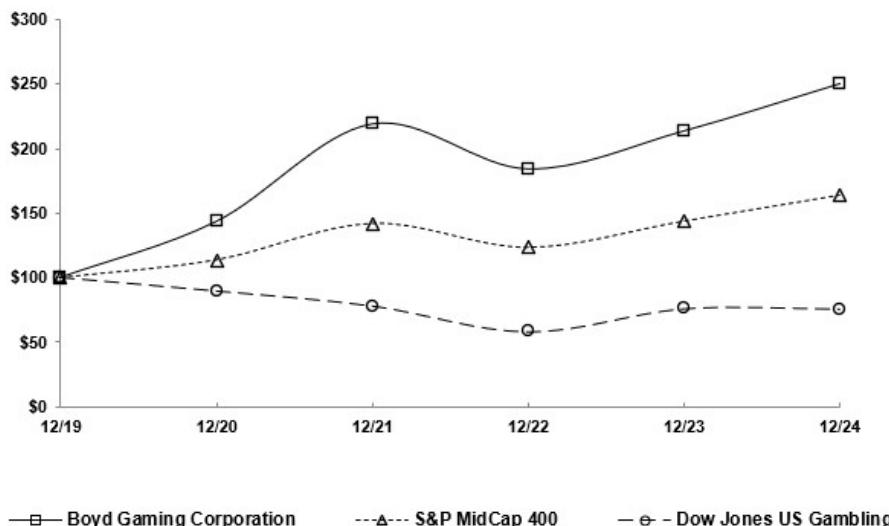
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**Stock Performance Graph**

The graph below compares the five-year cumulative total return on our common stock to the cumulative total return of the Standard & Poor's MidCap 400 Index ("S&P MidCap 400") and to the Dow Jones U.S. Gambling Index ("Dow Jones US Gambling"). The performance graph assumes that \$100 was invested on December 31, 2019 in each of the Company's common stock, the S&P MidCap 400 and Dow Jones US Gambling, and that all dividends were reinvested. The stock price performance shown in this graph is neither necessarily indicative of, nor intended to suggest, future stock price performance.

**COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN\***

Among Boyd Gaming Corporation, the S&P MidCap 400 Index  
and the Dow Jones US Gambling Index



\*\$100 invested on 12/31/19 in stock or index, including reinvestment of dividends.  
Fiscal year ending December 31.

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	Indexed Returns		
	Boyd Gaming Corp.	S&P MidCap 400	Dow Jones US Gambling
December 2020	143.35	113.66	89.66
December 2021	219.00	141.80	78.17
December 2022	184.16	123.28	58.28
December 2023	213.58	143.54	75.96
December 2024	250.18	163.54	75.79

The performance graph should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act of 1933 or the Exchange Act of 1934, unless we specifically incorporate the performance graph by reference therein.

**ITEM 6. Reserved**

**ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion should be read in conjunction with our consolidated financial statements and the related notes thereto and other financial information included in this Annual Report on Form 10-K. For the year ended December 31, 2022, and changes from the year ended December 31, 2022 to the year ended December 31, 2023, management's discussion and analysis pertaining to our financial condition, changes in our financial condition, and the results of our operations have been omitted from this MD&A and may be found in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations as included in our Annual Report on Form 10-K for the year ended December 31, 2023. In addition to the historical information, certain statements in this discussion are forward-looking statements based on current expectations that involve risks and uncertainties. Actual results and the timing of certain events may differ significantly from those projected in such forward-looking statements.

Our primary areas of focus are: (i) growing revenues and building loyalty among our core customers; (ii) ensuring our existing operations are managed as efficiently as possible and remain positioned for growth; (iii) maintaining the strength of our balance sheet, including our leverage ratios, and finding opportunities to diversify and increase cash flow; (iv) returning capital to shareholders through share repurchases and dividends; (v) furthering our corporate social responsibility ("CSR") initiatives, including our continued efforts to strive to reduce our consumption of natural resources; (vi) pursuing online gaming opportunities to build a regional online casino business as states allow online casino gaming in and around the states we operate; and (vii) successfully pursuing our growth strategy, which is built on identifying development opportunities in our existing portfolio and acquiring assets that we believe are a strategic fit and provide an appropriate return to our shareholders.

**EXECUTIVE OVERVIEW**

Boyd Gaming Corporation (the "Company," "Boyd Gaming," "we" or "us") is a multi-jurisdictional gaming company that has been in operation since 1975.

As of December 31, 2024, we had 28 wholly owned gaming entertainment properties. Headquartered in Las Vegas, Nevada, we have geographically diversified gaming entertainment properties in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania. In addition, we own and operate Boyd Interactive, a B2B and B2C online casino gaming business. We also manage the Sky River Casino located in California under a management agreement with Wilton Rancheria. We have the following four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online, (collectively "Reportable Segments"). The Las Vegas Locals, Downtown Las Vegas and Midwest & South segments include the operating results of our gaming entertainment properties. The Online segment includes the operating results of our online gaming operations through collaborative arrangements with third parties throughout the United States and the operations from our acquisitions of Pala Interactive and Pala Canada on November 1, 2022 and Resorts Digital on September 1, 2024 (collectively, "Boyd Interactive"). To reconcile Reportable Segments information to the consolidated information, the Company has aggregated nonreportable operating segments into a Managed & Other category. The Managed & Other category includes management fees earned under our management contract with Wilton Rancheria for the management of Sky River Casino in northern California and the operating results of Lattner, our Illinois distributed gaming operator.

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The table below lists the Reportable Segment classification of each of our gaming entertainment properties that were aggregated based on their similar economic characteristics, types of customers, types of services and products provided, the regulatory environments in which they operate and their management and reporting structure.

### **Las Vegas Locals**

Gold Coast Hotel and Casino	Las Vegas, Nevada
The Orleans Hotel and Casino	Las Vegas, Nevada
Sam's Town Hotel and Gambling Hall	Las Vegas, Nevada
Suncoast Hotel and Casino	Las Vegas, Nevada
Eastside Cannery Casino and Hotel (1)	Las Vegas, Nevada
Aliante Casino + Hotel + Spa	North Las Vegas, Nevada
Cannery Casino Hotel	North Las Vegas, Nevada
Jokers Wild	Henderson, Nevada

### **Downtown Las Vegas**

California Hotel and Casino	Las Vegas, Nevada
Fremont Hotel & Casino	Las Vegas, Nevada
Main Street Station Hotel and Casino	Las Vegas, Nevada

### **Midwest & South**

Par-A-Dice Casino	East Peoria, Illinois
Belterra Casino Resort (2)	Florence, Indiana
Blue Chip Casino Hotel Spa	Michigan City, Indiana
Diamond Jo Casino	Dubuque, Iowa
Diamond Jo Worth	Northwood, Iowa
Kansas Star Casino	Mulvane, Kansas
Amelia Belle Casino	Amelia, Louisiana
Delta Downs Racetrack Hotel & Casino	Vinton, Louisiana
Evangeline Downs Racetrack & Casino	Opelousas, Louisiana
Sam's Town Shreveport	Shreveport, Louisiana
Treasure Chest Casino	Kenner, Louisiana
IP Casino Resort Spa	Biloxi, Mississippi
Sam's Town Hotel and Gambling Hall Tunica	Tunica, Mississippi
Ameristar Casino * Hotel Kansas City (2)	Kansas City, Missouri
Ameristar Casino * Resort * Spa St. Charles (2)	St. Charles, Missouri
Belterra Park (2)	Cincinnati, Ohio
Valley Forge Casino Resort	King of Prussia, Pennsylvania

(1) Due to the current levels of demand in the market, Eastside Cannery has remained closed since March 18, 2020, when it closed in compliance with orders issued by state officials as precautionary measures intended to slow the spread of the COVID-19 virus.

(2) Property is subject to a master lease agreement with a real estate investment trust.

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We also own a travel agency located in Hawaii. Financial results for our travel agency are included in our Downtown Las Vegas segment, as our Downtown Las Vegas properties focus their marketing efforts on gaming customers from Hawaii.

Most of our gaming entertainment properties also include a hotel, restaurants, bars, a sportsbook, retail and other amenities. Our main business emphasis is on slot revenues, which are highly dependent upon the number of visits and spending levels of customers at our properties.

Our gaming entertainment properties have historically generated significant operating cash flow, with the majority of our revenue being cash-based. While we do provide casino credit and the ability to transfer digital funds from a player's cashless "BoydPay" wallet, subject to certain gaming regulations and jurisdictions, most of our customers wager with cash and pay for non-gaming services with cash or by credit card.

Our industry is capital intensive, and we rely heavily on the ability of our operations to generate operating cash flow to fund maintenance capital expenditures, pay income taxes, repay debt financing and associated interest costs, repurchase our debt or equity securities, pay dividends, and provide excess cash for future development and to help fund acquisitions.

### **Our Strategy**

Our strategy is to increase shareholder value by pursuing strategic initiatives that improve and grow our business.

#### **Growing Revenues and Operating Efficiently**

We are committed to growing revenues and building loyalty among core customers through targeted marketing investments with a focus on maximizing gaming revenues while operating as efficiently as possible.

#### **Balance Sheet Strength**

We are committed to maintaining a strong balance sheet and finding opportunities to diversify and increase our cash flow. We are also committed to a balanced capital allocation approach with our cash flows, with a current emphasis on investing in our business and returning capital to shareholders.

#### **Evaluating Acquisition and Growth Opportunities**

Our evaluations of potential investments and growth opportunities are strategic, deliberate, and disciplined. Our goal is to identify and pursue opportunities that grow our business, are available at the right price and deliver a solid return for shareholders. These investments can take the form of expanding and enhancing offerings and amenities at existing properties, developing new properties, expanding and enhancing online sports wagering and online casino offerings as they are legalized in and around the states we operate today, and asset acquisitions.

#### **Maintaining our Brand**

The ability of our Team Members to deliver great customer service helps distinguish our Company and our brands from our competitors. Our Team Members are an important reason that our customers continue to choose our properties over the competition across the country. In addition, we have established nationwide branding through our "Boyd Rewards" loyalty program. Our players use their Boyd Rewards cards to earn and redeem points at all of our gaming entertainment properties and online casino gaming offerings. Boyd Rewards, among other benefits, rewards players for their loyalty by entitling them to qualify for promotions and monetary discounts, earn rewards toward gaming and nongaming activities and receive benefits such as vacations and luxury gifts.

#### **Commitment to CSR**

We seek to fulfill our commitment to CSR through four core pillars: Environment, People, Communities and Corporate Governance. We invest in the well-being of our communities and future generations through economic contributions and endeavor to reduce our carbon footprint, strive to be an employer of choice where every Team Member is treated with dignity and respect, and promote a culture of conducting business with the highest level of integrity.

#### **Our Key Performance Indicators**

We use several key performance measures to evaluate the operations of our gaming entertainment properties. These key performance measures include the following:

- **Gaming revenue measures:** *slot handle*, which means the dollar amount wagered in slot machines, and *table game drop*, which means the total amount of cash, including digital funds transferred from the players' cashless "BoydPay" wallets, deposited in table games drop boxes, plus the sum of the markers issued at all table games, are measures of volume and/or market share. *Slot win* and *table game hold*, which refers to the amount of money wagered on slot machines and table games, respectively, that is retained by us and recorded as gaming revenues. This figure represents the difference between total wagers made by customers and the winnings they receive on slot machines and table games. *Slot win percentage* and *table game hold percentage* are not fully controllable by us, and represent the relationship between slot handle to slot win and table game drop to table game hold, respectively.
- **Food & beverage revenue measures:** *average guest check*, which means the average amount spent per customer visit and is a measure of volume and product offerings; *number of guests served* ("food covers"), which is an indicator of volume; and the *cost per guest served*, which is a measure of operating margin.
- **Room revenue measures:** *hotel occupancy rate*, which measures the utilization of our available rooms; *average daily rate* ("ADR"), which is a price measure; and the *cost per room*, which is a measure of operating margin.

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## RESULTS OF OPERATIONS

### Overview

<i>(In millions)</i>	Year Ended December 31,	
	2024	2023
Total revenues	\$ 3,930.2	\$ 3,738.5
Operating income	927.8	901.8
Net income	578.0	620.0

**Total Revenues**

Total revenues increased \$191.7 million, or 5.1%, for 2024 as compared to 2023 due primarily to the following: (i) an increase in online revenue of \$184.0 million, which was driven by an increase of \$122.5 million in reimbursements of gaming taxes and other expenses paid on behalf of our online partners, during the year ended December 31, 2024, as compared to the prior year comparable period, a \$38.1 million increase in revenue under our market access agreements and a \$23.4 million increase in revenue from Boyd Interactive's operations; (ii) an increase in food & beverage revenue of \$15.1 million primarily due to an increase in average guest check of 6.1%; (iii) an increase of \$11.5 million related to the Sky River Casino management fee; and (iv) offset by a decrease in gaming revenue of \$29.4 million. The gaming revenue decline was primarily driven by the first quarter, which contributed to \$30.2 million of the gaming revenue decline for the year. Further, more than half of the \$29.4 million gaming revenue decline, or \$23.0 million, was related to January as severe winter storms impacted the Midwest & South segment. In addition, gaming revenues were down from the prior year due primarily to competitive pressures from a new competitor that opened in our Las Vegas Locals market. Year over year gaming revenue trends improved the latter half of 2024 as the increase in gaming revenue from our new land-based Treasure Chest casino that opened in June 2024 offset the competitive pressures in the Las Vegas Locals market.

**Operating Income**

In 2024, our operating income increased \$25.9 million, or 2.9%, as compared to 2023. Operating income was favorably impacted by: (i) \$97.3 million decrease in impairment of assets over the prior year comparable period as the Company recorded an impairment charge of \$10.5 million during 2024 related to a gaming license right in the Midwest & South segment, compared to \$107.8 million in impairment charges during 2023; and (ii) \$38.1 million increase in revenue under our market access agreements, which we receive as revenue share under our collaborative arrangements. While online revenues grew \$184.0 million, \$122.5 million of the online revenue growth is due to reimbursements of gaming taxes and other expenses paid on behalf of our online partners that results in zero operating income as an equal amount is also recorded as an expense. Operating income was unfavorably impacted by: (i) \$37.3 million increase in selling, general and administrative expenses which were driven by property insurance increases and wage increases; (ii) \$19.9 million increase in depreciation and amortization driven by the completion of the new land-based casino at Treasure Chest in June 2024 and our hotel room renovations at Gold Coast, Blue Chip and Ameristar St. Charles; (iii) \$9.6 million increase in other operating items, primarily driven by litigation reserves in the current year as compared to a settlement received in the prior year; and (iv) \$37.5 million increase in project development, preopening and writedowns expenses. The \$37.5 million increase in project development, preopening and writedowns expense over the prior year is driven by: (i) \$5.0 million increase in preopening expenses primarily related to the opening of the Treasure Chest land-based casino; (ii) \$12.5 million increase in asset writedowns and demolition costs; and (iii) \$20.1 million reduction of the allowance on a note receivable with Wilton Rancheria ("Wilton Note") in the prior year for development advances over the 10 years prior to the Sky River Casino opening as we evaluated the current expected credit losses after an amendment to Wilton Rancheria's third-party construction loan in March 2023 that allowed for payments to us to begin in March 2023.

**Net Income**

For the year ended December 31, 2024, net income was \$578.0 million, compared with net income of \$620.0 million for the prior year. This decrease was primarily due to the following: (i) \$41.2 million increase in the income tax provision as 2023 benefited from the release of state tax valuation allowances of \$35.9 million; (ii) \$22.3 million interest income decline due to a reduction in interest earned on the Wilton Note during 2024, as the principal outstanding under the Wilton Note was fully repaid in the first quarter; (iii) \$6.2 million increase in interest expense from the prior year comparable period due to an increase in the weighted average long-term debt balance of \$42.2 million; offset by (iv) an increase in operating income of \$25.9 million, as discussed above.

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**Operating Revenues**

We derive the majority of our revenues from our gaming operations, which generated approximately 66% and 70% of our revenues in 2024 and 2023, respectively. Online revenues, including reimbursements received from our third-party operators for gaming taxes and other expenses we pay under collaborative arrangements, represent our next most significant revenue source, generating 15% and 11% of revenues in 2024 and 2023, respectively. Food & beverage revenues, room revenues, management fee revenues and other revenues each separately contributed less than 8% of revenues in each of 2024 and 2023.

<i>(In millions)</i>	Year Ended December 31,	
	2024	2023
<b>REVENUES</b>		
Gaming	\$ 2,583.9	\$ 2,613.3
Food & beverage	303.5	288.5
Room	204.6	199.1
Online	606.3	422.2
Management fee	88.4	76.9
Other	143.5	138.5
<b>Total revenues</b>	<b>\$ 3,930.2</b>	<b>\$ 3,738.5</b>
<b>DEPARTMENTAL OPERATING EXPENSES</b>		
Gaming	\$ 999.8	\$ 1,000.2
Food & beverage	253.9	240.9
Room	77.6	73.5
Online	497.8	359.0
Other	51.3	46.3
<b>Total departmental operating expenses</b>	<b>\$ 1,880.4</b>	<b>\$ 1,719.9</b>
<b>MARGINS</b>		
Gaming	61.3%	61.7%
Food & beverage	16.3%	16.5%
Room	62.1%	63.1%
Online	17.9%	15.0%
Other	64.3%	66.6%

**Gaming**

Gaming revenues are comprised primarily of the net win from our slot machine operations and to a lesser extent from table games win. The \$29.4 million, or 1.1%, decrease in gaming revenues during 2024 as compared to the prior year, was primarily due to declines in table game hold of 1.5%, table game drop of 1.3% and slot handle of 0.3%. Gaming revenues were impacted primarily by winter storms throughout the Midwest & South in January and competitive pressures throughout the year in the Las Vegas Locals segment after a new competitor entered the market in December 2023, both as discussed above.

**Food & Beverage**

Food & beverage revenues increased \$15.1 million, or 5.2%, during 2024 as compared to prior year, primarily due to an increase in average guest check of 6.1%.

**Room**

Room revenues increased \$5.5 million, or 2.8%, in 2024 compared to 2023 due primarily to an increase in hotel occupancy rate of 1.5%.

**Online**

Online revenues increased \$184.0 million in 2024 compared to 2023 primarily driven by an increase of \$122.5 million in reimbursements of gaming taxes and other expenses paid on behalf of our online partners, a \$38.1 million increase in revenue under our market access agreements, including \$32.1 million of one-time market access fees, and a \$23.4 million increase in revenue from Boyd Interactive's operations, inclusive of Resorts Digital upon acquisition on September 1, 2024.

**Management Fee**

Management fee revenues of \$88.4 million and \$76.9 million in 2024 and 2023, respectively, relate to our management agreement with Wilton Rancheria to manage the Sky River Casino in northern California.

**Other**

Other revenues relate to patronage visits at the other amenities at our properties, including entertainment and nightclub revenues, retail sales, theater tickets and other venues. Other revenues increased by \$5.0 million, or 3.6%, during 2024 as compared to the prior year.

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**Revenues and Adjusted EBITDAR by Reportable Segment**

We determine profitability based on Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Rent ("Adjusted EBITDAR"), which represents earnings before interest expense, interest income, income taxes, depreciation and amortization, deferred rent, master lease rent expense, other operating items, net, share-based compensation expense, project development, preopening and writedown expenses, impairments of assets, loss on early extinguishments and modifications of debt and other items, net, as applicable. Reportable Segment Adjusted EBITDAR is the aggregate sum of the Adjusted EBITDAR for each of the gaming entertainment properties included in our Las Vegas Locals, Downtown Las Vegas, and Midwest & South segments and our Online segment. Results for Downtown Las Vegas include the results of our travel agency located in Hawaii. Results for our nonreportable operating segments, including Latner and our Sky River Casino management fees are aggregated in the Managed & Other category. Corporate expense represents unallocated payroll, professional fees, rent, aircraft expenses and various other expenses not directly related to our casino, hotel and online operations. Furthermore, for purposes of this presentation, corporate expense excludes its portion of share-based compensation expense.

EBITDAR is a commonly used measure of performance in our industry that we believe, when considered with measures calculated in accordance with GAAP, facilitates comparisons between us and our competitors and provides our investors a more complete understanding of our operating results before the impact of investing transactions, financing transactions and income taxes. We have historically adjusted EBITDAR when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results.

The following table presents our total revenues and Adjusted EBITDAR by Reportable Segment and our Managed & Other category to reconcile to total revenue and total Adjusted EBITDAR:

(In millions)	Year Ended December 31,	
	2024	2023
<b>Total revenues</b>		
Las Vegas Locals	\$ 894.5	\$ 928.1
Downtown Las Vegas	230.1	222.4
Midwest & South	2,063.4	2,042.0
Online	606.2	422.2
Managed & Other	136.0	123.8
<b>Total revenues</b>	<b>\$ 3,930.2</b>	<b>\$ 3,738.5</b>
<b>Adjusted EBITDAR (1)</b>		
Las Vegas Locals	\$ 428.4	\$ 471.0
Downtown Las Vegas	83.3	85.5
Midwest & South	765.7	781.7
Online	107.6	62.3
Managed & Other	96.2	84.5
Corporate expense	(90.6)	(90.2)
<b>Adjusted EBITDAR</b>	<b>\$ 1,390.6</b>	<b>\$ 1,394.8</b>

(1) Refer to Note 14, *Segment Information*, in the notes to the consolidated financial statements for a reconciliation of Adjusted EBITDAR to net income, as reported in accordance with GAAP in our accompanying consolidated statements of operations.

**Las Vegas Locals**

Total revenues decreased \$33.6 million, or 3.6%, during 2024 as compared to the prior year, due primarily to a \$36.9 million decline in gaming revenues. The decrease in gaming revenues was attributable to declines in table game hold of 7.8%, table game drop of 3.2%, slot handle of 3.7% and slot win of 3.1% from the prior year. The Las Vegas Locals segment was impacted by competitive pressures with a new competitor entering the market in December 2023. Absent these competitive pressures that have impacted two of our properties, the rest of the Las Vegas Locals segment performed in-line or slightly above the overall same-store market.

Adjusted EBITDAR decreased \$42.5 million, or 9.0%, during 2024 as compared to the prior year, due primarily to the gaming revenues decline discussed above and overall cost pressures, primarily in labor as we completed our efforts in 2023 to increase the hourly minimum rate to \$15 per hour for all non-tipped, non-represented positions and also property insurance.

**Downtown Las Vegas**

Total revenues increased \$7.7 million, or 3.5%, during 2024 as compared to the prior year, reflecting revenue increases in all departmental categories. Room revenues increased \$2.5 million as the hotel occupancy rate increased 7.7% and food & beverage revenues increased \$2.5 million as average guest check increased 4.6%. In addition, gaming revenues increased \$2.0 million primarily due to increases in slot win of 4.6% and slot handle of 3.2%. These increases were primarily attributable to our recently completed renovation and expansion at the Fremont Hotel & Casino and the hotel remodel at Main Street Station Hotel and Casino, both of which were completed in the fourth quarter of the prior year.

Adjusted EBITDAR decreased \$2.2 million, or 2.6%, during 2024 as compared to the prior year, primarily due to wage increases from our minimum wage increase and also property insurance cost increases.

[Table of Contents](#)**Midwest & South**

Total revenues increased \$21.5 million, or 1.1%, in 2024 as compared to 2023, reflecting revenue increases in all departmental categories. Food & beverage revenue increased \$12.9 million, which was driven by a 7.2% increase in average guest check, offset by a 5.0% decrease in food covers. Gaming revenues increased \$6.0 million primarily due to increases in table game hold of 1.4% and slot win of 1.0%. These increases were driven by strong third and fourth quarter performances at Treasure Chest, which opened its new land-based casino in June 2024.

Adjusted EBITDAR decreased \$16.0 million, or 2.0%, in 2024 as compared to 2023, due primarily to property insurance increases and wage increases as we increased the minimum wage in the prior year, all as discussed above.

**Online**

Online revenues increased \$184.0 million, or 43.6%, in 2024 as compared to 2023, primarily driven by an increase of \$122.5 million in reimbursements of gaming taxes and other expenses paid on behalf of our online partners, a \$38.1 million increase in revenue under our market access agreements, including \$32.1 million of one-time market access fees, and a \$23.4 million increase in revenue from Boyd Interactive's operations, inclusive of Resorts Digital upon acquisition on September 1, 2024.

Adjusted EBITDAR increased by \$45.3 million, or 72.6%, in 2024 as compared to 2023, due primarily to revenues under our market access agreements and continued growth from Boyd Interactive. We recorded one-time market access fees of \$32.1 million during 2024 that contributed to year over year Adjusted EBITDAR growth. As discussed earlier, there is an equal amount of expense recorded for the revenue recorded related to the reimbursement of gaming taxes and other expenses, thus resulting in no impact to Adjusted EBITDAR.

**Managed & Other**

In 2024, total revenues increased by \$12.1 million and Adjusted EBITDAR increased by \$11.7 million, as compared to 2023, primarily due to an \$11.5 million increase in Sky River Casino management fees for 2024 compared to 2023.

**Other Operating Costs and Expenses**

The following operating costs and expenses, as presented in our consolidated statements of operations, are further discussed below:

<i>(In millions)</i>	Year Ended December 31,	
	2024	2023
Selling, general and administrative	\$ 427.2	\$ 389.9
Master lease rent expense	111.4	108.4
Maintenance and utilities	148.4	151.0
Depreciation and amortization	276.6	256.8
Corporate expense	113.9	116.0
Project development, preopening and writedowns	28.6	(8.9)
Impairment of assets	10.5	107.8
Other operating items, net	5.4	(4.2)

**Selling, General and Administrative**

Selling, general and administrative expenses include marketing, technology, compliance and risk, surveillance and security. These costs, as a percentage of revenues, were 10.9% and 10.4% for 2024 and 2023, respectively. While we continue to focus on our disciplined operating model and targeted marketing approach, selling, general and administrative expenses were impacted in 2024 by increased wages as a result of our minimum wage increase to \$15 per hour and property insurance costs.

**Master Lease Rent Expense**

Master lease rent expense represents rent expense incurred by four of our properties which are subject to two master lease agreements with a real estate investment trust. Master lease rent expense remained generally flat year over year at \$111.4 million and \$108.4 million during 2024 and 2023, respectively.

**Maintenance and Utilities**

Maintenance and utilities expenses, as a percentage of revenues, remained generally consistent at 3.8% and 4.0% for 2024 and 2023, respectively.

**Depreciation and Amortization**

Depreciation and amortization expense, as a percentage of revenues, remained generally consistent at 7.0% and 6.9% in 2024 and 2023, respectively.

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### **Corporate Expense**

Corporate expense represents unallocated payroll, professional fees, rent, aircraft expenses and various other administrative expenses that are not directly related to our casino, hotel and online operations, in addition to the corporate portion of share-based compensation expense. Corporate expense was generally consistent and represented 2.9% and 3.1% of revenues for 2024 and 2023, respectively.

### **Project Development, Preopening and Writedowns**

Project development, preopening and writedowns represent: (i) certain costs incurred and recoveries realized related to the activities associated with various acquisition opportunities, strategic initiatives, dispositions and other business development activities in the ordinary course of business; (ii) certain costs of start-up activities that are expensed as incurred in our ongoing efforts to develop gaming activities in new jurisdictions and expenses related to other new business development activities that do not qualify as capital costs; (iii) asset writedowns; and (iv) realized gains arising from asset dispositions. Such costs are generally nonrecurring in nature and vary from period to period as the volume of underlying activities fluctuates. During 2024, the Company incurred \$15.0 million in project development and preopening costs, primarily related to the opening of the Treasure Chest land-based casino and other development projects, \$10.7 million in asset writedowns and \$3.0 million in demolition costs. During 2023, the Company benefited from a \$20.1 million reduction of the allowance on the Wilton Note for development advances over the last 10 years prior to the Sky River Casino opening offset by preopening costs of \$10.0 million.

### **Impairment of Assets**

Impairment of assets in 2024 includes non-cash impairment charges of \$10.5 million for a gaming license right related to our Midwest & South segment primarily related to a decline in operational performance.

Impairment of assets in 2023 includes non-cash impairment charges of the following: (i) \$21.3 million for gaming license rights in our Midwest & South segment primarily due to higher interest rates combined with a decline in operational performance; (ii) \$82.0 million for goodwill in our Online segment primarily due to the expectation of an extended timeframe for the legalization of online gaming in the states we operate and a corresponding decline in the expected discounted cash flows; and (iii) \$4.5 million for goodwill in our Managed & Other category primarily related to a decline in operational performance.

### **Other Operating Items, Net**

Other operating items, net, is generally comprised of miscellaneous non-recurring operating charges, including severance payments to separated employees, certain non-recurring litigation charges, natural disasters and severe weather impact, including hurricane and flood expenses, and subsequent recoveries of such costs, as applicable. The \$5.4 million of other operating items, net in 2024, was primarily driven by non-recurring litigation reserves. During 2023, the \$4.2 million favorable amount of other operating items, net, was primarily driven by a one-time settlement payment received.

### **Other Expense (Income)**

#### **Interest Expense, Net**

<i>(In millions)</i>	<b>Year Ended December 31,</b>	
	<b>2024</b>	<b>2023</b>
Interest expense, net of capitalized interest and interest income	\$ 175.8	\$ 147.4
Average long-term debt balance (1)	2,987.4	2,945.2
Weighted average interest rates	5.6%	5.4%

<b>Mix of Debt at Year End</b>		
Fixed rate debt	59.4%	64.5%
Variable rate debt	40.6%	35.5%

(1) Average debt balance calculation does not include the related discounts or deferred finance charges.

Interest expense, net of capitalized interest and interest income, increased \$28.4 million, or 19.3%, from 2023 to 2024. The increase was attributable to a \$22.3 million interest income decline driven by a reduction of the allowance for the expected loss for interest on the Wilton Note and interest earned on such note during 2023. With the full repayment of outstanding principal under the Wilton Note during the first quarter of 2024, interest earnings related to the Wilton Note were minimal in the current year. In addition, interest expense increased \$6.2 million due primarily to an increase in the weighted average long-term debt balance of \$42.2 million.

### **Income Taxes**

The effective tax rate on income from continuing operations during 2024 and 2023 was 23.1% and 17.6%, respectively. Our effective tax rates for 2024 and 2023 were unfavorably impacted by certain nondeductible expenses, including nondeductible compensation and employee benefit expenses, which were partially offset by the inclusion of excess tax benefits related to equity compensation, as a component of the provision for income taxes. The 2024 effective tax rate was unfavorably impacted by state taxes and favorably impacted by foreign tax benefits. The 2023 effective tax rate was favorably impacted by the release of state valuation allowances and foreign tax benefits.

The Internal Revenue Service ("IRS") has selected our federal corporate income tax return for the tax year ended December 31, 2021, for examination. The IRS examination began in the second quarter of 2024 and is still ongoing. As of December 31, 2024, and for the year then ended, there were no changes to our unrecognized tax benefits to date.

## **LIQUIDITY AND CAPITAL RESOURCES**

### **Financial Position**

We generally operate with minimal or negative levels of working capital in order to minimize borrowings and related interest costs. Our cash and cash equivalents balances were \$316.7 million and \$304.3 million at December 31, 2024 and 2023, respectively. In addition, we held restricted cash balances of \$4.7 million and \$3.7 million at December 31, 2024 and 2023, respectively. Our working capital deficit at December 31, 2024 and 2023 was \$61.2 million and \$67.0 million, respectively.

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We believe that current cash balances together with the available borrowing capacity under our Revolving Credit Facility (as defined in " *Indebtedness*" below) and cash flows from operating activities will be sufficient to meet our liquidity and capital resource needs for the next twelve months, including our projected operating requirements and maintenance capital expenditures. See "*Indebtedness*", below, for further detail regarding funds available through our Credit Facility.

The Company may also seek to secure additional working capital, repay respective current debt maturities, or fund respective development projects, in whole or in part, through incremental bank financing and additional debt or equity offerings, to the extent such offerings are allowed under our debt agreements.

### Cash Flows Summary

	Year Ended December 31,	
	2024	2023
<b>(In millions)</b>		
<b>Net cash provided by operating activities</b>	\$ 957.1	\$ 914.5
<b>Cash flows from investing activities</b>		
Capital expenditures	(400.4)	(374.0)
Cash paid for acquisitions, net of cash received	(30.3)	—
Payments received on note receivable	0.2	113.6
Other investing activities	(3.4)	(3.9)
<b>Net cash used in investing activities</b>	<b>(433.9)</b>	<b>(264.3)</b>
<b>Cash flows from financing activities</b>		
Net borrowings (payments) under credit facilities	254.0	(141.5)
Shares repurchased and retired	(685.9)	(412.7)
Dividends paid	(62.7)	(63.6)
Share-based compensation activities, net	(14.8)	(19.3)
Other financing activities	(0.2)	(0.1)
<b>Net cash used in financing activities</b>	<b>(509.6)</b>	<b>(637.2)</b>
<b>Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash</b>	<b>(0.2)</b>	<b>(0.1)</b>
<b>Increase in cash, cash equivalents and restricted cash</b>	<b>\$ 13.4</b>	<b>\$ 12.9</b>

#### Cash Flows from Operating Activities

During 2024 and 2023, we generated net operating cash flow of \$957.1 million and \$914.5 million, respectively. Operating cash flows for 2024 increased primarily due to the timing of accounts receivable payments received, primarily reimbursements of gaming taxes and other expenses paid on behalf of our online partners.

#### Cash Flows from Investing Activities

Our industry is capital intensive, and we use cash flows for acquisitions, facility expansions, investments in future development or business opportunities and maintenance capital expenditures.

During 2024, we incurred net cash outflows for investing activities of \$433.9 million comprised of capital expenditures of \$400.4 million, primarily related to our Treasure Chest land-based casino project, various guest room remodels, slot machines, IT equipment and building projects at various properties. Investing cash outflows were also impacted by net cash paid of \$30.3 million related to the acquisition of Resorts Digital.

During 2023, we incurred net cash outflows for investing activities of \$264.3 million comprised of capital expenditures of \$374.0 million, primarily related to our Treasure Chest land-based casino project, Fremont food hall and slot floor expansion and renovation, various guest room remodels, IT equipment and building projects at various properties offset by \$113.6 million in payments received related to the outstanding principal on the Wilton Note.

#### Cash Flows from Financing Activities

We rely upon our financing cash flows to provide funding for investment opportunities, returning capital to shareholders, repayments of obligations and ongoing operations.

The net cash outflows of \$509.6 million for financing activities in 2024 is primarily driven by \$685.9 million in share repurchases and \$62.7 million in dividends paid, reflecting the priority of our capital return program and focus on returning capital to shareholders. During 2024, we increased borrowings under the Credit Facility as we increased our share repurchase activity and acquired Resorts Digital, resulting in net borrowings under the Credit Facility for 2024.

The net cash outflows of \$637.2 million for financing activities in 2023 is primarily driven by \$412.7 million in share repurchases and \$63.6 million in dividends paid, reflecting the priority of our capital return program and focus on returning capital to shareholders. Other significant financing activities during 2023 include \$141.5 million in net payments on our Revolving Credit Facility (see "*Indebtedness*") as we used cash flow from operations to paydown amounts borrowed in 2022 to fund the Boyd Interactive acquisition.

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**Indebtedness**

The outstanding principal balances of long-term debt, before unamortized discounts and fees, and the changes in those balances, are as follows:

<i>(In millions)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>Increase / (Decrease)</b>
Credit facility	\$ 1,300.3	\$ 1,046.3	\$ 254.0
4.750% senior notes due 2027	1,000.0	1,000.0	—
4.750% senior notes due 2031	900.0	900.0	—
Other	—	0.5	(0.5)
<b>Total long-term debt</b>	<b>3,200.3</b>	<b>2,946.8</b>	<b>253.5</b>
Less current maturities	44.0	44.3	(0.3)
<b>Long-term debt, net of current maturities</b>	<b>\$ 3,156.3</b>	<b>\$ 2,902.5</b>	<b>\$ 253.8</b>

The amount of current maturities include certain non-extending balances scheduled to be repaid within the next twelve months under the Credit Facility.

**Credit Facility**

*Credit Agreement*

On March 2, 2022 (the "Closing Date"), the Company entered into a credit agreement (the "Credit Agreement") among the Company, certain direct and indirect subsidiaries of the Company as guarantors (the "Guarantors"), Bank of America, N.A., as administrative agent, collateral agent and letter of credit issuer, Wells Fargo Bank, National Association, as swingline lender, and certain other financial institutions party thereto as lenders. The Credit Agreement replaced the Third Amended and Restated Credit Agreement, dated as of August 14, 2013 (the "Prior Credit Facility"), among the Company, certain direct and indirect subsidiaries of the Company as guarantors, Bank of America, N.A., as administrative agent and letter of credit issuer, Wells Fargo Bank, National Association, as swingline lender, and certain other financial institutions party thereto as lenders.

The Credit Agreement provides for (i) a \$1,450.0 million senior secured revolving credit facility (the "Revolving Credit Facility") and (ii) an \$ 880.0 million senior secured term A loan (the "Term A Loan," collectively with the Revolving Credit Facility, the "Credit Facility"). The Revolving Credit Facility and the Term A Loan mature on the fifth anniversary of the Closing Date (or earlier upon the occurrence or non-occurrence of certain events). The Term A Loan was fully funded on the Closing Date. Proceeds from the Credit Agreement were used to refinance all outstanding obligations under the Prior Credit Facility, including a senior secured term loan A facility and senior secured term loan B facility (the "Prior Refinancing Term B Loan"), to fund transaction costs in connection with the Credit Agreement, and for general corporate purposes.

The outstanding principal amounts under the Credit Facility are comprised of the following:

<i>(In millions)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Revolving Credit Facility	\$ 475.0	\$ 180.0
Term A Loan	759.0	803.0
Swing Loan	66.3	63.3
<b>Total outstanding principal amounts</b>	<b>\$ 1,300.3</b>	<b>\$ 1,046.3</b>

With a total revolving credit commitment of \$1,450.0 million available under the Credit Facility, \$475.0 million and \$66.3 million in borrowings outstanding on the Revolving Credit Facility and the Swing Loan, respectively, and \$13.0 million allocated to support various letters of credit, there is a remaining contractual availability under the Credit Facility of \$895.7 million as of December 31, 2024.

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### *Interest and Fees*

The interest rate on the outstanding balance of the Revolving Credit Facility and the Term A Loan is based upon, at the Company's option, either: (i) a rate based on the Secured Overnight Financing Rate ("SOFR") administered by the Federal Reserve Bank of New York, or (ii) the base rate, in each case, plus an applicable margin. Such applicable margin is a percentage per annum determined in accordance with a specified pricing grid based on the Consolidated Total Net Leverage Ratio and ranges from 1.25% to 2.25% (if using SOFR) and from 0.25% to 1.25% (if using the base rate). A fee of a percentage per annum (which ranges from 0.20% to 0.35% and is determined in accordance with a specified pricing grid based on the Consolidated Total Net Leverage Ratio) will be payable on the unused portions of the Revolving Credit Facility. The rates based on SOFR will be determined based upon, at the Company's option, either: (i) a forward-looking SOFR term rate administered by CME Group Benchmark Administration Limited or any successor administrator, and based on interest periods of one, three or six months or such other interest period that is twelve months or less subject to the consent of lenders and the administrative agent, or (ii) a daily SOFR rate published by the Federal Reserve Bank of New York, and will include credit spread adjustments as set forth in the Credit Agreement. The "base rate" under the Credit Agreement is the highest of (x) Bank of America's publicly-announced prime rate, (y) the federal funds rate published by the Federal Reserve Bank of New York plus 0.50%, or (z) the SOFR rate for a one month interest period plus 1.00%.

The blended interest rate for outstanding borrowings under the Credit Facility was 6.2% and 7.2% at December 31, 2024 and December 31, 2023, respectively.

### *Optional and Mandatory Prepayments*

Pursuant to the terms of the Credit Agreement (i) the loans under the Term A Loan will amortize in an annual amount equal to 5.00% of the original principal amount thereof, commencing June 30, 2022, payable on a quarterly basis, and (ii) the Company is required to use a portion of its annual excess cash flow to prepay loans outstanding under the Credit Agreement if the Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement) exceeds certain thresholds set forth in the Credit Agreement.

Amounts outstanding under the Credit Agreement may be prepaid without premium or penalty, and the unutilized portion of the commitments may be terminated without penalty, subject to certain conditions.

Subject to certain exceptions, the Company may be required to repay the amounts outstanding under the Credit Agreement in connection with certain asset sales and issuances of certain additional non-permitted or refinancing indebtedness.

### *Guarantees and Collateral*

The Company's obligations under the Credit Agreement, subject to certain exceptions, are guaranteed by certain of the Company's subsidiaries and are secured by the capital stock of certain subsidiaries. In addition, subject to certain exceptions, the Company and each of the guarantors granted the administrative agent first priority liens and security interests on substantially all of their real and personal property (other than gaming licenses and subject to certain other exceptions) as additional security for the performance of the secured obligations under the Credit Agreement.

The Credit Agreement includes an accordion feature which permits the incurrence of one or more new tranches of revolving credit commitments or term loans and increases to the Revolving Credit Facility and Term A Loan in an aggregate amount up to the sum of (i) \$1,000.0 million, (ii) the amount of certain voluntary prepayments of senior secured indebtedness of the Company, and (iii) the maximum amount of incremental commitments which, after giving effect thereto, would not cause the Consolidated First Lien Net Leverage Ratio (as defined in the Credit Agreement) to exceed 3.00 to 1.00 on a pro forma basis, in each case, subject to the satisfaction of certain conditions.

### *Financial and Other Covenants*

The Credit Agreement contains certain financial and other covenants, including, without limitation, various covenants (i) requiring the maintenance of a minimum consolidated interest coverage ratio on a quarterly basis of 2.50 to 1.00, (ii) requiring the maintenance of a maximum Consolidated Total Net Leverage Ratio on a quarterly basis, (iii) imposing limitations on the incurrence of indebtedness and liens, (iv) imposing limitations on transfers, sales and other dispositions, and (v) imposing restrictions on investments, dividends and certain other payments.

The maximum permitted Consolidated Total Net Leverage Ratio is calculated as Consolidated Net Indebtedness to twelve-month trailing Consolidated EBITDA, as defined by the Credit Agreement. Beginning with the fiscal quarter ended September 30, 2023, the maximum Consolidated Total Net Leverage Ratio must be no higher than 4.50 to 1.00 and prior to that was 5.00 to 1.00.

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### **Senior Notes**

We currently have two issuances of senior notes (the "Senior Notes") outstanding as described below.

#### **4.750% Senior Notes due June 2031**

On June 8, 2021, we issued \$900.0 million aggregate principal amount of 4.750% Senior Notes due June 2031 ("4.750% Senior Notes due 2031"). The 4.750% Senior Notes due 2031 require semi-annual interest payments on March 15 and September 15 of each year. The 4.750% Senior Notes due 2031 will mature on June 15, 2031 and are fully and unconditionally guaranteed, on a joint and several basis, by certain of our current and future domestic restricted subsidiaries, all of which are 100% owned by us. The net proceeds from the 4.750% Senior Notes due 2031 and cash on hand were used to finance the redemption of our outstanding \$750.0 million aggregate principal amount of 6.375% Senior Notes due 2026 ("6.375% Senior Notes") and \$700.0 million aggregate principal amount of 6.000% Senior Notes due 2026 ("6.000% Senior Notes").

In conjunction with the issuance of the 4.750% Senior Notes due 2031, we incurred approximately \$13.5 million in debt financing costs that have been deferred and are being amortized over the term of the 4.750% Senior Notes due 2031 using the effective interest method.

At any time prior to June 15, 2026, we may redeem the 4.750% Senior Notes due 2031, in whole or in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, up to, but excluding, the applicable redemption date, plus a make whole premium.

#### **4.750% Senior Notes due December 2027**

On December 3, 2019, we issued \$1.0 billion aggregate principal amount of 4.750% senior notes due December 2027 ("4.750% Senior Notes due 2027"). The 4.750% Senior Notes due 2027 require semi-annual interest payments on June 1 and December 1 of each year. The 4.750% Senior Notes due 2027 will mature on December 1, 2027 and are fully and unconditionally guaranteed, on a joint and several basis, by certain of our current and future domestic restricted subsidiaries, all of which are 100% owned by us. The net proceeds from the 4.750% Senior Notes due 2027 were used to finance the redemption of all of our outstanding 6.875% senior notes due 2023 and prepay a portion of our Prior Refinancing Term B Loan.

In conjunction with the issuance of the 4.750% Senior Notes due 2027, we incurred approximately \$15.7 million in debt financing costs that have been deferred and are being amortized over the term of the 4.750% Senior Notes due 2027 using the effective interest method.

At any time after December 1, 2022, we may redeem all or a portion of the 4.750% Senior Notes due 2027 at redemption prices (expressed as percentages of the principal amount) ranging from 102.375% to 100% in 2024 and thereafter, plus accrued and unpaid interest and Additional Interest.

In connection with the private placement of the 4.750% Senior Notes due 2027, we entered into a registration rights agreement with the initial purchasers in which we agreed to file a registration statement with the Securities and Exchange Commission to permit the holders to exchange or resell the 4.750% Senior Notes due 2027. We filed the required registration statement and commenced the exchange offer in July 2020. The exchange offer was completed on August 20, 2020 and our obligations under the registration agreement have been fulfilled.

#### **Senior Notes Restrictive Covenants**

Each of the Senior Notes contains certain restrictive covenants that, subject to exceptions and qualifications, among other things, limit our ability and the ability of our restricted subsidiaries (as defined in the base and supplemental indentures governing the respective notes to incur additional indebtedness or liens, pay dividends or make distributions or repurchase our capital stock, make certain investments, and sell or merge with other companies). In addition, upon the occurrence of a change of control (as defined in the respective indenture), we will be required, unless certain conditions are met, to offer to repurchase the Senior Notes at a price equal to 101% of the principal amount of the Senior Notes, plus accrued and unpaid interest and Additional Interest (as defined in the respective indenture), if any, to, but not including, the date of purchase. If we sell assets, we will be required under certain circumstances to offer to purchase the Senior Notes.

The indentures governing the notes issued by the Company contain provisions that allow for the incurrence of additional indebtedness, if after giving effect to such incurrence, the coverage ratio (as defined in the respective indentures, essentially a ratio of the Company's consolidated EBITDA to fixed charges, including interest) for the Company's trailing four quarter period on a pro forma basis would be at least 2.0 to 1.0. Should this provision prohibit the incurrence of additional debt, the Company may still borrow under its existing credit facility. At December 31, 2024, the available borrowing capacity under our Credit Facility was \$895.7 million.

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### Covenant Compliance

As of December 31, 2024, we were in compliance with the financial and other covenants of our debt instruments.

### Scheduled Maturities of Long-Term Debt

The scheduled maturities of long-term debt, as discussed above, are as follows:

(In millions)		Total
Year Ending December 31,		
2025	\$ 44.0	
2026	44.0	
2027	2,212.3	
2028	—	
2029	—	
Thereafter	900.0	
<b>Total outstanding principal of long-term debt</b>	<b>\$ 3,200.3</b>	

### Guarantor Financial Information

In connection with the issuance of our 4.750% Senior Notes due 2027 and our 4.750% Senior Notes due 2031 (collectively, the "Guaranteed Notes" or "Senior Notes"), certain of the Company's wholly owned subsidiaries (the "Guarantors") provide guarantees of those indentures. These Guaranteed Notes are fully and unconditionally guaranteed, on a joint and several basis, by certain of our current and future domestic restricted subsidiaries, all of which are 100% owned by us.

Summarized combined balance sheet information for the parent company and the Guarantors is as follows:

(In millions)	December 31,	
	2024	2023
Current assets	\$ 493.6	\$ 496.0
Noncurrent assets	10,462.7	9,588.6
Current liabilities	543.6	550.6
Noncurrent liabilities	4,198.9	3,944.6

Summarized combined results of operations information for the parent company and the Guarantors is as follows:

(In millions)	Year Ended December 31, 2024	
	2024	2023
Revenues	\$ 3,937.1	
Operating income	1,700.7	
Income before income taxes	1,524.8	
Net income	1,350.9	

### Dividends

Dividends are declared at the discretion of our Board of Directors. We are subject to certain limitations regarding payment of dividends, such as restricted payment limitations related to our outstanding Senior Notes and our Credit Facility. The dividends declared by the Board of Directors under this program are:

Declaration date	Record date	Payment date	Amount per share
February 3, 2022	March 15, 2022	April 15, 2022	\$ 0.15
June 1, 2022	June 30, 2022	July 15, 2022	0.15
September 15, 2022	September 30, 2022	October 15, 2022	0.15
December 8, 2022	December 19, 2022	January 15, 2023	0.15
February 14, 2023	March 15, 2023	April 15, 2023	0.16
May 4, 2023	June 15, 2023	July 15, 2023	0.16
August 15, 2023	September 15, 2023	October 15, 2023	0.16
December 7, 2023	December 22, 2023	January 15, 2024	0.16
February 28, 2024	March 15, 2024	April 15, 2024	0.17
May 9, 2024	June 15, 2024	July 15, 2024	0.17
August 20, 2024	September 15, 2024	October 15, 2024	0.17
December 5, 2024	December 16, 2024	January 15, 2025	0.17
February 20, 2025	March 17, 2025	April 15, 2025	0.18

### Share Repurchase Program

Subject to applicable laws, repurchases under our share repurchase program may be made at such times and in such amounts as we deem appropriate. We are subject to certain limitations regarding the repurchase of common stock, such as restricted payment limitations related to our outstanding Senior Notes and our Credit Facility. Purchases under our share repurchase program can be discontinued at any time that we feel additional purchases are not warranted. We intend to fund the repurchases under the stock repurchase program with existing cash resources, cash generated from operations and availability under our Credit Facility.

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On October 21, 2021, our Board of Directors authorized a share repurchase program of \$300.0 million (the "Share Repurchase Program"). In addition, our Board of Directors authorized increases to the Share Repurchase Program of \$500.0 million on each of June 1, 2022, May 4, 2023, May 9, 2024 and December 5, 2024. We are not obligated to repurchase any shares under this program and repurchases under the Share Repurchase Program can be discontinued at any time at our sole discretion. We repurchased 11.1 million shares and 6.5 million shares during the years ended December 31, 2024 and 2023, respectively. As of December 31, 2024, we were authorized to repurchase up to an additional \$640.5 million of our common stock under the Share Repurchase Program.

We have in the past, and may in the future, acquire our debt or equity securities through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine.

### **Other Items Affecting Liquidity**

We anticipate funding our capital requirements using cash on hand, cash generated from operations and availability under our Credit Facility, to the extent availability exists after we meet our working capital needs for the next twelve months. Any additional financing that is needed may not be available to us or, if available, may not be on terms favorable to us. The outcome of the specific matters discussed herein, including our commitments and contingencies, may also affect our liquidity.

### **Commitments**

#### *Capital Spending and Development*

We continually perform ongoing refurbishment and maintenance at our facilities to maintain our standards of quality. Certain of these maintenance costs are capitalized, if such improvement or refurbishment extends the life of the related asset, while other maintenance costs that do not so qualify are expensed as incurred. The commitment of capital and the related timing thereof are contingent upon, among other things, negotiation of final agreements and receipt of approvals from the appropriate regulatory bodies. We must also comply with covenants and restrictions set forth in our debt agreements.

We currently estimate that our annual cash capital requirements to perform ongoing refurbishment and maintenance at our properties to maintain our quality standards ranges from between \$200 million and \$250 million. In addition, we expect to spend an additional \$100 million in 2025 for hotel room renovation projects at three of our gaming entertainment properties. We intend to fund such capital expenditures through cash on hand, our Credit Facility and operating cash flows.

In addition to the maintenance capital spending discussed above, we continue to pursue other potential development projects that may require us to invest significant amounts of capital. In 2025, we expect to spend an additional \$100 million in growth projects, which includes the expansion of meeting and convention space at Ameristar St. Charles and the start of construction of a new casino, Cadence Crossing. This new 10,000 square foot casino featuring 450 slots and several restaurants will replace our Jokers Wild casino and will be built on the site that currently holds our Jokers Wild casino.

Finally, we are expanding our portfolio with a \$750 million resort development in Norfolk, Virginia. We plan to open a modest transitional casino in late 2025 and the resort, featuring 1,500 slots, 50 table games, a 200-room hotel, eight food and beverage outlets and other amenities, in late 2027. We expect to spend between \$150 million and \$200 million on this project in 2025.

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**CONTRACTUAL OBLIGATIONS**

The following summarizes our undiscounted contractual obligations as of December 31, 2024:

<i>(In millions)</i>	Year Ending December 31,						
	Total	2025	2026	2027	2028	2029	Thereafter
<b>CONTRACTUAL OBLIGATIONS</b>							
<b>Long-Term Debt</b>							
Credit Facility	\$ 1,300.3	\$ 44.0	\$ 44.0	\$ 1,212.3	\$ —	\$ —	\$ —
4.750% senior notes due 2027	1,000.0	—	—	1,000.0	—	—	—
4.750% senior notes due 2031	900.0	—	—	—	—	—	900.0
<b>Total long-term debt</b>	<b>3,200.3</b>	<b>44.0</b>	<b>44.0</b>	<b>2,212.3</b>	<b>—</b>	<b>—</b>	<b>900.0</b>
<b>Interest on Fixed Rate Debt (1)</b>	<b>414.6</b>	<b>90.3</b>	<b>90.3</b>	<b>86.3</b>	<b>42.7</b>	<b>42.7</b>	<b>62.3</b>
<b>Interest on Variable Rate Debt (1)</b>	<b>166.9</b>	<b>78.5</b>	<b>75.8</b>	<b>12.6</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Operating Leases - Master Leases</b>	<b>140.8</b>	<b>112.6</b>	<b>28.2</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Operating Leases - Other</b>	<b>382.2</b>	<b>24.2</b>	<b>22.0</b>	<b>20.4</b>	<b>18.9</b>	<b>17.0</b>	<b>279.7</b>
<b>Purchase Obligations (2)</b>	<b>151.3</b>	<b>63.7</b>	<b>23.9</b>	<b>17.6</b>	<b>6.3</b>	<b>5.8</b>	<b>34.0</b>
<b>TOTAL CONTRACTUAL OBLIGATIONS</b>	<b>\$ 4,456.1</b>	<b>\$ 413.3</b>	<b>\$ 284.2</b>	<b>\$ 2,349.2</b>	<b>\$ 67.9</b>	<b>\$ 65.5</b>	<b>\$ 1,276.0</b>

(1) Estimated interest payments are based on principal amounts and scheduled maturities of debt outstanding at December 31, 2024. Estimated interest payments for variable-rate debt are based on rates at December 31, 2024.  
(2) Purchase obligations include obligations under assessment arrangements and various contracted amounts, including construction contracts and information technology, advertising, maintenance and other service agreements.

**Other Opportunities**

We regularly investigate and pursue additional expansion opportunities in markets where casino gaming, including online gaming, is currently permitted. We also pursue expansion opportunities in jurisdictions where casino gaming and online gaming is not currently permitted in order to be prepared to develop projects upon approval of casino and online gaming. Such expansions will be affected and determined by several key factors, which may include the following:

- the outcome of gaming license selection processes;
- the approval of gaming in jurisdictions where we have been active but where casino or online gaming is not currently permitted;
- identification of additional suitable investment opportunities in current gaming jurisdictions; and
- availability of acceptable financing.

Additional projects may require us to make substantial investments or may cause us to incur substantial costs related to the investigation and pursuit of such opportunities, which investments and costs we may fund through cash flow from operations or availability under our Credit Facility. To the extent such sources of funds are not sufficient, we may also seek to raise such additional funds through public or private equity, debt financings or from other sources. No assurance can be given that additional financing will be available or that, if available, such financing will be obtainable on terms favorable to us. Moreover, we can provide no assurances that any expansion opportunity will result in a completed transaction.

After receiving approval from the City Council of Norfolk, Virginia in October 2024, we are executing on an opportunity for a new casino resort development in Norfolk, Virginia. As discussed above in *Capital Spending and Development*, we expect to open a modest transitional facility in late 2025 and the resort in late 2027.

**Off Balance Sheet Arrangements**

Our off balance sheet arrangements consist of the following:

**Indemnification**

We have entered into certain agreements that contain indemnification provisions involving certain of our executive officers and directors. These agreements provide indemnity insurance pursuant to which directors and officers are indemnified or insured against liability or loss under certain circumstances, which may include liability or related loss under the Securities Act and the Exchange Act. In addition, our Restated Articles of Incorporation and Restated Bylaws contain provisions that provide for indemnification of our directors, officers, employees and other agents to the maximum extent permitted by law.

**Outstanding Letters of Credit**

At December 31, 2024, we had outstanding letters of credit totaling \$13.0 million.

**Other Arrangements**

We have not entered into any transactions with special purpose entities, nor have we engaged in any derivative transactions.

## **CRITICAL ACCOUNTING ESTIMATES**

Our discussion and analysis of our results of operations and liquidity and capital resources are based on our consolidated financial statements which have been prepared in accordance with GAAP. In accordance with GAAP, we are required to make estimates and assumptions that affect the reported amounts included in our consolidated financial statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. On an ongoing basis, management reviews and refines those estimates, the following of which could materially impact our consolidated financial statements: the recoverability of long-lived assets; valuation of indefinite-lived intangible assets; valuation of goodwill; accounting for leases; provisions for deferred tax assets, certain tax liabilities and uncertain tax positions; and application of acquisition method of accounting.

Judgments are based on information including, but not limited to, historical experience, industry trends, conventional practices, expert opinions, terms of existing agreements and information from outside sources. Judgments are subject to an inherent degree of uncertainty, and therefore actual results could differ from these estimates.

We believe the following critical accounting estimates require a higher degree of judgment and complexity, the sensitivity of which could result in a material impact on our consolidated financial statements.

### **Recoverability of Long-Lived Assets**

Our long-lived assets, excluding indefinite-lived intangible assets and goodwill (both of which are discussed further below), were carried at \$3.6 billion at December 31, 2024, or 56.3% of our consolidated total assets. We evaluate the carrying value of long-lived assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If triggering events are identified, we then compare the estimated undiscounted future cash flows of the asset to the carrying value of the asset. The asset is not impaired if the undiscounted future cash flows exceed its carrying value. If the carrying value exceeds the undiscounted future cash flows, then an impairment charge is recorded, typically measured using a discounted cash flow ("DCF") model, which is based on the estimated future results of the relevant asset group discounted using our weighted-average cost of capital and market indicators of terminal year free cash flow multiples.

A long-lived asset shall be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The following are examples of such events or changes in circumstances:

- i. a significant decrease in the market price of a long-lived asset;
- ii. a significant adverse change in the extent or manner in which a long-lived asset is being used or in its physical condition;
- iii. a significant adverse change in legal factors or in the business climate that could affect the value of a long-lived asset, including an adverse action or assessment by a regulator;
- iv. an accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of a long-lived asset;
- v. a current-period operating or cash flow loss combined with a history of operating or cash flow losses or a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset; and/or
- vi. a current expectation that, more likely than not, a long-lived asset will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

We reconsider changes in circumstances on a frequent basis, and if a triggering event related to potential impairment has occurred, we may solicit third party valuation expertise to assist in the valuation of our investment. There are three generally accepted approaches available in developing an opinion of value: the sales comparison, cost and income approaches. We generally consider each of these approaches in developing a recommendation of the fair value of the asset; however, the reliability of each approach is dependent upon the availability and comparability of the market data uncovered, as well as the decision-making criteria used by market participants when evaluating a property. We will bifurcate our investment and apply the most indicative approach to overall fair valuation, or in some cases, a weighted analysis of any or all of these methods.

Developing an opinion of land value is typically accomplished using a sales comparison approach by analyzing recent sales transactions of similar sites. Potential comparables are researched and the pertinent facts are confirmed with parties involved in the transaction. This process fosters a general understanding of the potential comparable sales and facilitates the selection of the most relevant comparables by the appraiser. Valuation is typically accomplished using a unit of comparison such as price per square foot of land or potential building area. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive a value for the property.

The cost approach is based on the premise that a prudent investor would pay no more for an asset of similar utility than its replacement or reproduction cost. The cost to replace the asset would include the cost of constructing a similar asset of equivalent utility at prices applicable at the time of the valuation date. To arrive at an estimate of the fair value using the cost approach, the replacement cost new is determined and reduced for depreciation of the asset. Replacement cost new is defined as the current cost of producing or constructing a similar new item having the nearest equivalent utility as the property being valued.

The income approach focuses on the income-producing capability of the asset. The underlying premise of this approach is that the value of an asset can be measured by the present worth of the net economic benefit (cash receipts less cash outlays) to be received over the life of the subject asset. The steps followed in applying this approach include estimating the expected undiscounted net cash flows attributable to the asset over its life and converting these expected net cash flows to present value through capitalization or discounting. The process uses a rate of return that accounts for both the time value of money and risk factors. There are two common methods for converting expected income into value. Those methods are the direct capitalization and DCF methods. Direct capitalization is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step by dividing the income estimate by an appropriate capitalization rate. Under the DCF method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a specific internal rate of return or a yield rate, because net operating income of the subject property is not fully stabilized.

Estimates of expected cash flows are, by their nature, subjective and actual results may differ materially from our estimates, potentially resulting in an impairment charge in a future period.

#### **Valuation of Indefinite-Lived Intangible Assets**

Gaming license rights represent the value of the license to conduct gaming in certain jurisdictions, which is subject to highly extensive regulatory oversight and a limitation on the number of licenses available for issuance with these certain jurisdictions. Gaming license rights are tested for impairment using a DCF approach. The value of gaming licenses is determined using a multi-period excess earnings method, which is a specific DCF model, and cost approach. The value is determined at an amount equal to the present value of the incremental after-tax cash flows attributable only to future gaming revenue, discounted to present value at a risk-adjusted rate of return. With respect to the application of this methodology, we used the following significant projections of future cash flows, assumptions and estimates: gaming revenues; gaming operating expenses; general and administrative expenses; tax expense; terminal value; and discount rate. These projections are modeled for a five-year period and a terminal period.

Trademarks are based on the value of our brand, which reflects the level of service and quality we provide and from which we generate repeat business. Trademarks are valued using the relief from royalty method, which presumes that without ownership of such trademarks, we would have to make a stream of payments to a brand or franchise owner in return for the right to use their name. By virtue of this asset, we avoid any such payments and record the related intangible value of our ownership of the brand name. We used the following significant projections of future cash flows, assumptions and estimates to determine value under the relief from royalty method: revenue from gaming and hotel activities; royalty rate; tax expense; terminal growth rate; discount rate; and the present value of tax benefit. The projections underlying this DCF model were forecasted for five years and a terminal value calculated using a model which divides the normalized cash flow stream by a capitalization rate. Applying the selected pretax royalty rates to the applicable revenue base in each period yielded pretax income for each property's trademarks and trade name. These pretax totals were tax effected utilizing the applicable tax rate to arrive at net, after-tax cash flows. The net, after-tax cash flows and the terminal value were then discounted to present value utilizing an appropriate discount rate. The present value of the after-tax cash flows was then added to the present value of the amortization tax benefit (considering the 15-year amortization of intangible assets pursuant to income tax regulations) to arrive at the recommended fair values for the trademarks and trade names.

Gaming license rights and trademarks are indefinite-lived intangible assets and are not subject to amortization, but are subject to an annual impairment test and between annual test dates in certain circumstances. The guidance permits an entity to make a qualitative assessment, referred to as "Step Zero," of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount. We utilized this option for our 2024 annual impairment test for certain of our indefinite-lived intangible assets. If the fair value of an indefinite-lived intangible asset is less than its carrying amount, an impairment loss is recognized equal to the difference. As part of our annual impairment testing, management assesses the likelihood of impairment by performing a qualitative ("Step Zero") analysis for our indefinite-lived intangibles to determine if it is more likely than not that the fair values of such intangibles exceeded their carrying values by a substantial margin. We solicit third party valuation expertise to assist in the valuation of those indefinite-lived intangible assets that are deemed to have a greater likelihood of impairment. Our annual impairment test, performed as of October 1, 2024, resulted in no impairment charges.

We evaluate on a quarterly basis whether any triggering events or changes in circumstances would indicate an impairment condition may exist. This evaluation requires significant judgment, including consideration of whether there have been any significant adverse changes in legal factors or in our business climate, adverse action or assessment by a regulator, unanticipated competition, loss of key personnel or likely sale or disposal of all or a significant portion of a reporting unit. As a result of our first quarter 2024 triggering event review, we recorded a gaming license right impairment charge of \$10.5 million. If an event described above occurs, and results in a significant impact to our revenue and profitability projections, or any significant assumption in our valuation methods is adversely impacted, the impact could result in a material impairment charge in the future.

Management makes significant judgments and estimates as part of these analyses that are inherent in evaluating these assets for impairment. In particular, future cash flow estimates are, by their nature, subjective and actual results may differ materially from our estimates. In addition, capitalization rates and the discount rates used in the impairment tests are highly judgmental and dependent in large part on expectations of future market conditions. If certain future operating results do not meet current expectations it could cause carrying values of the intangibles to exceed their fair values in future periods, resulting in an impairment charge of trademarks and gaming license rights in an amount up to its book value of \$1.3 billion. For the year ended December 31, 2024, the Company recorded a \$10.5 million gaming license right impairment, as noted above, related to one gaming license right in the Midwest & South segment that had an estimated fair value that did not exceed its carrying value. Additionally, trademarks and gaming license rights in the Midwest & South segment had estimated fair values that did not significantly exceed their respective carrying values.

#### **Valuation of Goodwill**

The authoritative guidance related to goodwill impairment requires goodwill to be tested for impairment at the reporting unit level at least annually. The Company has determined that each of its properties is a reporting unit for goodwill impairment testing, since discrete financial information is available at the property level. The guidance permits an entity to make a qualitative assessment, referred to as "Step Zero," of whether it is more likely than not that a reporting unit's fair value is less than its carrying amount. If the carrying value of the goodwill is considered impaired, a loss is measured as the excess of the reporting unit's carrying value over the fair value, with a limit of the goodwill allocated to that reporting unit.

As part of our annual impairment testing, management first performs a qualitative "Step Zero" analysis and assesses the likelihood of impairment. Management solicits third party valuation expertise to assist in valuations of goodwill for those reporting units that are deemed to have a greater likelihood of impairment. We perform the test annually as of October 1 using a weighting of two different approaches to determine fair value: (i) the income approach; and (ii) the market approach.

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In the valuation of a reporting unit's goodwill, the income approach focuses on the income-producing capability of the reporting unit. The underlying premise of this approach is that the value of a reporting unit can be measured by the present worth of the net economic benefit (cash receipts less cash outlays) to be received over the life of the reporting unit. The steps followed in applying this approach include estimating the expected after-tax cash flows attributable to the reporting unit over its life and converting these after-tax cash flows to present value through "discounting." The discounting process uses a rate of return which accounts for both the time value of money and investment risk factors. Finally, the present value of the after-tax cash flows over the life of the reporting unit is totaled to arrive at an indication of the fair value of the reporting unit.

The market approach is comprised of the guideline company method, which focuses on comparing the subject company to selected reasonably similar, or "guideline", publicly-traded companies. Under this method, valuation multiples are: (i) derived from the operating data of selected guideline companies; (ii) evaluated and adjusted based on the strengths and weaknesses of the subject company relative to the selected guideline companies; and (iii) applied to the operating data of the subject company to arrive at an indication of value. In the valuation of a reporting unit, the market approach measures value based on what typical purchasers in the market have paid for assets which can be considered reasonably similar to those being valued. When the market approach is utilized, data is collected on the prices paid for reasonably comparable assets. Adjustments are made to the similar assets to compensate for differences between reasonably similar assets and the asset being valued. The application of the market approach results in an estimate of the price reasonably expected to be realized from the sale of the reporting unit.

The two methodologies were weighted 50.0% toward the income approach and 50.0% toward the market approach, to arrive at an overall fair value. Our annual impairment test as of October 1, 2024, resulted in no goodwill impairment charges. We evaluate quarterly whether any triggering events or changes in circumstances have occurred that would indicate an impairment condition more than likely would exist. This evaluation requires significant judgment, including consideration of whether there had been any significant adverse changes in legal factors or in our business climate, adverse action or assessment by a regulator, unanticipated competition, loss of key personnel or likely sale or disposal of all or a significant portion of a reporting unit. Based upon this quarterly evaluation, we concluded that there had not been a triggering event or change in circumstance that indicated an impairment condition existed.

Although we satisfied the impairment analysis requirements for each reporting unit tested, changes to certain underlying assumptions and variables, many of which are derived from external factors, could greatly impact the results of future tests. We cannot control or influence the impact of these factors from a fair valuation perspective, but they could nonetheless have a material effect on the results of valuation, particularly the guideline company method under the market approach, in the future.

Additionally, several of the assumptions underlying the DCF method under the income approach could pose a high degree of sensitivity to the resulting fair value. These factors include, but are not limited to, the following significant projections of future cash flows, assumptions and estimates to determine value under the DCF method: total revenue, operating expenses, depreciation expense, depreciation overhang, tax expense and effective rates, debt-free net working capital, capital additions, terminal year growth factor, discount rate and the capitalization rate. A change in any of these variables that cause our discounted cash flows or terminal value or both to adversely and materially change could result in the failure of the impairment test, and a resulting impairment of our goodwill in an amount up to its book value of \$957.9 million. For the year ended December 31, 2024, the Company recorded no goodwill impairment charges. However, a reporting unit in the Midwest & South segment had an estimated fair value that did not significantly exceed its carrying value.

Management makes significant judgments and estimates as part of these analyses that are inherent in evaluating these reporting units for impairment. In particular, future cash flow estimates are, by their nature, subjective and actual results may differ materially from our estimates. In addition, the determination of multiples, capitalization rates and the discount rates used in the impairment tests are highly judgmental and dependent in large part on expectations of future market conditions. If certain future operating results do not meet current expectations it could cause carrying values of the intangibles to exceed their fair values in future periods, potentially resulting in an impairment charge.

### **Accounting for Leases**

The determination of lease liabilities requires us to estimate the present value of our future lease commitments over their reasonably certain remaining lease term using a weighted average incremental borrowing rate commensurate with the rate of interest we would have to pay to borrow on a collateralized basis over a similar term an amount equal to our future lease payments in a similar economic environment. The determination of the incremental borrowing rate could materially impact our lease liabilities.

We estimate the expected term of a lease by assuming the exercise of renewal options, in addition to the initial non-cancelable lease term, if the renewal is reasonably certain. Generally, "reasonably certain" relates to our contractual right to renew and the existence of an economic penalty that would preclude the abandonment of the lease at the end of the initial non-cancelable lease term. The determination of the expected term could also materially impact our lease liabilities.

The determination of the expected term of a lease requires us to apply judgment and estimates concerning the number of renewal periods that are reasonably certain. If a lease is terminated prior to reaching the end of the expected term, this may result in the acceleration of depreciation or impairment of the lease right-of-use asset and related long-lived assets.

**Provisions for Deferred Tax Assets, Certain Tax Liabilities and Uncertain Tax Positions**

Income taxes are recorded under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards. We reduce the carrying amounts of deferred tax assets by a valuation allowance, if based on the available evidence it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically based on a more-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with the usability of operating loss and tax credit carryforwards before expiration, and tax planning alternatives. If certain future operating results do not meet current expectations it could cause us to establish an additional valuation allowance on our deferred tax assets.

The Company's income tax returns are subject to examination by the IRS and other tax authorities in the locations where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes, which prescribe a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The IRS has selected our federal corporate income tax return for the tax year ended December 31, 2021, for examination. The IRS examination began in the second quarter of 2024 and is still ongoing. As of December 31, 2024, and for the year then ended, there were no changes to our unrecognized tax benefits to date.

We recognize the tax benefit from an uncertain tax position only when it is more likely than not, based on the technical merits of the position, that the tax position will be sustained upon examination, including the resolution of any related appeals or litigation. The tax benefits recognized in the consolidated financial statements from such a position are measured as the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution.

We have established contingency reserves for material, known tax exposures. Our tax reserves reflect management's judgment as to the resolution of the issues involved if subject to judicial review. While we believe our reserves are adequate to cover reasonably expected tax risks, there can be no assurance that, in all instances, an issue raised by a taxing authority will be resolved at a financial cost that does not exceed its related reserve. With respect to these reserves, our income tax expense would include: (i) any changes in tax reserves arising from material changes during the period in the facts and circumstances (i.e., new information) surrounding a tax issue; and (ii) any difference from our tax position as recorded in the financial statements and the final resolution of a tax issue during the period.

**Application of Acquisition Method of Accounting**

We follow the guidance of Accounting Standards Codification 805 to account for our acquisitions. We completed the acquisition of Boyd Interactive in 2022 and Resorts Digital in 2024, as described in Note 2, *Acquisitions*, to our consolidated financial statements presented in Part II, Item 8, for an aggregate purchase price of approximately \$175.2 million and \$34.0 million, respectively. For purposes of these consolidated financial statements, we have allocated the purchase price to the assets acquired and the liabilities assumed based on their fair values as determined by us with the assistance from third-party specialists. The excess of the purchase price over those fair values was recorded as goodwill.

The assets and liabilities of the acquisition are included in our consolidated balance sheet as of December 31, 2024 and 2023, and the results of its operations and cash flows are reported in our consolidated statements of operations and cash flows, respectively, from the dates of acquisition through December 31, 2024.

**Recently Issued Accounting Pronouncements**

For information with respect to recent accounting pronouncements and the impact of these pronouncements on our consolidated financial statements, see Note 1, *Summary of Significant Accounting Policies - Recently Adopted Accounting Pronouncements* and *Recently Issued Accounting Pronouncements*, in the notes to the consolidated financial statements.

**ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk**

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We do not hold any market risk sensitive instruments for trading purposes. Our primary exposure to market risk is interest rate risk, specifically long-term U.S. treasury rates and the applicable spreads in the high-yield investment market, short-term and long-term SOFR rates, and their potential impact on our long-term debt. While interest rate changes have slowed in 2024 and 2023, with interest rates declining in 2024 and the federal funds rate changing by 100-basis points or less, the 400-basis point federal funds rate increase in 2022 demonstrates significant changes can occur in a short period of time and interest rate change is a risk to us. We attempt to limit our exposure to interest rate risk by managing the mix of our long-term fixed-rate borrowings and short-term borrowings under our Credit Facility. We are also exposed to a lesser extent to foreign currency exchange risk for funds held in our Canadian operating and restricted cash accounts. While there is risk of fluctuations in the foreign exchange rate between the Canadian dollar and United States dollar, our exposure is limited given the size of our Canadian operations and the minimal amount of cash held in Canadian bank accounts. A weakening or strengthening of the United States dollar to the Canadian dollar by 2x the current conversion rate, would not cause the value of the funds held in Canadian operating and restricted cash accounts to change significantly. We do not currently utilize derivative financial instruments for trading or speculative purposes.

**Table of Debt Maturities and Interest Rates**

The following table provides information about our financial instruments that are sensitive to changes in interest rates, including debt obligations. For our debt obligations, the table presents principal cash flows and related weighted-average interest rates by expected maturity dates. The weighted-average variable rates are based upon prevailing interest rates.

The scheduled maturities of our long-term debt outstanding for the years ending December 31 are as follows:

<i>(In millions)</i>	Scheduled Maturity Date							
	Year Ending December 31,							
	2025	2026	2027	2028	2029	Thereafter	Total	Fair Value
<i>Long-term debt (including current portion):</i>								
Fixed-rate	\$ —	\$ —	\$ 1,000.0	\$ —	\$ —	\$ 900.0	\$ 1,900.0	\$ 1,801.3
Average interest rate	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Variable-rate	\$ 44.0	\$ 44.0	\$ 1,212.3	\$ —	\$ —	\$ —	\$ 1,300.3	\$ 1,279.4
Average interest rate	6.2%	6.2%	6.2%	—%	—%	—%	—%	6.2%

As of December 31, 2024, our long-term variable-rate borrowings represented approximately 40.6% of total long-term debt. Based on December 31, 2024 debt levels, a 100-basis-point change in the interest rate would cause our annual interest costs to change by approximately \$13.0 million.

The following table provides other information about our long-term debt:

<i>(In millions)</i>	December 31, 2024		
	Outstanding Face Amount	Carrying Value	Estimated Fair Value
Credit Facility	\$ 1,300.3	\$ 1,291.2	\$ 1,279.4
4.750% senior notes due 2027	1,000.0	994.2	968.8
4.750% senior notes due 2031	900.0	891.2	832.5
<b>Total long-term debt</b>	<b>\$ 3,200.3</b>	<b>\$ 3,176.6</b>	<b>\$ 3,080.7</b>

The estimated fair value of our Credit Facility is based on a relative value analysis performed on or about December 31, 2024. The estimated fair values of our Senior Notes are based on quoted market prices as of December 31, 2024. See also "Liquidity and Capital Resources" above.

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**ITEM 8. Financial Statements and Supplementary Data**

The following consolidated financial statements for the three years in the period ended December 31, 2024 are filed as part of this Report:

	<u>Page No.</u>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	43
<a href="#">Consolidated Balance Sheets at December 31, 2024 and 2023</a>	45
<a href="#">Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022</a>	46
<a href="#">Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022</a>	47
<a href="#">Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2024, 2023 and 2022</a>	48
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022</a>	49
<a href="#">Notes to Consolidated Financial Statements</a>	51

The accompanying audited consolidated financial statements of Boyd Gaming Corporation have been prepared in accordance with the instructions to Form 10-K and Regulation S-X and include all information and footnote disclosures necessary for complete financial statements in conformity with GAAP.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Boyd Gaming Corporation

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Boyd Gaming Corporation and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity, and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

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

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

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Goodwill and Gaming License Rights Indefinite-Lived Intangible Assets — Refer to Notes 1, 4 and 5 to the financial statements

#### *Critical Audit Matter Description*

The Company's evaluation of goodwill for impairment involves the comparison of the fair value of a reporting unit to its carrying value. Similarly, the Company's evaluation of its gaming license rights indefinite-lived intangible assets for impairment involves the comparison of the fair value of each gaming license right indefinite-lived intangible asset to its carrying value. As of December 31, 2024, the carrying value of goodwill and gaming license rights indefinite-lived intangible assets was \$957.9 million and \$1,105.1 million, respectively. For the year ended December 31, 2024, the Company recorded an impairment of \$10.5 million for a gaming license right indefinite-lived intangible asset in the Company's Midwest & South segment. Additionally, another reporting unit in the Company's Midwest & South segment had an estimated fair value that did not significantly exceed its carrying value. Management estimated the fair value of reporting units using a weighting of the income approach and the market approach and estimated the fair value of gaming license rights indefinite-lived intangible assets using a multi-period excess earnings method.

The determination of the fair value of reporting units required management to make significant assumptions and estimates including, projections of future cash flows and the selection of discount rates and valuation multiples derived from the operating data of selected guideline publicly-traded companies. The determination of the fair value of gaming license rights indefinite-lived intangible assets required management to make significant assumptions and estimates including, projections of future cash flows and the selection of discount rates.

Therefore, auditing these fair values involved a higher degree of judgment and subjectivity, including the involvement of valuation specialists.

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*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to management's projections of future cash flows and the selection of discount rates and valuation multiples used in the determination of the fair value of reporting units and gaming license rights indefinite-lived intangible assets included the following:

- We tested the effectiveness of controls related to management's projections of future cash flows and the selection of discount rates and valuation multiples.
- We evaluated management's ability to accurately project future cash flows by comparing historical projections with actual performance.
- We evaluated the reasonableness of management's projections of future cash flows by (1) comparing projections of future cash flows to internal communications to management and the Board of Directors and information from Company press releases, analyst and industry reports, and selected guideline publicly-traded companies; (2) considering the impact of changes in the competitive and regulatory environment on management's projections; and (3) assessing the reasonableness of strategic plans incorporated by management into the projections.
- With the assistance of our valuation specialists, we evaluated the selection of discount rates and valuation multiples by (1) assessing the valuation methodology and market-based information underlying these assumptions and estimates, including testing the mathematical accuracy of the calculations; (2) developing an independent range of assumptions and estimates and comparing those to the discount rates and valuation multiples selected by management; and (3) evaluating historical operating trends and profitability and assessing the impact of uncertainty in management's projections of future cash flows on these assumptions and estimates.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada  
February 21, 2025

We have served as the Company's auditor since 1981.

**BOYD GAMING CORPORATION AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS**

	<b>December 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>(In thousands, except share data)</b>		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 316,688	\$ 304,271
Restricted cash	4,676	3,659
Accounts receivable, net	132,270	137,892
Inventories	21,235	20,692
Prepaid expenses and other current assets	56,633	59,293
Income taxes receivable	30,005	3,508
<b>Total current assets</b>	<b>561,507</b>	<b>529,315</b>
Property and equipment, net	2,679,276	2,542,512
Operating lease right-of-use assets	735,618	793,335
Other assets, net	66,518	67,779
Intangible assets, net	1,391,007	1,392,844
Goodwill, net	957,889	947,341
<b>Total assets</b>	<b>\$ 6,391,815</b>	<b>\$ 6,273,126</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 131,264	\$ 124,668
Current maturities of long-term debt	44,006	44,275
Accrued liabilities	447,415	427,379
<b>Total current liabilities</b>	<b>622,685</b>	<b>596,322</b>
Long-term debt, net of current maturities and debt issuance costs	3,132,584	2,871,223
Operating lease liabilities, net of current portion	651,751	711,387
Deferred income taxes	346,916	288,826
Other liabilities	56,366	61,266
<b>Commitments and contingencies (Note 9)</b>		
<b>Stockholders' equity</b>		
Preferred stock, \$0.01 par value, 5,000,000 shares authorized	—	—
Common stock, \$0.01 par value, 200,000,000 shares authorized; 86,184,155 and 96,832,453 shares outstanding	862	968
Additional paid-in capital	—	—
Retained earnings	1,583,053	1,744,232
Accumulated other comprehensive loss	(2,402)	(1,098)
<b>Total stockholders' equity</b>	<b>1,581,513</b>	<b>1,744,102</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 6,391,815</b>	<b>\$ 6,273,126</b>

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

**BOYD GAMING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

<i>(In thousands, except per share data)</i>	Year Ended December 31,		
	2024	2023	2022
<b>Revenues</b>			
Gaming	\$ 2,583,926	\$ 2,613,288	\$ 2,674,730
Food & beverage	303,522	288,417	275,979
Room	204,608	199,117	189,071
Online	606,233	422,211	253,898
Management fee	88,407	76,921	26,905
Other	143,498	138,538	134,794
<b>Total revenues</b>	3,930,194	3,738,492	3,555,377
<b>Operating costs and expenses</b>			
Gaming	999,753	1,000,240	1,005,830
Food & beverage	253,940	240,879	231,447
Room	77,591	73,490	68,383
Online	497,783	358,988	213,918
Other	51,322	46,323	45,626
Selling, general and administrative	427,226	389,891	373,964
Master lease rent expense	111,406	108,398	106,616
Maintenance and utilities	148,366	151,014	143,527
Depreciation and amortization	276,639	256,780	258,179
Corporate expense	113,934	115,963	117,007
Project development, preopening and writedowns	28,572	(8,935)	(18,936)
Impairment of assets	10,500	107,837	40,775
Other operating items, net	5,385	(4,207)	(12,183)
<b>Total operating costs and expenses</b>	3,002,417	2,836,661	2,574,153
<b>Operating income</b>	927,777	901,831	981,224
<b>Other expense (income)</b>			
Interest income	(1,625)	(23,886)	(21,530)
Interest expense, net of amounts capitalized	177,409	171,247	151,249
Loss on early extinguishments and modifications of debt	—	—	19,815
Other, net	(10)	1,563	2,884
<b>Total other expense, net</b>	175,774	148,924	152,418
<b>Income before income taxes</b>	752,003	752,907	828,806
Income tax provision	(174,051)	(132,884)	(189,429)
<b>Net income</b>	\$ 577,952	\$ 620,023	\$ 639,377
<b>Basic net income per common share</b>	\$ 6.19	\$ 6.12	\$ 5.87
Weighted average basic shares outstanding	93,314	101,325	108,885
<b>Diluted net income per common share</b>	\$ 6.19	\$ 6.12	\$ 5.87
Weighted average diluted shares outstanding	93,349	101,373	109,004

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

**BOYD GAMING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<i>(In thousands)</i>	<b>Year Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
<b>Net income</b>	<b>\$ 577,952</b>	<b>\$ 620,023</b>	<b>\$ 639,377</b>
Other comprehensive income (loss), net of tax:			
Fair value adjustments to available-for-sale securities	( 165)	123	( 1,258)
Foreign currency translation adjustments	( 1,139)	161	56
<b>Comprehensive income</b>	<b>\$ 576,648</b>	<b>\$ 620,307</b>	<b>\$ 638,175</b>

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

**BOYD GAMING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**

<i>(In thousands, except share data)</i>	Common Stock		Additional Paid-in Capital	Retained Earnings	Comprehensive Income (Loss)	Accumulated Other
	Shares	Amount				
<b>Balances, January 1, 2022</b>	111,303,140	\$ 1,113	\$ 827,725	\$ 710,088	\$ (180)	\$ 1,538,746
Net income	—	—	—	639,377	—	639,377
Fair value adjustments to available-for-sale securities	—	—	—	—	(1,258)	(1,258)
Foreign currency translation adjustments	—	—	—	—	56	56
Stock options exercised	165,951	1	3,088	—	—	3,089
Release of restricted stock units, net of tax	476,292	5	(10,058)	—	—	(10,053)
Release of performance stock units, net of tax	294,651	3	(8,121)	—	—	(8,118)
Shares repurchased and retired	(9,423,924)	(94)	(541,548)	—	—	(541,642)
Dividends declared (\$0.60 per share)	—	—	—	(63,638)	—	(63,638)
Share-based compensation costs	—	—	34,066	—	—	34,066
<b>Balances, December 31, 2022</b>	102,816,110	1,028	305,152	1,285,827	(1,382)	1,590,625
Net income	—	—	—	620,023	—	620,023
Fair value adjustments to available-for-sale securities	—	—	—	—	123	123
Foreign currency translation adjustments	—	—	—	—	161	161
Stock options exercised	32,000	—	315	—	—	315
Release of restricted stock units, net of tax	202,516	2	(2,081)	(4,774)	—	(6,853)
Release of performance stock units, net of tax	318,878	3	(12,777)	—	—	(12,774)
Shares repurchased and retired	(6,537,051)	(65)	(322,988)	(93,202)	—	(416,255)
Dividends declared (\$0.64 per share)	—	—	—	(63,642)	—	(63,642)
Share-based compensation costs	—	—	32,379	—	—	32,379
<b>Balances, December 31, 2023</b>	96,832,453	968	—	1,744,232	(1,098)	1,744,102
Net income	—	—	—	577,952	—	577,952
Fair value adjustments to available-for-sale securities	—	—	—	—	(165)	(165)
Foreign currency translation adjustments	—	—	—	—	(1,139)	(1,139)
Stock options exercised	44,980	—	701	—	—	701
Release of restricted stock units, net of tax	242,606	3	(1,618)	(7,696)	—	(9,311)
Release of performance stock units, net of tax	150,063	2	(119)	(6,091)	—	(6,208)
Shares repurchased and retired	(11,085,947)	(111)	(28,630)	(663,528)	—	(692,269)
Dividends declared (\$0.68 per share)	—	—	—	(61,816)	—	(61,816)
Share-based compensation costs	—	—	29,666	—	—	29,666
<b>Balances, December 31, 2024</b>	86,184,155	\$ 862	\$ —	\$ 1,583,053	\$ (2,402)	\$ 1,581,513

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

**BOYD GAMING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
<b>Cash Flows from Operating Activities</b>			
Net income	\$ 577,952	\$ 620,023	\$ 639,377
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation and amortization	276,639	256,780	258,179
Amortization of debt financing costs and discounts on debt	7,591	7,761	8,551
Non-cash operating lease expense	87,687	78,811	65,204
Non-cash expected credit loss (income) on note receivable	—	( 34,371)	( 35,100)
Share-based compensation expense	29,666	32,379	34,066
Deferred income taxes	58,145	( 29,842)	51,030
Non-cash impairment of assets	10,500	107,837	40,775
Gain on sale of assets	—	—	( 13,407)
Loss on early extinguishments and modifications of debt	—	—	19,815
Other operating activities	9,116	1,665	9,517
<b>Changes in operating assets and liabilities, excluding the impact of acquisitions:</b>			
Accounts receivable, net	5,964	( 28,810)	( 16,761)
Inventories	( 543)	1,481	( 2,083)
Prepaid expenses and other current assets	3,088	( 10,369)	( 8,476)
Income taxes (receivable) payable, net	( 26,497)	( 950)	( 2,951)
Other assets, net	800	1,307	( 7,857)
Accounts payable and accrued liabilities	6,344	( 10,345)	891
Operating lease liabilities	( 87,687)	( 78,811)	( 65,204)
Other liabilities	( 1,690)	( 30)	545
<b>Net cash provided by operating activities</b>	957,075	914,516	976,111
<b>Cash Flows from Investing Activities</b>			
Capital expenditures	( 400,400)	( 373,950)	( 269,155)
Cash paid for acquisitions, net of cash received	( 30,266)	—	( 167,862)
Payments received on note receivable	208	113,555	—
Insurance proceeds received from hurricane losses	—	—	586
Proceeds received from disposition of assets	—	—	21,953
Other investing activities	( 3,454)	( 3,935)	( 7,834)
<b>Net cash used in investing activities</b>	( 433,912)	( 264,330)	( 422,312)

**BOYD GAMING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS - (Continued)**

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
<b>Cash Flows from Financing Activities</b>			
Borrowings under credit facilities	1,764,300	1,505,800	2,122,100
Payments under credit facilities	( 1,510,300)	( 1,647,300)	( 1,802,197)
Retirements of senior notes	—	—	( 300,000)
Premium fees	—	—	( 12,939)
Debt financing costs	—	—	( 16,682)
Share-based compensation activities	( 14,818)	( 19,312)	( 15,082)
Shares repurchased and retired	( 685,850)	( 412,655)	( 541,642)
Dividends paid	( 62,661)	( 63,609)	( 48,162)
Other financing activities	( 172)	( 172)	( 1,248)
<b>Net cash used in financing activities</b>	( 509,501)	( 637,248)	( 615,852)
Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash	( 228)	( 73)	( 10)
<b>Change in cash, cash equivalents and restricted cash</b>	13,434	12,865	( 62,063)
Cash, cash equivalents and restricted cash, beginning of year	307,930	295,065	357,128
<b>Cash, cash equivalents and restricted cash, end of year</b>	\$ 321,364	\$ 307,930	\$ 295,065
<b>Supplemental Disclosure of Cash Flow Information</b>			
Cash paid for interest, net of amounts capitalized	\$ 173,177	\$ 166,682	\$ 144,020
Cash received for interest	213	11,999	—
Cash paid for income taxes	144,512	164,482	140,924
<b>Supplemental Schedule of Non-cash Investing and Financing Activities</b>			
Payables incurred for capital expenditures	\$ 27,220	\$ 23,509	\$ 7,348
Dividends declared not yet paid	14,665	15,508	15,476
Operating lease right-of-use asset and liability remeasurements	—	—	( 11,224)
Expected credit loss (income) on note receivable	—	( 34,371)	( 35,100)

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

**BOYD GAMING CORPORATION AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Organization**

Boyd Gaming Corporation (and together with its subsidiaries, the "Company," the "Registrant," "Boyd Gaming," "Boyd," "we" or "us") was incorporated in the state of Nevada in 1988 and has been operating since 1975. The Company's common stock is traded on the New York Stock Exchange under the symbol "BYD".

As of December 31, 2024, we are a geographically diversified operator of 28 wholly owned brick-and-mortar gaming entertainment properties ("gaming entertainment properties"). Headquartered in Las Vegas, Nevada, we have gaming operations in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania. In addition, we own and operate Boyd Interactive, a business-to-business ("B2B") and business-to-consumer ("B2C") online gaming business. We also manage the Sky River Casino located in California under a management agreement with Wilton Rancheria.

For financial reporting purposes, we have four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online, (collectively "Reportable Segments"). The Online segment includes the operating results of our online gaming operations through collaborative arrangements with third parties throughout the United States and the operations from our acquisition of Pala Interactive, LLC ("Pala Interactive") and its subsidiaries, including its Canadian subsidiary Pala Interactive Canada Inc. ("Pala Canada") on November 1, 2022, and the operations from our acquisition of Resorts Digital Gaming, LLC ("Resorts Digital") (collectively, with Pala Interactive and Pala Canada, "Boyd Interactive") on September 1, 2024. To reconcile Reportable Segments information to the consolidated information, the Company has aggregated nonreportable operating segments into a Managed & Other category. The Managed & Other category includes management fees earned under our management contract with Wilton Rancheria for the management of Sky River Casino in northern California and the operating results of Lattnar Entertainment Group Illinois, LLC ("Lattnar"), our Illinois distributed gaming operator. The table below lists the Reportable Segment classification of each of our gaming entertainment properties that were aggregated based on their similar economic characteristics, types of customers, types of services and products provided, the regulatory environments in which they operate and their management and reporting structure.

**Las Vegas Locals**

Gold Coast Hotel and Casino	Las Vegas, Nevada
The Orleans Hotel and Casino	Las Vegas, Nevada
Sam's Town Hotel and Gambling Hall	Las Vegas, Nevada
Suncoast Hotel and Casino	Las Vegas, Nevada
Eastside Cannery Casino and Hotel (1)	Las Vegas, Nevada
Aliante Casino + Hotel + Spa	North Las Vegas, Nevada
Cannery Casino Hotel	North Las Vegas, Nevada
Jokers Wild	Henderson, Nevada

**Downtown Las Vegas**

California Hotel and Casino	Las Vegas, Nevada
Fremont Hotel & Casino	Las Vegas, Nevada
Main Street Station Hotel and Casino	Las Vegas, Nevada

**Midwest & South**

Par-A-Dice Casino	East Peoria, Illinois
Belterra Casino Resort (2)	Florence, Indiana
Blue Chip Casino Hotel Spa	Michigan City, Indiana
Diamond Jo Casino	Dubuque, Iowa
Diamond Jo Worth	Northwood, Iowa
Kansas Star Casino	Mulvane, Kansas
Amelia Belle Casino	Amelia, Louisiana
Delta Downs Racetrack Hotel & Casino	Vinton, Louisiana
Evangeline Downs Racetrack & Casino	Opelousas, Louisiana
Sam's Town Shreveport	Shreveport, Louisiana
Treasure Chest Casino	Kenner, Louisiana
IP Casino Resort Spa	Biloxi, Mississippi
Sam's Town Hotel and Gambling Hall Tunica	Tunica, Mississippi
Ameristar Casino * Hotel Kansas City (2)	Kansas City, Missouri
Ameristar Casino * Resort * Spa St. Charles (2)	St. Charles, Missouri
Belterra Park (2)	Cincinnati, Ohio
Valley Forge Casino Resort	King of Prussia, Pennsylvania

(1) Due to the current levels of demand in the market, Eastside Cannery has remained closed since March 18, 2020, when it was closed in compliance with orders issued by state officials as precautionary measures intended to slow the spread of the COVID-19 virus.

(2) Property is subject to master lease agreement with a real estate investment trust.

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**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

In addition to these properties, we own a travel agency located in Hawaii. Financial results for our travel agency are included in our Downtown Las Vegas segment, as our Downtown Las Vegas properties concentrate significant marketing efforts on gaming customers from Hawaii.

**Basis of Presentation**

The consolidated financial statements include the accounts of the Company and its subsidiaries.

Investments in unconsolidated affiliates, which are 50% or less owned and where we have significant influence and do not meet the controlling financial interest consolidation criteria of the authoritative accounting guidance for voting interest or variable interest entities, are accounted for under the equity method.

All intercompany accounts and transactions have been eliminated in consolidation.

**Cash and Cash Equivalents**

Cash and cash equivalents include highly liquid investments, which include cash on hand and in banks, interest-bearing deposits and money market funds with maturities of three months or less at their date of purchase. The instruments are not restricted as to withdrawal or use and are on deposit with high credit quality financial institutions. Although these balances may at times exceed the federal insured deposit limit, we believe such risk is mitigated by the quality of the institution holding such deposit. The carrying values of these instruments approximate their fair values as such balances are generally available on demand.

**Restricted Cash**

Restricted cash consists primarily of: (i) amounts restricted by regulation for gaming and racing purposes; (ii) amounts restricted by regulation for the value in players' online casino gaming accounts; and (iii) advance payments received for future bookings with our Hawaiian travel agency. These restricted cash balances are invested in highly liquid instruments with a maturity of 90 days or less. These restricted cash balances are held by high credit quality financial institutions. The carrying values of these instruments approximate their fair values due to their short maturities.

The following table provides a reconciliation of cash, cash equivalents and restricted cash balances reported within the consolidated balance sheets to the total balance shown in the consolidated statements of cash flows.

<i>(In thousands)</i>	December 31, 2024	December 31, 2023	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 316,688	\$ 304,271	\$ 283,472	\$ 344,557
Restricted cash	4,676	3,659	11,593	12,571
<b>Total cash, cash equivalents and restricted cash</b>	<b>\$ 321,364</b>	<b>\$ 307,930</b>	<b>\$ 295,065</b>	<b>\$ 357,128</b>

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Accounts Receivable, net**

Accounts receivable consist primarily of casino, hotel, market access partner online gaming tax reimbursements and other receivables. Accounts receivable are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems the account to be uncollectible, based upon historical collection experience, the age of the receivable and other relevant economic factors. A provision for expected credit losses is maintained to reduce our receivables to their carrying amount. As a result, the net carrying value approximates fair value.

The activity comprising our allowance for doubtful accounts is as follows:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
<b>Beginning balance, January 1,</b>	\$ 2,728	\$ 2,595	\$ 3,338
Additions	921	984	1,557
Deductions	(1,308)	(851)	(2,300)
<b>Ending balance, December 31,</b>	\$ 2,341	\$ 2,728	\$ 2,595

**Inventories**

Inventories consist primarily of food & beverage and retail items and are stated at the lower of cost or market. Cost is determined using the weighted-average inventory method.

**Property and Equipment, net**

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets or, for leasehold improvements, over the shorter of the asset's useful life or term of the lease.

The estimated useful lives of our major components of property and equipment are:

Building and improvements	3 through 40 years
Riverboats and barges	5 through 40 years
Furniture and equipment	1 through 12 years

Gains or losses on disposals of assets are recognized as incurred. Costs of major improvements are capitalized, while costs of normal repairs and maintenance are charged to expense as incurred.

For an asset that is held for sale, we recognize the asset at the lower of carrying value or fair market value, less costs of disposal, as estimated based on comparable asset sales, cost and income approaches. For a long-lived asset to be held and used, we review the asset for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We then compare the estimated undiscounted future cash flows of the asset to the carrying value of the asset. The asset is not impaired if the undiscounted future cash flows exceed its carrying value. If the carrying value exceeds the undiscounted future cash flows, then an impairment charge is recorded, typically measured using a discounted cash flow model, which is based on the estimated future results of the relevant asset group discounted using our weighted-average cost of capital. In certain circumstances, the sales comparison approach, which analyzes recent sales transactions of similar assets, or the cost approach, which is based on the premise that a prudent investor would pay no more for an asset of similar utility than its replacement or reproduction cost, may be used in place of the discounted cash flow model to derive fair value. All resulting recognized impairment charges are recorded as impairment of assets within operating costs and expenses.

**Capitalized Interest**

Interest costs associated with major construction projects are capitalized as part of the cost of the constructed assets. When no debt is incurred specifically for a project, interest is capitalized on amounts expended for the project using our weighted-average cost of borrowing. Capitalization of interest ceases when the project (or discernible portions of the project) is substantially complete. If substantially all of the construction activities of a project are suspended, capitalization of interest will cease until such activities are resumed. There was capitalized interest of \$ 3.1 million, \$ 3.2 million and less than \$ 0.1 million for the years ended December 31, 2024, 2023 and 2022 respectively.

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Investment in Available for Sale Securities**

We have an investment in a single municipal bond issuance of \$ 16.4 million aggregate principal amount of 7.5 % Urban Renewal Tax Increment Revenue Bonds, Taxable Series 2007 ("City Bonds"). This investment is classified as available-for-sale and is recorded at fair value. The fair value at December 31, 2024 and 2023 was \$ 12.6 million and \$ 13.3 million, respectively. At December 31, 2024 and 2023, \$ 0.8 million and \$ 0.7 million, respectively, is included in prepaid expenses and other current assets and at December 31, 2024 and 2023, \$ 11.8 million and \$ 12.6 million, respectively, is included in other assets, net.

Future maturities of the City Bonds, excluding the discount, for the years ending December 31 are summarized as follows:

**(In thousands)****For the year ending December 31,**

2025	\$ 785
2026	845
2027	910
2028	975
2029	1,050
Thereafter	11,785
<b>Total</b>	<b>\$ 16,350</b>

**Intangible Assets**

Intangible assets include customer relationships, host agreements, development agreement, developed technology, B2B relationships, B2C relationships, marketing agreement, gaming license rights and trademarks.

**Amortizing Intangible Assets**

Customer relationships represent the value of repeat business associated with our customer loyalty programs and are being amortized on an accelerated method over their approximate useful life. B2B relationships and B2C relationships represent the value of our customer relationships, including those under contractual arrangements, associated with our online gaming operations and are being amortized on a straight-line basis over seven to twelve years. Host agreements represent the value associated with our host establishment relationships and are being amortized on a straight-line basis over 15 years. Development agreement is a contract between two parties establishing an agreement for development of a product or service. This agreement is being amortized over the respective cash flow period of the related seven-year agreement. Developed technology represents the value associated with our online gaming platform and is being amortized on a straight-line basis over 10 years. Marketing agreement is a contract between two parties establishing an agreement for marketing and promotional services and is being amortized on a straight-line basis over the 20 -year term of the agreement.

For amortizing intangible assets, we review the asset for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We then compare the estimated undiscounted future cash flows of the asset to the carrying value of the asset. The asset is not impaired if the undiscounted future cash flows exceed its carrying value. If the carrying value exceeds the undiscounted future cash flows, then an impairment charge is recorded, typically measured using a discounted cash flow model, which is based on the estimated future results of the relevant asset group discounted using our weighted-average cost of capital.

**Indefinite-Lived Intangible Assets**

Trademarks are based on the value of our brands, which reflect the level of service and quality we provide and from which we generate repeat business. Gaming license rights represent the value of the license to conduct gaming in certain jurisdictions, which is subject to highly extensive regulatory oversight, and a limitation on the number of licenses available for issuance therein. These assets, considered indefinite-lived intangible assets, are not subject to amortization, but instead are subject to an annual impairment test, and between annual test dates in certain circumstances. If the fair value of an indefinite-lived intangible asset is less than its carrying amount, an impairment loss is recognized equal to the difference. Gaming license rights are tested for impairment using a multi-period excess earnings method, which is a specific discounted cash flow model or a qualitative assessment approach, and trademarks are tested for impairment using the relief-from-royalty method or a qualitative assessment approach.

**Goodwill**

Goodwill is an asset representing the future economic benefits arising from other assets in a business combination that are not individually identified and separately recognized. Goodwill is not subject to amortization, but it is subject to an annual impairment test and in between annual test dates in certain circumstances.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

We evaluate goodwill for impairment at the reporting unit level using a weighted average allocation of both the income and market approach models or a qualitative assessment approach. In the valuation of a reporting unit's goodwill, the income approach focuses on the income-producing capability of the reporting unit. The underlying premise of this approach is that the value of a reporting unit can be measured by the present worth of the net economic benefit (cash receipts less cash outlays) to be received over the life of the reporting unit. The steps followed in applying this approach include estimating the expected after-tax cash flows attributable to the reporting unit over its life and converting these after-tax cash flows to present value through "discounting." The discounting process uses a rate of return which accounts for both the time value of money and investment risk factors. Finally, the present value of the after-tax cash flows over the life of the reporting unit is totaled to arrive at an indication of the fair value of the reporting unit. The market approach is comprised of the guideline company method, which focuses on comparing the subject company to selected reasonably similar, or "guideline", publicly-traded companies. Under this method, valuation multiples are: (i) derived from the operating data of selected guideline companies; (ii) evaluated and adjusted based on the strengths and weaknesses of the subject company relative to the selected guideline companies; and (iii) applied to the operating data of the subject company to arrive at an indication of value. In the valuation of a reporting unit, the market approach measures value based on what typical purchasers in the market have paid for assets which can be considered reasonably similar to those being valued. When the market approach is utilized, data is collected on the prices paid for reasonably comparable assets. Adjustments are made to the similar assets to compensate for differences between reasonably similar assets and the asset being valued. The application of the market approach results in an estimate of the price reasonably expected to be realized from the sale of the reporting unit.

**Long-Term Debt, Net**

Long-term debt, net is reported as the outstanding debt amount net of unamortized cost. Any unamortized debt issuance costs, which include legal and other direct costs related to the issuance of our outstanding debt, or discount granted to the initial purchasers or lenders upon issuance of our debt instruments is recorded as a direct reduction to the face amount of our outstanding debt. The debt issuance costs and discount are accreted to interest expense using the effective interest method over the contractual term of the underlying debt. In the event that our debt is modified, repurchased or otherwise reduced prior to its original maturity date, we evaluate whether it is a debt extinguishment or debt modification under authoritative accounting guidance and for a debt extinguishment, we ratably reduce the unamortized debt issuance costs and discount and record a loss on extinguishment of debt.

**Income Taxes**

Income taxes are recorded under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. We reduce the carrying amounts of deferred tax assets by a valuation allowance if, based on the available evidence, it is more likely than not that such assets will not be realized. Use of the term "more likely than not" indicates the likelihood of occurrence is greater than 50%. Accordingly, the need to establish valuation allowances for deferred tax assets is continually assessed, as facts and circumstances change, and at a minimum quarterly, based on a more-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of profitability and taxable income, the duration of statutory carryforward periods, our experience with the utilization of operating loss and tax credit carryforwards before expiration and tax planning strategies. In making such judgments, significant weight is given to evidence that can be objectively verified.

In performing our second quarter 2023 valuation allowance analysis, we determined that the positive evidence in favor of releasing a portion of our valuation allowance for certain state jurisdictions, outweighed the negative evidence. We utilize a rolling twelve quarters of pre-tax income adjusted for permanent book to tax differences as a measure of cumulative results in recent years. We transitioned from a cumulative loss position to a cumulative income position over the rolling twelve quarters ended June 30, 2023. Other evidence considered in the analysis included, but was not limited to, a trend reflective of improvement in recent earnings, forecasts of profitability and taxable income and the reversal of existing temporary differences. The change in these conditions during the three months ended June 30, 2023 provided positive evidence that supported the release of the valuation allowance against a significant portion of our state deferred tax assets. As such, we concluded that it was more likely than not that the benefit from our deferred tax assets would be realized. As a result, during the second quarter of 2023, we released \$ 35.9 million of valuation allowance on our state income tax net operating loss carryforwards and other deferred tax assets.

**Other Long-Term Tax Liabilities**

The Company's income tax returns are subject to examination by the Internal Revenue Service ("IRS") and other tax authorities in the locations where it operates. The Company assesses potentially unfavorable outcomes of such examinations based on accounting standards for uncertain income taxes, which prescribe a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements.

Uncertain tax position accounting standards apply to all tax positions related to income taxes. These accounting standards utilize a two-step approach for evaluating tax positions. Recognition occurs when the Company concludes that a tax position, based on its technical merits, is more likely than not to be sustained upon examination. Measurement is only addressed if the position is deemed to be more likely than not to be sustained. The tax benefit is measured as the largest amount of benefit that is more likely than not to be realized upon settlement.

Tax positions failing to qualify for initial recognition are recognized in the first subsequent interim period that they meet the "more likely than not" standard. If it is subsequently determined that a previously recognized tax position no longer meets the "more likely than not" standard, it is required that the tax position is derecognized. Accounting standards for uncertain tax positions specifically prohibit the use of a valuation allowance as a substitute for derecognition of tax positions. As applicable, the Company will recognize accrued penalties and interest related to unrecognized tax benefits in the provision for income taxes. If applicable, accrued interest and penalties are included in other long-term tax liabilities on the consolidated balance sheets.

The IRS has selected our federal corporate income tax return for the tax year ended December 31, 2021, for examination. The IRS examination began in the second quarter of 2024. As of December 31, 2024, and for the year then ended, there were no changes to our unrecognized tax benefits to date.

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Self-Insurance Reserves**

We are self-insured for various insurance coverages such as property, general liability, employee health and workers' compensation costs with the appropriate levels of deductibles and retentions. Insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of estimates for claims incurred but not yet reported. In estimating these accruals, we consider historical loss experience and make judgments about the expected levels of costs per claim. Management believes the estimates of future liability are reasonable based upon our methodology; however, changes in health care costs, accident frequency and severity and other factors could materially affect the estimate for these liabilities. Certain of these claims represent obligations to make future payments; and therefore, we discount such reserves to an amount representing the present value of the claims which will be paid in the future using a blended rate, which represents the inherent risk and the average payout duration. Self-insurance reserves are included in accrued liabilities on our consolidated balance sheets.

The activity comprising our self-insurance reserves is as follows:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
<b>Beginning balance, January 1,</b>	\$ 33,857	\$ 37,492	\$ 42,563
Additions			
Charged to costs and expenses	79,373	68,981	81,249
Payments made	( 80,173)	( 72,616)	( 86,320)
<b>Ending balance, December 31,</b>	\$ 33,057	\$ 33,857	\$ 37,492

**Accumulated Other Comprehensive Income (Loss)**

Comprehensive income includes net income and other comprehensive income (loss). Components of the Company's comprehensive income are reported in the accompanying consolidated statements of changes in stockholders' equity and consolidated statements of comprehensive income. The accumulated other comprehensive income (loss) at December 31, 2024, consists of unrealized gains and losses on the investment available for sale resulting from changes in fair value and foreign currency translation adjustments.

**Leases**

Management determines if a contract is or contains a lease at inception or modification of a contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. Control over the use of the identified asset means the lessee has both (a) the right to obtain substantially all of the economic benefits from the use of the asset and (b) the right to direct the use of the asset. Operating lease liabilities are recognized based on the present value of the remaining lease payments, discounted using the discount rate for the lease at the commencement date. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. For our operating leases for which the rate implicit in the lease is not readily determinable, we generally use an incremental borrowing rate based on information available at the commencement date to determine the present value of future lease payments. The incremental borrowing rate is determined based on the weighted average incremental borrowing rate at the lease commencement or modification date that is commensurate with the rate of interest in a similar economic environment that we would have to pay to borrow an amount equal to our future lease payments on a collateralized basis over a similar term, including reasonably certain options to extend or terminate. The determination of the incremental borrowing rate could materially impact our lease liabilities. Operating right-of-use ("ROU") assets and finance lease assets are recognized based on the amount of the initial measurement of the lease liability. Lease expense is recognized on a straight-line basis over the lease term. Lease and non-lease components are accounted for separately.

**Revenue Recognition**

The Company's revenue contracts with customers consist of gaming wagers (including both those made at our gaming entertainment properties and online B2C wagers), hotel room sales, food & beverage offerings and other amenity transactions. See *Collaborative Arrangements* below for further discussion of revenues earned under our online collaborative arrangements. The transaction price for a gaming wagering contract is the difference between gaming wins and losses, not the total amount wagered. Cash discounts, commissions and other cash incentives to customers related to gaming play are recorded as a reduction of gaming revenues. The transaction price for hotel, food & beverage and other contracts is the net amount collected from the customer for such goods and services. Hotel, food & beverage and other services have been determined to be separate, stand-alone performance obligations and the transaction price for such contracts is recorded as revenue as the good or service is transferred to the customer over their stay at the hotel, when the delivery is made for the food & beverage or when the service is provided for other amenity transactions.

We have established a player loyalty point program to encourage repeat business from frequent and active slot machine customers and other patrons. Members earn points based on gaming activity and such points can be redeemed for complimentary slot play, food & beverage, hotel rooms and other free goods and services.

Gaming wager contracts involve two performance obligations for those customers earning points under the Company's player loyalty program and a single performance obligation for customers who do not participate in the program. The Company applies a practical expedient by accounting for its gaming contracts on a portfolio basis as such wagers have similar characteristics and the Company reasonably expects the effects on the financial statements of applying the revenue recognition guidance to the portfolio to not differ materially from that which would result if applying the guidance to an individual wagering contract. For purposes of allocating the transaction price in a wagering contract between the wagering performance obligation and the obligation associated with the loyalty points earned, the Company allocates an amount to the player loyalty contract liability based on the stand-alone selling price of the points earned, which is determined by the value of a point that can be redeemed for a hotel room stay, food & beverage or other amenities. Sales and usage-based taxes are excluded from revenues. An amount is allocated to the gaming wager performance obligation using the residual approach as the stand-alone price for wagers is highly variable and no set established price exists for such wagers. The allocated revenue for gaming wagers, excluding race and sports wagers, is recognized when the wagers occur as all such wagers settle immediately. The allocated revenue for race and sports wagers is recognized when the specific event or game occurs. The player loyalty contract liability amount is deferred and recognized as revenue when the customer redeems the points for a hotel room stay, food & beverage or other amenities and such goods or services are delivered to the customer. See Note 6, *Accrued Liabilities*, for the balance outstanding related to the player loyalty program.

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

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The Company collects advance deposits from hotel customers for future hotel reservations and other future events such as banquets and ticketed events. These advance deposits represent obligations of the Company until the hotel room stay is provided to the customer or the banquet or ticketed event occurs. See Note 6, *Accrued Liabilities*, for the balance outstanding related to advance deposits.

The Company's outstanding chip liability represents the amounts owed in exchange for gaming chips held by a customer. Outstanding chips are expected to be recognized as revenue or redeemed for cash within one year of being purchased. See Note 6, *Accrued Liabilities*, for the balance related to outstanding chips.

The retail value of hotel accommodations, food & beverage, and other services furnished to guests without charge is recorded as departmental revenues. Gaming revenues are net of incentives earned in our player loyalty program and the estimated retail value of complimentary goods and services provided to customers (such as complimentary rooms and food & beverage). The estimated retail values related to goods and services provided to customers without charge or upon redemption of points under our player loyalty program, included in departmental revenues, and therefore reducing our gaming revenues, are as follows:

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
Food & beverage	\$ 128,322	\$ 119,202	\$ 116,364
Rooms	62,944	62,521	65,485
Other	8,595	8,679	8,818

**Gaming Taxes**

We are subject to taxes based on gross gaming revenues in the jurisdictions in which we operate. These gaming taxes are assessed based on our gaming revenues and are recorded in the consolidated statements of operations as a gaming expense for gaming entertainment properties and online expense for Boyd Interactive operations. Gaming taxes recorded as gaming expense totaled approximately \$ 515.3 million, \$ 512.0 million and \$ 523.2 million for the years ended December 31, 2024, 2023 and 2022, respectively. Gaming taxes recorded as online expense, excluding taxes paid under collaborative arrangements (see *Collaborative Arrangements* below for further discussion), totaled \$ 14.4 million, \$ 6.2 million and \$ 0.4 million for the years ended December 31, 2024, 2023 and 2022, respectively.

**Advertising Expense**

Direct advertising costs are expensed the first time such advertising appears. Advertising costs are included in selling, general and administrative expenses on the consolidated statements of operations and totaled \$ 26.9 million, \$ 22.4 million and \$ 18.7 million for the years ended December 31, 2024, 2023 and 2022, respectively.

**Corporate Expense**

Corporate expense represents unallocated payroll, professional fees, rent, aircraft costs and various other expenses that are not directly related to our casino, hotel and online operations, in addition to the corporate portion of share-based compensation expense.

**Project Development, Preopening and Writedowns**

Project development, preopening and writedowns represent: (i) certain costs incurred and recoveries realized related to the activities associated with various acquisition opportunities, strategic initiatives, dispositions and other business development activities in the ordinary course of business; (ii) certain costs of start-up activities that are expensed as incurred in our ongoing efforts to develop gaming activities in new jurisdictions and expenses related to other new business development activities that do not qualify as capital costs; (iii) asset writedowns; and (iv) realized gains arising from asset dispositions.

**Share-Based Compensation**

Share-based compensation expense is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense, net of estimated forfeitures, over the employee's requisite service period. The requisite service period can be impacted by the provisions of the Company's stock compensation programs that provide for automatic vesting acceleration upon retirement (including as a result of death or disability) for those long-service participants achieving defined age and years of service criteria. These acceleration provisions do not apply to stock grants and awards issued within six months of the employee's retirement. Compensation costs related to stock option awards are calculated based on the fair value of each major option grant on the date of the grant using the Black-Scholes option pricing model, which requires the following assumptions: expected stock price volatility, risk-free interest rates, expected option lives and dividend yields. We form our assumptions using historical experience and observable market conditions.

**Currency Translation**

The Company translates the financial statements of its foreign subsidiary that are not denominated in U.S. dollars. Balance sheet accounts are translated at the exchange rate in effect at each balance sheet date. Income statement accounts are translated at the average rate of exchange prevailing during the period. If a material income statement event occurs, the transaction would be translated at the exchange rate in effect on the date of occurrence. Translation adjustments resulting from this process are recorded in other comprehensive income (loss). Gains or losses from foreign currency transaction remeasurements are recorded as other non-operating income (expense).

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

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**Net Income per Share**

Basic net income per share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted earnings per share reflects the additional dilution for all potentially-dilutive securities, such as stock options.

**Collaborative Arrangements**

We hold a five percent equity ownership in and have a strategic partnership with FanDuel Group ("FanDuel"), the nation's leading sports-betting operator, to pursue sports-betting opportunities across the country, both at our gaming entertainment properties and online. Subject to state law and regulatory approvals, we have established a presence in the sports wagering industry, both at our gaming entertainment properties and online, by leveraging FanDuel's technology and related services. We offer online sports wagering under the FanDuel brand or under market access agreements with other companies in Illinois, Indiana, Iowa, Kansas, Louisiana, Ohio and Pennsylvania. We also operate sportsbooks under the FanDuel brand at one of our Downtown Las Vegas gaming entertainment properties, our gaming entertainment properties in Mississippi and all of the gaming entertainment properties in the states where we offer online sports wagering. Under our online collaborative arrangements with FanDuel and other third parties, we receive a revenue share from FanDuel or the other third-party operators based on actual wagering wins and losses. The activities under these collaborative arrangements related to online wagering, are recorded in online revenue and online expense on the consolidated statements of operations. The activities under these collaborative arrangements related to sportsbooks at our gaming entertainment properties, are recorded in gaming revenue and gaming expense.

Under certain of our collaborative arrangements, we are the primary obligor and are responsible for paying gaming taxes and other license payments owed as the gaming licensee for the related online gaming activities. We are reimbursed for these taxes and other payments by the third-party operators. We report these gaming taxes and other expenses paid as online expense and the reimbursements we receive as online revenues. These taxes and other payments totaled approximately \$ 450.5 million, \$ 328.0 million and \$ 207.9 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Our five percent equity ownership in FanDuel is recorded at cost in accordance with the measurement alternative allowed under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 321, *Accounting for Investments in Equity Securities*. We do not have the ability to exercise significant influence over FanDuel's operating and financial policies. We evaluate the investment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We evaluate the recorded value of the investment when any observable price changes in orderly transactions for an identical or similar investment would require an adjustment of the investment to fair value.

**Concentration of Credit Risk**

Financial instruments that subject us to credit risk consist of cash equivalents and accounts receivable.

Our policy is to limit the amount of credit exposure to any one financial institution, and place investments with financial institutions evaluated as being creditworthy, or in short-term money market and tax-free bond funds which are exposed to minimal interest rate and credit risk. We have bank deposits that may at times exceed federally insured limits.

Concentration of credit risk, with respect to gaming receivables, is limited through our credit evaluation process. We issue markers to approved gaming customers only following credit checks and investigations of creditworthiness.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

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**Recently Adopted Accounting Pronouncements**

*Accounting Standards Update ("ASU") 2023-07, Segment Reporting, Topic 280, Improvements to Reportable Segment Disclosures ("Update 2023-07")*

In November 2023, the FASB issued Update 2023-07 to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. Update 2023-07 is to be applied retrospectively and is effective for financial statements issued for annual periods beginning after December 15, 2023, and interim periods beginning after December 15, 2024, with early adoption permitted. The Company adopted Update 2023-07 during first quarter 2024, and the guidance was applied and discussed in Note 14, *Segment Information*.

**ASU 2021-08, Business Combinations, Topic 805 ("Update 2021-08")**

In October 2021, the FASB issued Update 2021-08 to improve the accounting for acquired revenue contracts with customers in a business combination. Under current GAAP, an acquirer generally recognizes assets acquired and liabilities assumed in a business combination at fair value on the acquisition date. ASU 2021-08 requires acquiring entities to apply Topic 606, *Revenue Recognition*, to recognize and measure contract assets and liabilities in a business combination. Update 2021-08 is effective for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. Early adoption is permitted. The Company adopted Update 2021-08 during third quarter 2022, and the guidance was applied in accounting for the Boyd Interactive acquisition as discussed in Note 2, *Acquisition*.

**ASU 2021-05, Leases, Topic 842 ("Update 2021-05")**

In July 2021, the FASB issued Update 2021-05 to clarify guidance for lessors with lease contracts that have variable lease payments that do not depend on a reference index or rate and would have resulted in the recognition of a selling loss at lease commencement if classified as sales-type or direct financing. Update 2021-05 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. The Company adopted Update 2021-05 during first quarter 2022, and the impact of the adoption to its consolidated financial statements was not material.

**Recently Issued Accounting Pronouncements**

*ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures, Subtopic 220-40, Disaggregation of Income Statement Expenses ("Update 2024-03")*

In November 2024, the FASB issued Update 2024-03 which expands disclosures about specific expense categories presented on the face of the income statement. Update 2024-03 is effective for financial statements issued for annual periods beginning after December 15, 2026, with early adoption permitted. The Company is evaluating the impact of the adoption of Update 2024-03 to the consolidated financial statements.

**ASU 2023-09, Income Taxes, Topic 740, Improvements to Income Tax Disclosures ("Update 2023-09")**

In December 2023, the FASB issued Update 2023-09 to improve income tax disclosure requirements, primarily related to rate reconciliations and income taxes paid. Update 2023-09 is effective for financial statements issued for annual periods beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of the adoption of Update 2023-09 to the consolidated financial statements.

A variety of proposed or otherwise potential accounting standards are currently being studied by standard-setting organizations and certain regulatory agencies. Because of the tentative and preliminary nature of such proposed standards, we have not yet determined the effect, if any, that the implementation of such proposed standards would have on our consolidated financial statements.

**NOTE 2. ACQUISITIONS**

**Resorts Digital Gaming, LLC**

On September 1, 2024, Boyd Interactive Gaming, Inc. ("Boyd Interactive Inc."), a wholly owned subsidiary of the Company, completed its acquisition of Resorts Digital, pursuant to a Membership Interest Purchase Agreement (the "Membership Agreement"), entered into on May 15, 2024, by and among Boyd Interactive Inc., DGMB Casino Holding, LLC and DGMB Casino SPE Corp. Resorts Digital is now a wholly owned subsidiary of Boyd Interactive Inc.

Resorts Digital is an online casino operator based in New Jersey, operating a dual-brand strategy across Resorts Casino and Mohegan Sun. This acquisition is another step forward in building out our online casino business. In addition to acquiring the existing online business under both brands, the acquisition includes a 20-year marketing agreement with a 10-year renewal option that provides for marketing and promotional services at Resorts Casino in Atlantic City, New Jersey. This marketing agreement allows us to provide our online customers in New Jersey access to a gaming entertainment property where they can redeem points earned under our loyalty program for such amenities as complimentary food & beverage and hotel rooms. The acquired company is aggregated into our Online segment (See Note 14, *Segment Information*).

**Consideration Transferred**

The fair value of the consideration transferred on the date of the Membership Agreement included the purchase price of the net assets transferred. The total gross cash consideration was \$ 34.0 million (with \$ 3.7 million of cash and restricted cash acquired, for total cash paid for acquisitions, net of cash received of \$ 30.3 million).

**Status of Purchase Price Allocation**

The Company followed the acquisition method of accounting pursuant to FASB ASC Topic 805. For purposes of these consolidated financial statements, we have allocated the purchase price to the assets acquired and the liabilities assumed based on their fair values as determined by management with the assistance from third-party specialists. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed was recorded as goodwill. The Company recognized the assets acquired and liabilities assumed in the acquisition based on fair value estimates as of the date of the acquisition. In the fourth quarter of 2024, the Company finalized its determination of the fair value of the intangible assets acquired, along with the related allocation of goodwill. There was no change in the final determination of fair value of the intangible assets acquired or the related allocation of goodwill from the preliminary values included in the condensed financial statements at September 30, 2024.

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

The following table summarizes the preliminary purchase price allocation reported in the Company's financial statements as of September 30, 2024, and the adjustments to the preliminary purchase price allocation to derive the final purchase price allocation, as reflected in the Company's financial statements as of December 31, 2024:

<i>(In thousands)</i>	Preliminary Allocation September 30, 2024	Adjustments	Final Purchase Price Allocation
	\$ 4,316	\$ (13)	\$ 4,303
Current assets	\$ 4,316	\$ (13)	\$ 4,303
Other assets	110	—	110
Intangible assets	22,800	—	22,800
<b>Total acquired assets</b>	<b>27,226</b>	<b>(13)</b>	<b>27,213</b>
Current liabilities	3,918	(27)	3,891
Other liabilities	28	—	28
<b>Total liabilities assumed</b>	<b>3,946</b>	<b>(27)</b>	<b>3,919</b>
<b>Net identifiable assets acquired</b>	<b>23,280</b>	<b>14</b>	<b>23,294</b>
Goodwill	10,700	—	10,700
<b>Net assets acquired</b>	<b>\$ 33,980</b>	<b>\$ 14</b>	<b>\$ 33,994</b>

The following table summarizes the values assigned to acquired intangible assets and weighted average useful lives of definite-lived intangible assets:

<i>(In thousands)</i>	Useful Lives (in years)	As Recorded
	Indefinite	\$ 15,000
Gaming license right	Indefinite	\$ 15,000
Customer relationships	5	3,300
Marketing agreement	20	4,500
<b>Total intangible assets acquired</b>		<b>\$ 22,800</b>

The goodwill recognized is the excess of the purchase price over the preliminary values assigned to the assets acquired and liabilities assumed. All of the goodwill was assigned to the Online reportable segment.

The Company expensed \$ 0.1 million of acquisition related costs during the year ended December 31, 2024. These costs are included in project development, preopening and writedowns on the consolidated statements of operations.

The revenue and earnings from the acquisition are not material for the period subsequent to acquisition through December 31, 2024. The pro-forma revenue and earnings from the acquisition assuming all impacts as if it had been completed on January 1, 2024, are not material through December 31, 2024.

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Pala Interactive**

On November 1, 2022, Boyd Interactive Inc., a wholly owned subsidiary of the Company, completed its acquisition of Pala Interactive and its subsidiaries, including its Canadian subsidiary Pala Canada, pursuant to a Purchase Agreement and Plan of Merger (the "Merger Agreement"), entered into on March 28, 2022, by and among Boyd Interactive Inc., Boyd Phoenix Acquisition, LLC ("Merger Sub"), a wholly owned subsidiary of Boyd Interactive Inc., Boyd Phoenix Canada Inc., a wholly owned subsidiary of Boyd Gaming, Pala Interactive, Pala Canada Holdings, LLC and Shareholder Representative Services LLC as representative of the holders of the membership interests of Pala Interactive. Pursuant to the Merger Agreement, Merger Sub merged with and into Pala Interactive (the "Merger"), with Pala Interactive surviving the Merger. Pala Interactive is now a wholly owned subsidiary of Boyd Interactive Inc.

Pala Interactive is an innovative online gaming technology company that provides proprietary solutions on both a B2B and B2C basis in regulated markets across the United States and Canada. We view this acquisition as an important step forward in our online growth strategy as it provides us with the talent and technology to begin building our regional online casino business. While online casinos are now limited to just a few states, over the long term we believe there is growth and additional profit potential for our Company from online gaming. By owning and operating an online gaming business, we will be able to leverage our nationwide portfolio and extensive customer database to grow in the online casino space. The acquired company is aggregated into our Online segment (See Note 14, *Segment Information*).

**Consideration Transferred**

The fair value of the consideration transferred on the date of the Merger Agreement included the purchase price of the net assets transferred. The total gross cash consideration was \$ 175.2 million (with \$ 7.3 million of cash acquired, for total cash paid for acquisitions, net of cash received of \$ 167.9 million).

**Status of Purchase Price Allocation**

The Company followed the acquisition method of accounting pursuant to FASB ASC Topic 805. For purposes of these consolidated financial statements, we have allocated the purchase price to the assets acquired and the liabilities assumed based on their fair values as determined by management with the assistance from third-party specialists. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed was recorded as goodwill. The Company recognized the assets acquired and liabilities assumed in the acquisition based on fair value estimates as of the date of the Merger. In the second quarter of 2023, the Company finalized its determination of the fair value of the intangible assets acquired, along with the related allocation of goodwill. There was no change in the final determination of fair value of the intangible assets acquired or the related allocation of goodwill from the preliminary values included in the consolidated financial statements at December 31, 2022.

The following table summarizes the purchase price allocation as of the acquisition date of November 1, 2022:

<i>(In thousands)</i>	<b>As Recorded</b>
Current assets	\$ 10,456
Property and equipment	445
Other assets	740
Intangible assets	77,000
<b>Total acquired assets</b>	<b>88,641</b>
Current liabilities	4,462
Other liabilities	3,007
<b>Total liabilities assumed</b>	<b>7,469</b>
<b>Net identifiable assets acquired</b>	<b>81,172</b>
Goodwill	94,037
<b>Net assets acquired</b>	<b>\$ 175,209</b>

The following table summarizes the values assigned to acquired property and equipment and estimated useful lives:

<i>(In thousands)</i>	<b>Useful Lives (in years)</b>	<b>As Recorded</b>
Buildings and improvement	5	\$ 22
Furniture and equipment	2 - 5	423
<b>Property and equipment acquired</b>		<b>\$ 445</b>

The following table summarizes the values assigned to acquired intangible assets and weighted average useful lives of definite-lived intangible assets:

<i>(In thousands)</i>	<b>Useful Lives (in years)</b>	<b>As Recorded</b>
Developed technology	10	\$ 36,000
B2B relationships	7 - 10	28,000
B2C relationships	12	13,000
<b>Total intangible assets acquired</b>		<b>\$ 77,000</b>

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**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

The goodwill recognized is the excess of the purchase price over the values assigned to the assets acquired and liabilities assumed. All of the goodwill was assigned to reporting units included in the Online segment. All of the goodwill, except \$ 7.8 million allocated to Pala Canada, is expected to be deductible for income tax purposes.

The Company expensed acquisition related costs of \$ 0.7 million and \$ 5.5 million during the years ended December 31, 2023 and 2022, respectively. There were no acquisition related costs during the year ended December 31, 2024. These costs are included in project development, preopening and writedowns on the consolidated statements of operations.

The revenue and earnings from the Merger are not material for the period subsequent to acquisition through December 31, 2022. The pro-forma revenue and earnings from the Merger assuming all impacts as if it had been completed on January 1, 2022, are not material through December 31, 2022.

**NOTE 3. PROPERTY AND EQUIPMENT, NET**

Property and equipment, net consists of the following:

(In thousands)	December 31,	
	2024	2023
Land	\$ 338,469	\$ 338,469
Buildings and improvements	3,398,700	3,237,863
Furniture and equipment	1,870,124	1,742,666
Riverboats and barges	211,879	241,826
Construction in progress	148,571	182,710
<b>Total property and equipment</b>	<b>5,967,743</b>	<b>5,743,534</b>
Less accumulated depreciation	( 3,288,467)	( 3,201,022)
<b>Property and equipment, net</b>	<b>\$ 2,679,276</b>	<b>\$ 2,542,512</b>

Construction in progress primarily relates to costs capitalized in conjunction with major improvements that have not yet been placed into service, and accordingly, such costs are not currently being depreciated.

Depreciation expense for the years ended December 31, 2024, 2023 and 2022 was \$ 259.8 million, \$ 240.0 million and \$ 248.4 million, respectively.

**NOTE 4. INTANGIBLE ASSETS**

Intangible assets consist of the following:

(In thousands)	December 31, 2024					
	Weighted			Accumulated Impairment Losses	Effect of Foreign Currency Exchange	Intangible Assets, Net
	Useful Life Remaining (in years)	Gross Carrying Value	Accumulated Amortization			
<b>Amortizing intangibles</b>						
Customer relationships	2.1	\$ 7,225	\$ ( 4,145)	\$ —	\$ —	\$ 3,080
Host agreements	8.4	58,000	( 25,456)	—	—	32,544
Development agreement	4.6	21,373	( 7,251)	—	—	14,122
Developed technology	7.3	43,435	( 9,045)	—	( 418)	33,972
B2B relationships	5.0	28,000	( 8,481)	—	( 80)	19,439
B2C relationships	9.8	13,000	( 2,347)	—	—	10,653
Marketing agreement	19.7	4,500	( 75)	—	—	4,425
		175,533	( 56,800)	—	( 498)	118,235
<b>Indefinite lived intangible assets</b>						
Trademarks	Indefinite	199,900	—	( 32,275)	—	167,625
Gaming license rights	Indefinite	1,393,081	( 33,960)	( 253,974)	—	1,105,147
		1,592,981	( 33,960)	( 286,249)	—	1,272,772
<b>Balances, December 31, 2024</b>		<b>\$ 1,768,514</b>	<b>\$ ( 90,760)</b>	<b>\$ ( 286,249)</b>	<b>\$ ( 498)</b>	<b>\$ 1,391,007</b>

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

(In thousands)	December 31, 2023					
	Weighted					
	Useful Life Remaining (in years)	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment Losses	Effect of Foreign Currency Exchange	Intangible Assets, Net
<b>Amortizing intangibles</b>						
Customer relationships	0.1	\$ 35,050	\$ ( 35,010)	\$ —	\$ —	\$ 40
Host agreements	9.4	58,000	( 21,589)	—	—	36,411
Development agreement	5.6	21,373	( 4,198)	—	—	17,175
Developed technology	8.5	39,981	( 4,482)	—	225	35,724
B2B relationships	6.0	28,000	( 4,566)	—	52	23,486
B2C relationships	10.8	13,000	( 1,264)	—	—	11,736
		<b>195,404</b>	<b>( 71,109)</b>	<b>—</b>	<b>277</b>	<b>124,572</b>
<b>Indefinite lived intangible assets</b>						
Trademarks	Indefinite	199,900	—	( 32,275)	—	167,625
Gaming license rights	Indefinite	1,378,081	( 33,960)	( 243,474)	—	1,100,647
		<b>1,577,981</b>	<b>( 33,960)</b>	<b>( 275,749)</b>	<b>—</b>	<b>1,268,272</b>
<b>Balances, December 31, 2023</b>		<b>\$ 1,773,385</b>	<b>\$ ( 105,069)</b>	<b>\$ ( 275,749)</b>	<b>\$ 277</b>	<b>\$ 1,392,844</b>

**Amortizing Intangible Assets**

*Customer Relationships*

Customer relationships represent the value of repeat business associated with our customer loyalty programs. The value of customer relationships is determined using a multi-period excess earnings method, which is a specific discounted cash flow model. The value is determined at an amount equal to the present value of the incremental after-tax cash flows attributable only to these customers, discounted to present value at a risk-adjusted rate of return. With respect to the application of this methodology, we used the following significant projections of future cash flows, assumptions and estimates: revenue of our rated customers, based on expected level of play; promotional allowances provided to these existing customers; attrition rate related to these customers; operating expenses; general and administrative expenses; trademark expense; discount rate; and the present value of tax benefit.

*Host Agreements*

Host agreements represent the value associated with the host establishment relationships of our distributed gaming operator. The value of host agreements is determined using a multi-period excess earnings method, which is a specific discounted cash flow model. The value is determined at an amount equal to the present value of the incremental after-tax cash flows attributable only to these establishments, discounted to present value at a risk-adjusted rate of return.

*Development Agreement*

Development agreement is an acquired contract with Wilton Rancheria under which the Company developed the Sky River Casino on the Wilton Rancheria's land. Amortization of this asset began on August 15, 2022, upon the opening of Sky River Casino.

*Developed Technology*

Developed technology represents the value associated with our online gaming platform. The value is determined using the relief from royalty method, which presumes that without ownership of such technology, we would have to make a stream of payments to a technology owner in return for the right to use their technology. By virtue of this asset, we avoid any such payments and record the related intangible value of our ownership of the technology. We used the following significant projections of future cash flows, assumptions and estimates to determine value under the relief from royalty method: revenue from online gaming activities; royalty rate; tax expense; obsolescence rate; discount rate; and present value of tax benefit.

*B2B Relationships and B2C Relationships*

B2B relationships and B2C relationships represent the value of our customer relationships, including those under contractual arrangements, associated with our online gaming operations. The value of B2B and B2C relationships are determined using a multi-period excess earnings method, which is a specific discounted cash flow model. The value is determined at an amount equal to the present value of the incremental after-tax cash flows attributable only to those customer relationships, discounted to present value at a risk-adjusted rate of return. With respect to the application of this methodology, we used the following significant projections of cash flows, assumptions and estimates: revenue of those customers, based on expected level of play and the specific contractual arrangement; promotional allowances and attrition rate related to these relationships; operating expenses; general and administrative expenses; contributory asset charge; discount rate; and the present value of tax benefit.

*Marketing Agreement*

Marketing agreement is an acquired contract for which the Company, while utilizing the Resorts World and Mohegan Sun brands, receives marketing and promotional services at Resorts Casino in Atlantic City, New Jersey. The value is determined at an amount equal to the present value of the projected marketing expense after-tax savings that would be expected to be incurred absent such marketing agreement providing such advertising.

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**Indefinite Lived Intangible Assets**

**Trademarks**

Trademarks are based on the value of our brands, which reflect the level of service and quality we provide and from which we generate repeat business. Trademarks are valued using the relief from royalty method, which presumes that without ownership of such trademark, we would have to make a stream of payments to a brand or franchise owner in return for the right to use their name. By virtue of this asset, we avoid any such payments and record the related intangible value of our ownership of the trade name. We used the following significant projections of future cash flows, assumptions and estimates to determine value under the relief from royalty method: revenue from gaming, food & beverage, hotel and other revenue-producing activities; royalty rate; tax expense; terminal growth rate; discount rate; and the present value of tax benefit.

**Gaming License Rights**

Gaming license rights represent the value of the license to conduct gaming in certain jurisdictions, which is subject to highly extensive regulatory oversight, and a limitation on the number of licenses available for issuance therein. In the majority of cases, the value of our gaming licenses is determined using a multi-period excess earnings method, which is a specific discounted cash flow model. The value is determined at an amount equal to the present value of the incremental after-tax cash flows attributable only to future gaming revenue, discounted to present value at a risk-adjusted rate of return. With respect to the application of this methodology, we used the following significant projections of future cash flows, assumptions and estimates: gaming revenues; gaming operating expenses; general and administrative expenses; tax expense; terminal value; and discount rate. In two instances, we determine the value of our gaming licenses by applying a cost approach. Our primary consideration in the application of this methodology is the initial statutory fee associated with acquiring a gaming license in the jurisdiction.

**Activity for the Years Ended December 31, 2024, 2023 and 2022**

The following table sets forth the changes in these intangible assets:

	<b>Customer Relationships</b>	<b>Host Agreements</b>	<b>Development Agreement</b>	<b>Developed Technology</b>	<b>B2B Relationships</b>	<b>B2C Relationships</b>	<b>Marketing Agreement</b>	<b>Gaming License Rights</b>	<b>Intangible Assets, Net</b>
<b>(In thousands)</b>									
<b>Balance, January 1, 2022</b>	\$ 4,302	\$ 44,144	\$ 21,373	\$ —	\$ 36,445	\$ 28,000	\$ 13,000	\$ 176,800	\$ 1,121,801
Additions	—	—	—	—	—	—	—	—	77,591
Impairments	—	—	—	—	—	—	—	( 9,175)	( 9,175)
Amortization	( 3,322)	( 3,866)	( 1,145)	( 600)	( 652)	( 181)	—	—	( 9,766)
Effect of foreign currency exchange	—	—	—	53	12	—	—	—	65
<b>Balance, December 31, 2022</b>	980	40,278	20,228	35,898	27,360	12,819	—	167,625	1,121,947
Additions	—	—	—	3,536	—	—	—	—	3,536
Impairments	—	—	—	—	—	—	—	( 21,300)	( 21,300)
Amortization	( 940)	( 3,867)	( 3,053)	( 3,882)	( 3,914)	( 1,083)	—	—	( 16,739)
Effect of foreign currency exchange	—	—	—	172	40	—	—	—	212
<b>Balance, December 31, 2023</b>	40	36,411	17,175	35,724	23,486	11,736	—	167,625	1,100,647
Additions	3,300	—	—	3,454	—	—	4,500	—	15,000
Impairments	—	—	—	—	—	—	—	( 10,500)	( 10,500)
Amortization	( 260)	( 3,867)	( 3,053)	( 4,563)	( 3,915)	( 1,083)	( 75)	—	( 16,816)
Effect of foreign currency exchange	—	—	—	( 643)	( 132)	—	—	—	( 775)
<b>Balance, December 31, 2024</b>	<b>\$ 3,080</b>	<b>\$ 32,544</b>	<b>\$ 14,122</b>	<b>\$ 33,972</b>	<b>\$ 19,439</b>	<b>\$ 10,653</b>	<b>\$ 4,425</b>	<b>\$ 167,625</b>	<b>\$ 1,105,147</b>
									<b>\$ 1,391,007</b>

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**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Future Amortization**

Customer relationships are being amortized on an accelerated basis over a weighted average original useful life of five years. Host agreements are being amortized on a straight-line basis over an original life of 15 years. The development agreement is being amortized on a straight-line basis over an original life of seven years. Developed technology is being amortized on a straight-line basis over an original life of 10 years. B2B relationships are being amortized on a straight-line basis over an original life of 7 years and 10 years. B2C relationships are being amortized on a straight-line basis over an original life of 12 years. The marketing agreement is being amortized on a straight-line basis over an original life of 20 years. Future amortization is as follows:

(In thousands) For the year ending December 31,	Customer Relationships	Host Agreements	Development Agreement	Developed Technology	B2B Relationships	B2C Relationships	Marketing Agreement	Total
2025	\$ 660	\$ 3,867	\$ 3,053	\$ 4,883	\$ 3,833	\$ 1,083	\$ 225	\$ 17,604
2026	660	3,867	3,053	4,908	3,914	1,083	225	17,710
2027	660	3,867	3,053	4,906	3,914	1,083	225	17,708
2028	660	3,867	3,053	4,661	3,914	1,083	225	17,463
2029	440	3,867	1,910	4,414	3,296	1,083	225	15,235
Thereafter	—	13,209	—	10,200	568	5,238	3,300	32,515
<b>Total future amortization</b>	<b>\$ 3,080</b>	<b>\$ 32,544</b>	<b>\$ 14,122</b>	<b>\$ 33,972</b>	<b>\$ 19,439</b>	<b>\$ 10,653</b>	<b>\$ 4,425</b>	<b>\$ 118,235</b>

Trademarks and gaming license rights are not subject to amortization, as we have determined that they have an indefinite useful life; however, these assets are subject to an annual impairment test each year and between annual test dates in certain circumstances.

**Impairments**

As a result of our first quarter 2024 impairment review, the Company recorded an impairment charge of \$ 10.5 million for a gaming license right related to our Midwest & South segment.

As a result of our annual 2023 impairment test and our fourth quarter 2023 impairment review, the Company recorded an impairment charge of \$ 21.3 million for gaming license rights related to our Midwest & South segment.

As a result of our third quarter 2022 impairment review, the Company recorded an impairment charge of \$ 5.6 million for a trademark related to a property in our Midwest & South segment. As a result of our annual 2022 impairment test and our fourth quarter 2022 impairment review, the Company recorded additional impairment charges of \$ 3.6 million for trademarks related to our Midwest & South segment.

**NOTE 5. GOODWILL**

Goodwill consists of the following:

(In thousands)	December 31, 2024				
	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment Losses	Effect of Foreign Currency Exchange	Goodwill, Net
<b>Goodwill, net by Segment</b>					
Las Vegas Locals	\$ 593,567	\$ —	\$ ( 188,079)	\$ —	\$ 405,488
Downtown Las Vegas	6,997	( 6,134)	—	—	863
Midwest & South	636,269	—	( 107,470)	—	528,799
Online	104,737	—	( 82,000)	2	22,739
Managed & Other	30,529	—	( 30,529)	—	—
<b>Balances, December 31, 2024</b>	<b>\$ 1,372,099</b>	<b>\$ ( 6,134)</b>	<b>\$ ( 408,078)</b>	<b>\$ 2</b>	<b>\$ 957,889</b>

(In thousands)	December 31, 2023				
	Gross Carrying Value	Accumulated Amortization	Accumulated Impairment Losses	Effect of Foreign Currency Exchange	Goodwill, Net
<b>Goodwill, net by Segment</b>					
Las Vegas Locals	\$ 593,567	\$ —	\$ ( 188,079)	\$ —	\$ 405,488
Downtown Las Vegas	6,997	( 6,134)	—	—	863
Midwest & South	636,269	—	( 107,470)	—	528,799
Online	94,037	—	( 82,000)	154	12,191
Managed & Other	30,529	—	( 30,529)	—	—
<b>Balances, December 31, 2023</b>	<b>\$ 1,361,399</b>	<b>\$ ( 6,134)</b>	<b>\$ ( 408,078)</b>	<b>\$ 154</b>	<b>\$ 947,341</b>

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**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

*Changes in Goodwill*

During the year ended December 31, 2024, we recorded \$ 10.7 million of goodwill, in our Online segment related to the acquisition of Resorts Digital.

During the year ended December 31, 2023, we recorded goodwill impairment charges of \$ 86.5 million, of which \$ 82.0 million related to our Online segment and \$ 4.5 million related to Managed & Other, our aggregated other nonreportable operating segments category.

During the year ended December 31, 2022, we recorded \$ 94.0 million of goodwill, in our Online segment related to our acquisition of Pala Interactive, and impairment charges of \$ 31.6 million related to our Midwest & South segment.

The following table sets forth the changes in our goodwill, net, during the years ended December 31, 2024, 2023 and 2022.

<i>(In thousands)</i>	<b>Goodwill, Net</b>
<b>Balance, January 1, 2022</b>	\$ 971,287
Additions	94,037
Effect of foreign currency exchange	20
Impairments	( 31,600)
<b>Balance, December 31, 2022</b>	1,033,744
Effect of foreign currency exchange	134
Impairments	( 86,537)
<b>Balance, December 31, 2023</b>	947,341
Additions	10,700
Effect of foreign currency exchange	( 152)
<b>Balance, December 31, 2024</b>	<b>\$ 957,889</b>

**NOTE 6. ACCRUED LIABILITIES**

Accrued liabilities consist of the following:

<i>(In thousands)</i>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Payroll and related	\$ 86,267	\$ 82,327
Interest	17,593	17,841
Gaming	73,321	68,749
Player loyalty program	20,896	23,850
Advance deposits	15,426	15,511
Outstanding chips	7,790	8,164
Dividends payable	14,665	15,508
Operating leases	102,855	98,867
Other	108,602	96,562
<b>Total accrued liabilities</b>	<b>\$ 447,415</b>	<b>\$ 427,379</b>

**NOTE 7. LONG-TERM DEBT**

Long-term debt, net of current maturities and debt issuance costs, consists of the following:

<i>(In thousands)</i>	<b>December 31, 2024</b>			
	<b>Interest Rates at December 31, 2024</b>	<b>Outstanding Principal</b>	<b>Unamortized Origination Fees and Costs</b>	<b>Long-Term Debt, Net</b>
Credit facility	6.169%	\$ 1,300,300	\$ ( 9,109)	\$ 1,291,191
4.750% senior notes due 2027	4.750%	1,000,000	( 5,844)	994,156
4.750% senior notes due 2031	4.750%	900,000	( 8,763)	891,237
Other	5.208%	6	—	6
<b>Total long-term debt</b>		<b>3,200,306</b>	<b>( 23,716)</b>	<b>3,176,590</b>
Less current maturities		44,006	—	44,006
<b>Long-term debt, net</b>		<b>\$ 3,156,300</b>	<b>\$ ( 23,716)</b>	<b>\$ 3,132,584</b>

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**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

<i>(In thousands)</i>	December 31, 2023			
	Interest Rates at December 31, 2023	Outstanding Principal	Unamortized Origination Fees and Costs	Long-Term Debt, Net
Credit facility	7.164%	\$ 1,046,300	\$ (13,403)	\$ 1,032,897
4.750% senior notes due 2027	4.750%	1,000,000	(7,792)	992,208
4.750% senior notes due 2031	4.750%	900,000	(10,111)	889,889
Other	5.208%	504	—	504
<b>Total long-term debt</b>		<b>2,946,804</b>	<b>(31,306)</b>	<b>2,915,498</b>
Less current maturities		44,275	—	44,275
<b>Long-term debt, net</b>		<b>\$ 2,902,529</b>	<b>\$ (31,306)</b>	<b>\$ 2,871,223</b>

**Credit Facility**

*Credit Agreement*

On March 2, 2022 (the "Closing Date"), the Company entered into a credit agreement (the "Credit Agreement") among the Company, certain direct and indirect subsidiaries of the Company as guarantors (the "Guarantors"), Bank of America, N.A., as administrative agent, collateral agent and letter of credit issuer, Wells Fargo Bank, National Association, as swingline lender, and certain other financial institutions party thereto as lenders. The Credit Agreement replaced the Third Amended and Restated Credit Agreement, dated as of August 14, 2013 (the "Prior Credit Facility"), among the Company, certain direct and indirect subsidiaries of the Company as guarantors, Bank of America, N.A., as administrative agent and letter of credit issuer, Wells Fargo Bank, National Association, as swingline lender, and certain other financial institutions party thereto as lenders.

The Credit Agreement provides for (i) a \$ 1,450.0 million senior secured revolving credit facility (the "Revolving Credit Facility") and (ii) an \$ 880.0 million senior secured term A loan (the "Term A Loan," collectively with the Revolving Credit Facility, the "Credit Facility"). The Revolving Credit Facility and the Term A Loan mature on March 2, 2027 (or earlier upon the occurrence or non-occurrence of certain events). The Term A Loan was fully funded on the Closing Date. Proceeds from the Credit Agreement were used to refinance all outstanding obligations under the Prior Credit Facility, including a senior secured term loan A facility and senior secured term loan B facility (the "Prior Refinancing Term B Loan"), to fund transaction costs in connection with the Credit Agreement, and for general corporate purposes.

*Amounts Outstanding*

The outstanding principal amounts under the Credit Facility are comprised of the following:

<i>(In thousands)</i>	December 31, 2024		December 31, 2023
	\$	\$	\$
Revolving Credit Facility	\$ 475,000	\$ 180,000	
Term A Loan	759,000	803,000	
Swing Loan	66,300	63,300	
<b>Total outstanding principal amounts</b>	<b>\$ 1,300,300</b>	<b>\$ 1,046,300</b>	

With a total revolving credit commitment of \$ 1,450.0 million available under the Credit Facility, \$ 475.0 million and \$ 66.3 million in borrowings outstanding on the Revolving Credit Facility and on the Swing Loan, respectively, and \$ 13.0 million allocated to support various letters of credit, there is a remaining contractual availability under the Credit Facility of \$ 895.7 million at December 31, 2024.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

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*Interest and Fees*

The interest rate on the outstanding balance of the Revolving Credit Facility and the Term A Loan is based upon, at the Company's option, either: (i) a rate based on the Secured Overnight Financing Rate ("SOFR") administered by the Federal Reserve Bank of New York, or (ii) the base rate, in each case, plus an applicable margin. Such applicable margin is a percentage per annum determined in accordance with a specified pricing grid based on the Consolidated Total Net Leverage Ratio and ranges from 1.25 % to 2.25 % (if using SOFR) and from 0.25 % to 1.25 % (if using the base rate). A fee of a percentage per annum (which ranges from 0.20 % to 0.35 % and is determined in accordance with a specified pricing grid based on the Consolidated Total Net Leverage Ratio) will be payable on the unused portions of the Revolving Credit Facility. The rates based on SOFR will be determined based upon, at the Company's option, either: (i) a forward-looking SOFR term rate administered by CME Group Benchmark Administration Limited or any successor administrator, and based on interest periods of one, three or six months or such other interest period that is twelve months or less subject to the consent of lenders and the administrative agent, or (ii) a daily SOFR rate published by the Federal Reserve Bank of New York, and will include credit spread adjustments as set forth in the Credit Agreement. The "base rate" under the Credit Agreement is the highest of (x) Bank of America's publicly-announced prime rate, (y) the federal funds rate published by the Federal Reserve Bank of New York plus 0.50 %, or (z) the SOFR rate for a one month interest period plus 1.00 %.

*Optional and Mandatory Prepayments*

Pursuant to the terms of the Credit Agreement (i) the loans under the Term A Loan will amortize in an annual amount equal to 5.00 % of the original principal amount thereof, commencing June 30, 2022, payable on a quarterly basis, and (ii) the Company is required to use a portion of its annual excess cash flow to prepay loans outstanding under the Credit Agreement if the Consolidated Total Net Leverage Ratio (as defined in the Credit Agreement) exceeds certain thresholds set forth in the Credit Agreement.

Amounts outstanding under the Credit Agreement may be prepaid without premium or penalty, and the unutilized portion of the commitments may be terminated without penalty, subject to certain conditions.

Subject to certain exceptions, the Company may be required to repay the amounts outstanding under the Credit Agreement in connection with certain asset sales and issuances of certain additional non-permitted or refinancing indebtedness.

*Guarantees and Collateral*

The Company's obligations under the Credit Agreement, subject to certain exceptions, are guaranteed by certain of the Company's subsidiaries and are secured by the capital stock of certain subsidiaries. In addition, subject to certain exceptions, the Company and each of the guarantors granted the administrative agent first priority liens and security interests on substantially all of their real and personal property (other than gaming licenses and subject to certain other exceptions) as additional security for the performance of the secured obligations under the Credit Agreement.

The Credit Agreement includes an accordion feature which permits the incurrence of one or more new tranches of revolving credit commitments or term loans and increases to the Revolving Credit Facility and Term A Loan in an aggregate amount up to the sum of (i) \$ 1,000.0 million, (ii) the amount of certain voluntary prepayments of senior secured indebtedness of the Company, and (iii) the maximum amount of incremental commitments which, after giving effect thereto, would not cause the Consolidated First Lien Net Leverage Ratio (as defined in the Credit Agreement) to exceed 3.00 to 1.00 on a pro forma basis, in each case, subject to the satisfaction of certain conditions.

*Financial and Other Covenants*

The Credit Agreement contains certain financial and other covenants, including, without limitation, various covenants (i) requiring the maintenance of a minimum consolidated interest coverage ratio on a quarterly basis of 2.50 to 1.00, (ii) requiring the maintenance of a maximum Consolidated Total Net Leverage Ratio on a quarterly basis, (iii) imposing limitations on the incurrence of indebtedness and liens, (iv) imposing limitations on transfers, sales and other dispositions, and (v) imposing restrictions on investments, dividends and certain other payments.

The maximum permitted Consolidated Total Net Leverage Ratio is calculated as Consolidated Net Indebtedness to twelve-month trailing Consolidated EBITDA, as defined by the Credit Agreement. Beginning with the fiscal quarter ended September 2023, the maximum Consolidated Total Net Leverage Ratio must be no higher than 4.50 to 1.00 and prior to that was 5.00 to 1.00.

*Current Maturities of Our Indebtedness*

We classified certain non-extending balances under our Credit Facility as a current maturity, as such amounts come due within the next twelve months.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

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**Senior Notes**

**4.750% Senior Notes due June 2031**

On June 8, 2021, we issued \$ 900.0 million aggregate principal amount of 4.750 % senior notes due June 2031 ("4.750% Senior Notes due 2031"). The 4.750% Senior Notes due 2031 require semi-annual interest payments on March 15 and September 15 of each year. The 4.750% Senior Notes due 2031 will mature on June 15, 2031 and are fully and unconditionally guaranteed, on a joint and several basis, by certain of our current and future domestic restricted subsidiaries, all of which are 100% owned by us. The net proceeds from the 4.750% Senior Notes due 2031 and cash on hand were used to finance the redemption of our outstanding 6.375% senior notes due April 2026 ("6.375% Senior Notes") and 6.000% senior notes due August 2026 ("6.000% Senior Notes").

In conjunction with the issuance of the 4.750% Senior Notes due 2031, we incurred approximately \$ 13.5 million in debt financing costs that have been deferred and are being amortized over the term of the 4.750 % Senior Notes due 2031 using the effective interest method.

The 4.750 % Senior Notes due 2031 contain covenants that, subject to exceptions and qualifications, among other things, limit the Company's ability and the ability of its Restricted Subsidiaries (as defined in the Indenture governing the 4.750% Senior Notes due 2031, the "4.750% Senior Notes due 2031 Indenture") to (i) incur additional indebtedness or liens; (ii) pay dividends or make distributions or repurchase the Company's capital stock; (iii) make certain investments; and (iv) sell or merge with other companies. Upon the occurrence of a change of control (as defined in the 4.750% Senior Notes due 2031 Indenture), the Company will be required, unless certain conditions are met, to offer to repurchase the 4.750% Senior Notes due 2031 at a price equal to 101 % of the principal amount of the 4.750% Senior Notes due 2031, plus any accrued and unpaid interest and Additional Interest (as defined in the 4.750% Senior Notes due 2031 Indenture), if any, up to, but not including, the date of purchase. If the Company sells assets, it will be required under certain circumstances to offer to purchase the 4.750% Senior Notes due 2031.

At any time prior to June 15, 2026, we may redeem the 4.750% Senior Notes due 2031, in whole or in part, at a redemption price equal to 100 % of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, up to, but excluding, the applicable redemption date, plus a make whole premium.

**4.750% Senior Notes due December 2027**

On December 3, 2019, we issued \$ 1.0 billion aggregate principal amount of 4.750 % senior notes due December 2027 (" 4.750% Senior Notes due 2027"). The 4.750% Senior Notes due 2027 require semi-annual interest payments on June 1 and December 1 of each year. The 4.750 % Senior Notes due 2027 will mature on December 1, 2027 and are fully and unconditionally guaranteed, on a joint and several basis, by certain of our current and future domestic restricted subsidiaries, all of which are 100 % owned by us. The net proceeds from the 4.750% Senior Notes due 2027 were used to finance the redemption of all of our outstanding 6.875% senior notes due in 2023 and prepay a portion of our Prior Refinancing Term B Loan.

In conjunction with the issuance of the 4.750% Senior Notes due 2027, we incurred approximately \$ 15.7 million in debt financing costs that have been deferred and are being amortized over the term of the 4.750% Senior Notes due 2027 using the effective interest method.

The 4.750% Senior Notes due 2027 contain certain restrictive covenants that, subject to exceptions and qualifications, among other things, limit our ability and the ability of our restricted subsidiaries (as defined in the indenture governing the 4.750% Senior Notes due 2027, the " 4.750% Senior Notes due 2027 Indenture") to incur additional indebtedness or liens, pay dividends or make distributions or repurchase our capital stock, make certain investments, and sell or merge with other companies. In addition, upon the occurrence of a change of control (as defined in the 4.750% Senior Notes due 2027 Indenture), we will be required, unless certain conditions are met, to offer to repurchase the 4.750% Senior Notes due 2027 at a price equal to 101 % of the principal amount of the 4.750% Senior Notes due 2027, plus accrued and unpaid interest and Additional Interest (as defined in the 4.750% Senior Notes due 2027 Indenture), if any, up to, but not including, the date of purchase. If we sell assets, we will be required under certain circumstances to offer to purchase the 4.750% Senior Notes due 2027.

At any time after December 1, 2022, we may redeem all or a portion of the 4.750% Senior Notes due 2027 at redemption prices (expressed as percentages of the principal amount) ranging from 102.375 % to 100 % in 2024 and thereafter, plus accrued and unpaid interest and Additional Interest.

In connection with the private placement of the 4.750% Senior Notes due 2027, we entered into a registration rights agreement with the initial purchasers in which we agreed to file a registration statement with the Securities and Exchange Commission (the "SEC") to permit the holders to exchange or resell the 4.750% Senior Notes due 2027. We filed the required registration statement and commenced the exchange offer in July 2020. The exchange offer was completed on August 20, 2020 and our obligations under the registration agreement have been fulfilled.

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Loss on Early Extinguishments and Modifications of Debt**

There were no charges to loss on early extinguishments and modifications of debt during the years ended December 31, 2024 and 2023. During the year ended December 31, 2022, the Company redeemed the remaining \$ 300.0 million outstanding 8.625 % Senior Notes due June 2025. As part of this transaction, the Company recorded \$ 12.9 million in premium fees paid and \$ 3.6 million for the write-off of deferred finance charges. In addition, during the year ended December 31, 2022, the Company entered into a new credit agreement which led to writing off deferred financing charges of \$ 3.3 million related to the Prior Credit Facility.

**Covenant Compliance**

As of December 31, 2024, we were in compliance with the financial and other covenants of our debt instruments.

The indentures governing the notes issued by the Company contain provisions that allow for the incurrence of additional indebtedness, if after giving effect to such incurrence, the coverage ratio (as defined in the respective indentures, essentially a ratio of the Company's consolidated EBITDA to fixed charges, including interest) for the Company's trailing four quarter period on a pro forma basis would be at least 2.0 to 1.0. Should this provision prohibit the incurrence of additional debt, the Company may still borrow under its existing credit facility. At December 31, 2024, the available borrowing capacity under our Credit Facility was \$ 895.7 million.

**Scheduled Maturities of Long-Term Debt**

The scheduled maturities of long-term debt are as follows:

(In thousands)		Total
<b>For the year ending December 31,</b>		
2025	\$ 44,006	
2026	44,000	
2027	2,212,300	
2028	—	
2029	—	
Thereafter	900,000	
<b>Total outstanding principal of long-term debt</b>	<b>\$ 3,200,306</b>	

**NOTE 8. INCOME TAXES****Deferred Income Tax Assets and Liabilities**

Deferred income tax assets and liabilities are provided to record the effects of temporary differences between the tax basis of an asset or liability and its amount as reported in our consolidated balance sheets. These temporary differences result in taxable or deductible amounts in future years.

The components comprising our deferred income tax assets and liabilities are as follows:

(In thousands)	December 31,	
	2024	2023
<b>Deferred income tax assets</b>		
State net operating loss carryforwards	\$ 41,206	\$ 47,020
Operating lease liability	158,301	170,351
Share-based compensation	17,317	14,301
Other	29,770	28,362
<b>Gross deferred income tax assets</b>	<b>246,594</b>	<b>260,034</b>
Valuation allowance	(13,296)	(10,175)
<b>Deferred income tax assets, net of valuation allowance</b>	<b>233,298</b>	<b>249,859</b>
<b>Deferred income tax liabilities</b>		
Difference between book and tax basis of property and intangible assets	382,854	334,772
State tax liability	32,084	25,066
Right-of-use asset	154,480	166,600
Other	10,796	12,247
<b>Gross deferred income tax liabilities</b>	<b>580,214</b>	<b>538,685</b>
<b>Deferred income tax liabilities, net</b>	<b>\$ 346,916</b>	<b>\$ 288,826</b>

**BOYD GAMING CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**  
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At December 31, 2024, we have state income tax net operating loss carryforwards of approximately \$ 788.0 million, which may be used to reduce future state income taxes. The majority of the state net operating loss carryforwards will expire in various years ranging from 2025 to 2043, if not fully utilized, and the remaining may be used indefinitely.

**Valuation Allowance on Deferred Tax Assets**

Management assesses available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. In evaluating our ability to recover deferred tax assets, we consider whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon scheduled reversals of deferred tax liabilities, projected future taxable income, tax-planning strategies and results of recent operations.

We have maintained a valuation allowance against certain federal and state deferred tax assets as of December 31, 2024 due to uncertainties related to our ability to realize the tax benefits associated with these assets. The balance of this valuation allowance was \$ 13.3 million as of December 31, 2024. This is an increase of \$ 3.1 million from the prior year due to changes in state tax rates in certain states. In assessing the need to establish a valuation allowance, we consider, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of profitability and taxable income, the duration of statutory carryforward periods, our experience with the utilization of operating loss and tax credit carryforwards before expiration and tax planning strategies. Valuation allowances are evaluated periodically and subject to change in future reporting periods as a result of changes in the factors noted above.

**Provision for Income Taxes**

A summary of the provision for income taxes is as follows:

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
<b>Current</b>			
Federal	\$ 110,433	\$ 148,726	\$ 129,424
State	7,456	14,937	10,843
<b>Total current taxes provision</b>	117,889	163,663	140,267
<b>Deferred</b>			
Federal	42,175	18,930	44,115
State	13,987	( 49,709)	5,047
<b>Total deferred taxes provision</b>	56,162	( 30,779)	49,162
<b>Provision for income taxes</b>	<b>\$ 174,051</b>	<b>\$ 132,884</b>	<b>\$ 189,429</b>

The following table provides a reconciliation between the federal statutory rate and the effective income tax rate, expressed as a percentage of income before income taxes:

	Year Ended December 31,		
	2024	2023	2022
<b>Tax at federal statutory rate</b>			
State income taxes, net of federal benefit	21.0%	21.0%	21.0%
Compensation-based credits	2.3%	( 3.7)%	1.5%
Nondeductible expenses	( 0.3)%	( 0.3)%	( 0.3)%
Tax exempt interest	0.2%	0.2%	0.2%
Company provided benefits	—%	—%	—%
Other, net	0.1%	0.4%	0.4%
<b>Effective tax rate</b>	( 0.2)%	23.1%	17.6%
			22.9%

Our tax provision for the year ended December 31, 2024 was unfavorably impacted by state taxes and certain nondeductible expenses, including nondeductible compensation and employee benefit expenses, which were partially offset by tax credits, foreign taxes, and the inclusion of excess tax benefits related to equity compensation as a component of the provision for income taxes.

Our tax provision for the year ended December 31, 2023 was favorably impacted by the release of state valuation allowances, tax credits, foreign taxes and inclusion of excess tax benefits related to equity compensation, as a component of the provision for income taxes and partially offset by state taxes and certain nondeductible expenses, including nondeductible compensation and employee benefit expenses.

Our tax provision for the year ended December 31, 2022 was unfavorably impacted by state taxes and certain nondeductible expenses, including nondeductible compensation and employee benefit expenses, which were partially offset by tax credits and the inclusion of excess tax benefits related to equity compensation as a component of the provision for income taxes.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

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**Status of Examinations**

We generated net operating losses on our federal income tax returns for years 2011 through 2013 and in 2020. These returns remain subject to federal examination until the statute of limitations expires for the year in which the net operating losses are utilized. We utilized all our federal net operating losses in 2021.

As it relates to our material state tax returns, we are subject to examination for tax years ended on or after December 31, 2015. The statute of limitations will expire over the period October 2025 through November 2028.

The IRS has selected our federal corporate income tax return for the tax year ended December 31, 2021, for examination. The IRS examination began in the second quarter of 2024 and is still ongoing. As of December 31, 2024, and for the year then ended, there were no changes to our unrecognized tax benefits to date.

We believe that we have adequately reserved for any tax liability; however, the ultimate resolution of these examinations may result in an outcome that is different than our current expectation. We do not believe the ultimate resolution of these examinations will have a material impact on our consolidated financial statements.

**Other Long-Term Tax Liabilities**

The impact of an uncertain income tax position taken in our income tax return is recognized at the largest amount that is more-likely-than-not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position is not recognized if it has less than a 50% likelihood of being sustained. If applicable, our liability for uncertain tax positions is recorded as other long-term tax liabilities in our consolidated balance sheets. As of December 31, 2024 and 2023 and during the years ended December 31, 2024, 2023 and 2022, the Company had no uncertain tax positions. We do not anticipate any material changes to our unrecognized tax benefits over the next twelve-month period.

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

**Commitments**

*Capital Spending and Development*

We continually perform on-going refurbishment and maintenance at our facilities to maintain our standards of quality. Certain of these maintenance costs are capitalized, if such improvement or refurbishment extends the life of the related asset, while other maintenance costs that do not so qualify are expensed as incurred. The commitment of capital and the related timing thereof are contingent upon, among other things, negotiation of final agreements and receipt of approvals from the appropriate regulatory bodies. We must also comply with covenants and restrictions set forth in our debt agreements.

*Kansas Management Contract*

As part of Kansas Star's Contract to Serve as Lottery Gaming Facility Manager for the South Central Gaming Zone on behalf of the Kansas Lottery (the "Kansas Management Contract"), approved by the Kansas Racing and Gaming Commission on January 11, 2011, Kansas Star committed to donate \$ 1.5 million each year to support education in the local area in which Kansas Star operates for the duration of the Kansas Management Contract. We have made all distributions under this commitment as scheduled and such related expenses are recorded in selling, general and administrative expenses on the consolidated statements of operations.

*Mulvane Development Agreement*

On March 7, 2011, Kansas Star entered into a Development Agreement with the City of Mulvane ("Mulvane Development Agreement") related to the provision of water, sewer, and electrical utilities to the Kansas Star site. This agreement sets forth certain parameters governing the use of public financing for the provision of such utilities, through the issuance of general obligation bonds by the City of Mulvane, paid for through the imposition of a special tax assessment on the Kansas Star site payable over 15 years in an amount equal to the City's full obligations under the general obligation bonds.

All infrastructure improvements to the Kansas Star site under the Mulvane Development Agreement are complete and the City of Mulvane issued \$ 19.7 million in general obligation bonds related to these infrastructure improvements. At both December 31, 2024 and 2023, under the Mulvane Development Agreement, Kansas Star recorded \$ 1.6 million, which is included in accrued liabilities on the consolidated balance sheets and at December 31, 2024 and 2023, \$ 2.0 million, net of a \$ 0.5 million discount, and \$ 3.1 million, net of a \$ 0.8 million discount, respectively, which is recorded as a long-term obligation in other liabilities on the consolidated balance sheets. Interest costs are expensed as incurred and the discount will be amortized to interest expense over the term of the special tax assessment ending in 2028. Kansas Star's special tax assessment related to these bonds is approximately \$ 1.6 million annually. Payments under the special tax assessment are secured by irrevocable letters of credit of \$ 5.0 million issued by the Company in favor of the City of Mulvane, representing an amount equal to three times the annual special assessment tax imposed on Kansas Star.

*Minimum Assessment Agreement*

In 2007, Diamond Jo Dubuque entered into a Minimum Assessment Agreement with the City of Dubuque (the "City"). Under the Minimum Assessment Agreement, Diamond Jo Dubuque and the City agreed to a minimum taxable value related to the new casino of \$ 57.9 million. Diamond Jo Dubuque agreed to pay property taxes to the City based on the actual taxable value of the casino, but not less than the minimum taxable value. Scheduled payments of principal and interest on the City Bonds will be funded through Diamond Jo Dubuque's payment obligations under the Minimum Assessment Agreement. Diamond Jo Dubuque is also obligated to pay any shortfall should property taxes be insufficient to fund the principal and interest payments on the City Bonds.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**

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Interest costs under the Minimum Assessment Agreement obligation are expensed as incurred. As of December 31, 2024 and 2023, the remaining obligation under the Minimum Assessment Agreement was \$ 1.9 million at each date, which was recorded in accrued liabilities on the consolidated balance sheets and \$ 10.6 million, net of a \$ 1.5 million discount, and \$ 11.2 million, net of a \$ 1.7 million discount, respectively, which was recorded as a long-term obligation in other liabilities on the consolidated balance sheets. The discount will be amortized to interest expense over the life of the Minimum Assessment Agreement. Total minimum payments by Diamond Jo Dubuque under the Minimum Assessment Agreement are approximately \$ 1.9 million per year through 2036.

**Public Parking Facility Agreement**

Diamond Jo Dubuque has an agreement with the City for use of the public parking facility adjacent to Diamond Jo Dubuque's casino and owned and operated by the City (the "Parking Facility Agreement"). The Parking Facility Agreement calls for: (i) the payment by the Company for the reasonable and necessary actual operating costs incurred by the City for the operation, security, repair and maintenance of the public parking facility; and (ii) the payment by the Company to the City of \$ 80 per parking space in the public parking facility per year, subject to annual increases based on any increase in the Consumer Price Index, which funds will be deposited into a special sinking fund and used by the City for capital expenditures necessary to maintain the public parking facility. Operating costs of the parking facility incurred by Diamond Jo Dubuque are expensed as incurred. Deposits to the sinking fund are recorded as other assets. When the sinking fund is used for capital improvements, such amounts are capitalized and amortized over their remaining useful life.

**Iowa Qualified Sponsoring Organization Agreements**

Diamond Jo Dubuque and Diamond Jo Worth are required to pay their respective qualified sponsoring organization, who hold a joint gaming license with Diamond Jo Dubuque and Diamond Jo Worth, a certain percentage of the casino's adjusted gross receipts on an ongoing basis. Diamond Jo Dubuque pays 4.50 % on slot and table game revenues and 0.75 % on sports wagering revenue. Diamond Jo Worth pays 5.76 % on slot and table game revenues and 0.75 % on sports wagering revenue. Diamond Jo Dubuque expensed \$ 3.5 million, \$ 3.5 million and \$ 3.3 million, during the years ended December 31, 2024, 2023 and 2022, respectively, related to its agreement. Diamond Jo Worth expensed \$ 6.2 million, \$ 6.1 million and \$ 5.9 million during the years ended December 31, 2024, 2023 and 2022, respectively, related to its agreement. The Diamond Jo Dubuque agreement expires on December 31, 2030. The Diamond Jo Worth agreement expires on March 31, 2025, and is subject to automatic ten-year renewal periods.

**Development Agreement**

In September 2011, the Company acquired the membership interests of a limited liability company (the "LLC") for a purchase price of \$ 24.5 million. The primary asset of the LLC was a previously executed development agreement (the "Development Agreement") with Wilton Rancheria. The purchase price was allocated primarily to an intangible asset associated with the Company's rights under the agreement to assist Wilton Rancheria in the development and management of a gaming facility on Wilton Rancheria's land.

In July 2012, the Company and Wilton Rancheria amended and replaced the agreement with a new development agreement and a management agreement (the "Agreements"). The Agreements obligated us to fund certain pre-development costs, which were estimated to be approximately \$ 1 million to \$ 2 million annually, and to assist Wilton Rancheria in its development and oversight of the gaming facility construction. The Agreements also provide that the Company will receive future revenue for its services to Wilton Rancheria contingent upon successful development of the gaming facility and based on future revenues of the gaming facility. In January 2017, the Company funded the acquisition of land that is the site of the Sky River Casino today and, in February 2017, the land was placed into trust by the U.S. Bureau of Indian Affairs for the benefit of Wilton Rancheria. In September 2017, the California State Legislature unanimously approved, and the Governor of California executed, a tribal-state gaming compact with Wilton Rancheria allowing the development of the casino. In October 2018, the National Indian Gaming Commission approved the Company's management contract with Wilton Rancheria. In 2022, construction of the Sky River Casino was completed and the Company funded construction of a parking lot adjacent to the casino. On August 15, 2022, the Sky River Casino opened and we began earning a management fee.

The pre-development costs financed by us, and the cost of the land and parking lot financed by us, were to be repaid under the terms of a note receivable with Wilton Rancheria bearing interest at 12.5 % and payment timing and the payment amount are subject to an excess cash flow waterfall payment prioritization and maintenance of a certain leverage ratio, among other restrictions under Wilton Rancheria's third-party credit agreement that provided funding for the rest of the construction project. Given the significant barriers of the project, a majority of advances made during the 10-year period were historically reserved in full when advanced. With the opening of Sky River Casino and cash flow from operations, the Company evaluated its expected losses on the note receivable and reduced its allowance by \$ 35.1 million during the year ended December 31, 2022. The allowance on the note represented a reserve on both the development advances and interest on the note. As such, the allowance reduction is allocated accordingly and \$ 20.4 million is recorded in project development, preopening and writedowns and \$ 14.7 million in interest income, both reflected in the consolidated statement of operations for the year ended December 31, 2022. The Wilton Rancheria amended their third-party credit agreement in March 2023 and such amendment effectively allowed Sky River Casino to begin making previously disallowed distributions, under the excess cash flow waterfall. Given the amendment in the first quarter of 2023, the Company updated its evaluation of its expected losses on the note receivable. As the amendment allowed for quarterly payments to begin and given the sustained operating strength of the recently opened property, the Company concluded it expected to receive all payments due under the note receivable. As such, the Company removed the remaining allowance on the note receivable in the first quarter of 2023, which represented a reserve on both the development advances and interest on the note. The allowance reduction is thus allocated accordingly and \$ 20.1 million is recorded in project development, preopening and writedowns and \$ 14.3 million is recorded in interest income, both reflected in the consolidated statement of operations for the year ended December 31, 2023. The Company received \$ 0.2 million in principal payments and \$ 0.2 million in interest due under the note receivable during the year ended December 31, 2024, and \$ 113.6 million in principal payments and \$ 12.0 million in interest due under the note receivable during the year ended December 31, 2023. As of December 31, 2024, the principal and interest outstanding on the note receivable was fully repaid.

Separately, the management agreement provides for us to manage the gaming facility upon opening for a period of seven years and receive a monthly management fee for our services based on the monthly performance of the gaming facility. The management fee of \$ 88.4 million, \$ 76.9 million and \$ 26.9 million for our management services for the years ended December 31, 2024, 2023 and 2022, respectively, is paid monthly and recorded in management fee revenue on the consolidated statements of operations. In addition, for the year ended December 31, 2022, the Company received a one-time \$ 5.0 million development fee which was recognized upon completion of our performance obligations under the development agreement and is included in other revenue on the consolidated statement of operations.

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On September 27, 2024, the Company entered into an amendment to the management agreement with Wilton Rancheria that became effective October 2, 2024, and provides for the Company to serve as manager of the Wilton Rancheria expansion to the Sky River Casino inclusive of 400 additional slots, a parking garage, a 300 -room hotel and spa, two additional food and beverage outlets and an entertainment and events center. The Company is not obligated to fund the construction and the management fee remains unchanged.

**Master Lease Agreements**

A Boyd subsidiary, Boyd TCIV, entered into the Master Lease ("Boyd TCIV Master Lease") pursuant to which the landlord agreed to lease to Boyd TCIV the facilities associated with Ameristar Kansas City, Ameristar St. Charles, Belterra Resort and Ogle Haus, LLC, commencing on October 15, 2018 and ending on April 30, 2026 as the initial term, with options for renewal. The term of this Master Lease may be extended for five separate renewal terms of five years each. The monthly lease payment consists of the following, (i) the building base rent, as defined in the Master Lease agreement, plus (ii) the land base rent, as defined in the Master Lease agreement, plus (iii) the percentage rent, as defined in the Master Lease agreement. Each and every other lease year commencing with the third lease year, the percentage rent will reset based on a calculation defined in the Master Lease agreement.

On May 6, 2020, PNK (Ohio), LLC, a Boyd subsidiary, that owns the business operations of Belterra Park, entered into a master lease to which the landlord agreed to lease to PNK (Ohio), LLC, the facilities associated with Belterra Park. The Master lease has substantially the same terms as disclosed above as the Boyd TCIV Master Lease.

Rent expense associated with these Master Leases is recorded in master lease rent expense on the consolidated statements of operations.

**Norfolk Agreements**

On October 21, 2024, the Company, the Pamunkey Indian Tribe ("Tribe"), the Pamunkey Indian Tribal Gaming Authority ("PITGA"), and its wholly-owned subsidiary, Golden Eagle Consulting II, LLC ("GEC") entered into agreements, pursuant to which, among other things, the Company will, subject to the purchase of land to develop and build a commercial casino and hotel development in Norfolk, Virginia ("Norfolk Casino"), (i) receive from PITGA an exclusive option to purchase a percentage of membership interests of GEC, (ii) make advance payments to PITGA and GEC, and (iii) become developer and manager of the Norfolk Casino (see Note 16, *Subsequent Events*).

**Contingencies****Legal Matters**

We are parties to various legal proceedings arising in the ordinary course of business. We believe that all pending claims, if adversely decided, would not have a material adverse effect on our business, financial position or results of operations.

**Hurricane Laura Insurance Recovery**

On August 27, 2020, Hurricane Laura made landfall in Vinton, Louisiana, which caused the closure of our Delta Downs property for approximately three weeks. The Company maintains insurance, subject to certain deductibles, that covers business interruption, including lost profits. As the Company deemed it probable that insurance recoveries would exceed any loss incurred, the Company accounted for the proceeds in excess of the loss incurred as a gain contingency in the period received in accordance with authoritative accounting guidance. During third quarter 2022, we settled our business interruption and lost profits claim with our insurance carriers and received payments totaling \$ 13.2 million. After consideration of expenses incurred related to the claim, included in other operating items, net for the year ended December 31, 2022, is a \$ 12.6 million gain representing business interruption insurance for lost profits from the closure of Delta Downs in 2020 due to Hurricane Laura.

**NOTE 10. LEASES**

We have operating and finance leases primarily for four casino hotel properties, corporate offices, parking ramps, gaming and other equipment. Our leases have remaining lease terms of one year to 52 years, some of which include options to extend the leases for up to 61 years, and some of which include options to terminate the leases within one year. Certain of our lease agreements, including the Master Leases, include provisions for variable lease payments, which represent lease payments that vary due to changes in facts or circumstances occurring after the commencement date other than the passage of time. Such variable lease payments are expensed in the period in which the obligation for these payments is incurred. Variable lease expense recognized in the years ended December 31, 2024, 2023 and 2022 was \$ 32.7 million, \$ 34.9 million and \$ 22.4 million, respectively.

The components of lease expense were as follows:

<i>(In thousands)</i>	Year Ended December 31,	
	2024	2023
Operating lease cost	\$ 158,283	\$ 161,190
Short-term lease cost	—	—

Supplemental cash flow information related to leases was as follows:

<i>(In thousands)</i>	Year Ended December 31,	
	2024	2023
<b>Cash paid for amounts included in the measurement of lease liabilities:</b>		
Operating cash flows from operating leases	\$ 156,136	\$ 158,785
<b>Right-of-use assets obtained in exchange for lease obligations:</b>		
Operating leases	31,556	41,840

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Supplemental balance sheet information related to leases was as follows:

	December 31,	
	2024	2023
<b>(In thousands, except lease term and discount rate)</b>		
<b>Operating Leases</b>		
Operating lease right-of-use assets, including favorable lease rates asset	\$ 735,618	\$ 793,335
Current lease liabilities (included in accrued liabilities)	\$ 102,855	\$ 98,867
Operating lease liabilities	651,751	711,387
<b>Total operating lease liabilities</b>	<b>\$ 754,606</b>	<b>\$ 810,254</b>
<b>Weighted Average Remaining Lease Term</b>		
Operating leases (in years)	14.6	14.9
<b>Weighted Average Discount Rate</b>		
Operating leases	8.3%	8.4%

Maturities of lease liabilities are as follows:

(In thousands)	Operating Leases
<b>For the year ending December 31,</b>	
2025	\$ 156,048
2026	155,863
2027	120,383
2028	119,742
2029	119,415
Thereafter	671,874
Total lease payments	1,343,325
Less imputed interest	( 588,719)
Less current portion (included in accrued liabilities)	( 102,855)
Long-term portion of operating lease liabilities	<b>\$ 651,751</b>

Future minimum rental income, which is primarily related to retail and restaurant facilities located within our properties, is as follows:

(In thousands)	Minimum Rental Income
<b>For the year ending December 31,</b>	
2025	\$ 1,533
2026	878
2027	456
2028	371
2029	115
Thereafter	615
<b>Total</b>	<b>\$ 3,968</b>

**NOTE 11. STOCKHOLDERS' EQUITY AND STOCK INCENTIVE PLANS**

**Share Repurchase Program**

We have in the past, and may in the future, acquire our equity securities through open market purchases, privately negotiated transactions, tender offers, exchange offers, redemptions or otherwise, upon such terms and at such prices as we may determine from time to time. On October 21, 2021, our Board of Directors authorized a share repurchase program of \$ 300.0 million (the "Share Repurchase Program"). In addition, our Board of Directors authorized increases to the Share Repurchase Program of \$ 500.0 million on each of June 1, 2022, May 4, 2023, May 9, 2024 and December 5, 2024. There were 11.1 million shares, 6.5 million shares and 9.4 million shares repurchased during the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, \$ 640.5 million remained available under the Share Repurchase Program.

We are not obligated to repurchase any shares under this program. Repurchases of common stock may also be made under Rule 10b5-1 plans, which would permit common stock to be repurchased when the Company might otherwise be precluded from doing so under insider trading laws. The timing, volume and nature of share repurchases will be at the sole discretion of management, dependent on market conditions, applicable securities laws and other factors, and may be suspended or discontinued at any time.

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The following table provides information regarding share repurchases during the referenced periods. (1)

<b>(In thousands, except per share data)</b>	<b>For the Year Ended December 31,</b>		
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Shares repurchased (2)	11,086	6,537	9,424
Total cost, including brokerage fees (3)	\$ 685,850	\$ 412,655	\$ 541,642
Average repurchase price per share (4)	\$ 61.87	\$ 63.13	\$ 57.48

(1) Shares repurchased reflect repurchases settled during the twelve months ended December 31, 2024, 2023 and 2022. These amounts exclude repurchases, if any, traded but not yet settled on or before December 31 of each year.

(2) All shares repurchased have been retired and constitute authorized but unissued shares.

(3) Costs exclude 1% excise tax on corporate stock buybacks that was enacted under the Inflation Reduction Act of 2022 and became effective January 1, 2023.

(4) Amounts in the table may not recalculate exactly due to rounding. Average repurchase price per share is calculated based on unrounded numbers and excludes the 1% excise tax.

Subject to applicable corporate securities laws, repurchases under our share repurchase program may be made at such times and in such amounts as we deem appropriate. Repurchases can be discontinued at any time that we feel additional purchases are not warranted. We intend to fund the repurchases under the Share Repurchase Program with existing cash resources, cash flow from operations and availability under our Credit Facility. We are subject to certain limitations regarding the repurchase of common stock, such as restricted payment limitations under the indentures to our outstanding senior notes and in our Credit Agreement.

**Dividends**

Dividends are declared at the discretion of our Board of Directors. We are subject to certain limitations regarding the payment of dividends, such as restricted payment limitations contained in our Credit Agreement and the indentures for our outstanding senior notes. The dividends declared by the Board of Directors under this program as of December 31, 2024 are:

<b>Declaration date</b>	<b>Record date</b>	<b>Payment date</b>	<b>Amount per share</b>
February 3, 2022	March 15, 2022	April 15, 2022	\$ 0.15
June 1, 2022	June 30, 2022	July 15, 2022	0.15
September 15, 2022	September 30, 2022	October 15, 2022	0.15
December 8, 2022	December 19, 2022	January 15, 2023	0.15
February 14, 2023	March 15, 2023	April 15, 2023	0.16
May 4, 2023	June 15, 2023	July 15, 2023	0.16
August 15, 2023	September 15, 2023	October 15, 2023	0.16
December 7, 2023	December 22, 2023	January 15, 2024	0.16
February 28, 2024	March 15, 2024	April 15, 2024	0.17
May 9, 2024	June 15, 2024	July 15, 2024	0.17
August 20, 2024	September 15, 2024	October 15, 2024	0.17
December 5, 2024	December 16, 2024	January 15, 2025	0.17

**Stock Incentive Plan**

In April 2020, the Company's stockholders approved the 2020 Stock Incentive Plan (the "2020 Plan"), which amended and restated the Company's 2012 Stock Incentive Plan (the "2012 Plan") to (a) provide for a term ending ten years from the date of stockholder approval at the Annual Meeting, (b) state the number of shares of the Company's common stock authorized for issuance over the term of the 2020 Plan to be 3.3 million shares plus the aggregate number of shares remaining available for future awards under the 2012 Plan and the number of shares subject to outstanding awards under the 2012 Plan that would have again become available for issuance pursuant to new awards under the 2012 Plan, whether because the outstanding awards under the 2012 Plan are forfeited or canceled, expire or are settled in cash, or because the shares covered by such awards under the 2012 Plan are surrendered or withheld in payment of the award exercise or purchase price in satisfaction of tax withholding obligations, (c) remove the individual award limit and set an annual grant limit for non-employee directors, and (d) make certain other changes. Under our 2020 Plan, approximately 6.4 million shares remain available for grant at December 31, 2024. The number of authorized but unissued shares of common stock under this 2020 Plan as of December 31, 2024 was approximately 8.6 million shares.

Grants made under the 2020 Plan include provisions that entitle the grantee to automatic vesting acceleration in the event of a grantee's separation from service (including as a result of retirement, death or disability), other than for cause (as defined), after reaching the defined age and years of service thresholds. These provisions result in the accelerated recognition of the stock compensation expense for those grants issued to employees who have met the stipulated thresholds.

**Stock Options**

Options granted under the 2020 Plan generally become exercisable ratably over a three-year period from the date of grant. Options that have been granted under the 2012 Plan and will be granted under the 2020 Plan have an exercise price equal to the market price of our common stock on the date of grant and will expire no later than ten years after the date of grant. The Company did not issue any stock option grants in 2024, 2023 and 2022.

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Summarized stock option plan activity is as follows:

	Options	Weighted-Average Option Price	Weighted-Average Remaining Term (In years)	Aggregate Intrinsic Value (In thousands)
<b>Outstanding at January 1, 2022</b>	274,332	\$ 17.02		
Granted	—	—		
Canceled	—	—		
Exercised	( 165,951)	18.61		
<b>Outstanding at December 31, 2022</b>	108,381	14.58		
Granted	—	—		
Canceled	—	—		
Exercised	( 32,000)	9.86		
<b>Outstanding at December 31, 2023</b>	76,381	16.56		
Granted	—	—		
Canceled	—	—		
Exercised	( 44,980)	15.60		
<b>Outstanding at December 31, 2024</b>	31,401	\$ 17.94	1.8	\$ 1,714
<b>Exercisable at December 31, 2023</b>	76,381	\$ 16.56	1.9	\$ 3,517
<b>Exercisable at December 31, 2024</b>	31,401	\$ 17.94	1.8	\$ 1,714

Share-based compensation costs related to stock option awards are calculated based on the fair value of each option grant on the date of the grant using the Black-Scholes option pricing model.

The following table summarizes the information about stock options outstanding and exercisable at December 31, 2024:

Range of Exercise Prices	Options Outstanding			Options Exercisable		
	Number Outstanding	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Number Exercisable	Weighted-Average Exercise Price	Weighted-Average Exercise Price
\$17.75	28,708	1.9	\$ 17.75	28,708	\$ 17.75	\$ 17.75
19.98	2,693	0.8	19.98	2,693	19.98	19.98
<b>\$17.75-\$19.98</b>	<b>31,401</b>	<b>1.8</b>	<b>\$ 17.94</b>	<b>31,401</b>	<b>\$ 17.94</b>	<b>\$ 17.94</b>

The total intrinsic value of in-the-money options exercised during the years ended December 31, 2024, 2023 and 2022 was \$ 2.1 million, \$ 1.7 million, and \$ 6.8 million, respectively. No options vested during the years ended December 31, 2024, 2023 and 2022 and there were no unrecognized share-based compensation costs related to unvested stock options as of December 31, 2024.

**Restricted Stock Units**

Our 2020 Plan provides for the grant of Restricted Stock Units ("RSUs"). A RSU is an award that may be earned in whole, or in part, upon the passage of time, and that may be settled for cash, shares, other securities or a combination thereof. The RSUs do not contain voting rights and are not entitled to dividends. The RSUs are subject to the terms and conditions contained in the applicable award agreement and the 2020 Plan. Share-based compensation costs related to RSU awards are calculated based on the market price on the date of the grant.

We grant RSUs to certain members of management of the Company, which represents a contingent right to receive one share of our common stock upon vesting. A RSU generally vests on the third anniversary of its issuance and the share-based compensation expense is amortized to expense over the requisite service period.

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We also annually award RSUs to certain members of our Board of Directors. RSU grants issued in 2020 and prior years are to be paid in shares of common stock upon the director's cessation of service to the Company. Commencing with the 2021 grant, the shares are issued to the director when the RSU is granted. These RSUs are issued for past service; therefore, they are expensed on the date of issuance.

Summarized RSU activity is as follows:

	Restricted Stock Units	Weighted- Average Grant Date Fair Value
<b>Outstanding at January 1, 2022</b>	1,189,830	
Granted	259,030	\$ 67.73
Canceled	( 29,273)	
Awarded	( 501,339)	
<b>Outstanding at December 31, 2022</b>	918,248	
Granted	304,361	\$ 65.36
Canceled	( 14,729)	
Awarded	( 311,376)	
<b>Outstanding at December 31, 2023</b>	896,504	
Granted	291,961	\$ 63.29
Canceled	( 11,100)	
Awarded	( 324,372)	
<b>Outstanding at December 31, 2024</b>	<b>852,993</b>	

As of December 31, 2024, there was approximately \$ 8.8 million of total unrecognized share-based compensation costs related to unvested RSUs, which is expected to be recognized over approximately 1.8 years.

**Performance Stock Units**

Our 2020 Plan provides for the grant of Performance Stock Units ("PSUs"). A PSU is an award which may be earned in whole, or in part, upon the passage of time, and the attainment of performance criteria, and which may be settled for cash, shares, other securities or a combination thereof. The PSUs do not contain voting rights and are not entitled to dividends. The PSUs are subject to the terms and conditions contained in the applicable award agreement and our 2020 Plan. We annually award PSUs to certain members of management.

Each PSU represents a contingent right to receive a share of Boyd Gaming Corporation common stock; however, the actual number of common shares awarded is dependent upon the occurrence of: (i) a requisite service period; and (ii) an evaluation of specific performance conditions. The performance conditions are based on Company metrics such as net revenue growth, Earnings Before Interest, Taxes, Depreciation, Amortization and Rent under master leases ("EBITDAR") growth, EBITDAR margin growth and return on invested capital, all of which are determined over a period of time as defined in the grant agreement. Based upon actual and combined achievement, the number of shares awarded could range from zero, if no conditions are met, a 50 % payout if only threshold performance is achieved, a payout of 100 % for target performance, or a payout of up to 200 % of the original award for achievement of maximum performance. Each condition is weighted and evaluated separately in determining the payout and, based upon management's estimates at the service inception date, the Company is expected to meet the target for each performance condition. Therefore, the related compensation cost of these PSUs assumes all units granted will be awarded. Share-based compensation costs related to PSU awards are calculated based on the market price on the date of the grant.

These PSUs will vest three years from the service inception date, during which time achievement of the related performance conditions is periodically evaluated, and the number of shares expected to be awarded, and resulting compensation expense, is adjusted accordingly.

**Performance Shares Vesting**

The PSU grants awarded in third quarter 2021, fourth quarter 2019 and 2018 vested during first quarter 2024, 2023 and 2022, respectively. Common shares under the 2021 grant were issued based on the determination by the Compensation Committee of the Board of Directors ("Compensation Committee") of our actual achievement of EBITDAR and return on invested capital for the two-year performance period from July 2021 to June 2023. Common shares under the 2019 and 2018 grants were issued based on the determination by the Compensation Committee of our actual achievement of net revenue growth and EBITDAR growth for the three-year performance period of the grant. As provided under the provisions of our stock incentive plan, certain of the participants elected to surrender a portion of the shares to be received to pay the withholding and other payroll taxes payable on the compensation resulting from the vesting of the PSUs.

The PSU grant awarded in July 2021 resulted in a total of 241,277 shares being issued during first quarter 2024, representing approximately 1.94 shares per PSU. Of the 241,277 shares issued, a total of 94,862 were surrendered by the participants for payroll taxes, resulting in a net issuance of 146,415 shares due to the vesting of the 2021 grant. The actual achievement level under the award metrics approximated the estimated performance as of year-end 2023; therefore, the vesting of the PSUs had minimal impact to compensation costs of \$ 0.8 million in our 2024 consolidated statement of operations.

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The PSU grant awarded in December 2019 resulted in a total of 519,782 shares being issued during first quarter 2023, representing approximately 2.00 shares per PSU. Of the 519,782 shares issued, a total of 200,904 were surrendered by the participants for payroll taxes, resulting in a net issuance of 318,878 shares due to the vesting of the 2019 grant. The actual achievement level under the award metrics equaled the estimated performance as of year-end 2022; therefore, the vesting of the PSUs did not impact compensation costs in our 2023 consolidated statement of operations.

The PSU grant awarded in December 2018 resulted in a total of 408,609 shares being issued during first quarter 2022, representing approximately 1.58 shares per PSU. Of the 408,609 shares issued, a total of 114,265 were surrendered by the participants for payroll taxes, resulting in a net issuance of 294,344 shares due to the vesting of the 2018 grant. The actual achievement level under the award metrics equaled the estimated performance as of the year-end 2021; therefore, the vesting of the PSUs did not impact compensation costs in our 2022 consolidated statement of operations.

Summarized PSU activity is as follows:

	Performance Stock Units	Weighted- Average Grant Date Fair Value
<b>Outstanding at January 1, 2022</b>	647,789	
Granted	128,003	\$ 68.41
Performance Adjustment	150,009	
Canceled	( 2,466)	
Awarded	( 409,045)	
<b>Outstanding at December 31, 2022</b>	514,290	
Granted	141,644	\$ 65.24
Performance Adjustment	259,891	
Canceled	( 1,265)	
Awarded	( 519,782)	
<b>Outstanding at December 31, 2023</b>	394,778	
Granted	142,130	\$ 63.96
Performance Adjustment	116,905	
Canceled	( 2,322)	
Awarded	( 246,982)	
<b>Outstanding at December 31, 2024</b>	<b>404,509</b>	

As of December 31, 2024, there was approximately \$ 1.9 million of total unrecognized share-based compensation costs related to unvested PSUs, which is expected to be recognized over approximately 1.7 years. Based on the current estimates of performance compared to the targets set for the respective PSU grants, the Company estimates that approximately 0.5 million shares will be issued to settle the PSUs outstanding at December 31, 2024.

**Career Shares**

Our Career Shares Program is a stock incentive award program for certain executive officers to provide for additional capital accumulation opportunities for retirement. The program incentivizes and rewards executives for their period of service. Our Career Shares Program was adopted in December 2006, and modified in October 2010, as part of the overall update of our compensation programs. The Career Shares Program rewards eligible executives with annual grants of Boyd Gaming Corporation stock units, to be paid out at retirement. The payout at retirement is dependent upon the executive's age at such retirement and the number of years of service with the Company. Executives must be at least 55 years old and have at least 10 years of service to receive any payout at retirement. Career Shares do not contain voting rights and are not entitled to dividends. Career Shares are subject to the terms and conditions contained in the applicable award agreement and our 2020 Plan. The Career Share awards are tranches by specific term, in the following periods: 10 years, 15 years and 20 years of service. These grants vest over the remaining period of service required to fulfill the requisite years in each of these tranches, and compensation expense is recorded in accordance with the specific vesting provisions. Share-based compensation costs related to Career Shares awards are calculated based on the market price on the date of the grant.

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Summarized Career Shares activity is as follows:

	Restricted Stock Units	Weighted-Average Grant Date Fair Value
<b>Outstanding at January 1, 2022</b>	1,048,638	
Granted	24,388	\$ 64.93
Canceled	(2,251)	
Awarded	(138,954)	
<b>Outstanding at December 31, 2022</b>	931,821	
Granted	30,409	\$ 54.39
Canceled	(3,529)	
Awarded	—	
<b>Outstanding at December 31, 2023</b>	958,701	
Granted	22,829	\$ 63.82
Canceled	—	
Awarded	(51,249)	
<b>Outstanding at December 31, 2024</b>	930,281	

As of December 31, 2024, there was approximately \$ 1.5 million of total unrecognized share-based compensation costs related to unvested Career Shares.

**Share-Based Compensation**

We account for share-based awards exchanged for employee services in accordance with the authoritative accounting guidance for share-based payments. Under the guidance, share-based compensation expense is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense, net of estimated forfeitures, over the employee's requisite service period.

The following table summarizes our share-based compensation costs by award type:

(In thousands)	For the Year Ended December 31,		
	2024	2023	2022
Restricted Stock Units	\$ 17,197	\$ 17,821	\$ 16,210
Performance Stock Units	11,049	13,029	16,432
Career Shares	1,420	1,529	1,424
<b>Total share-based compensation costs</b>	<b>\$ 29,666</b>	<b>\$ 32,379</b>	<b>\$ 34,066</b>

The following table provides classification detail of the total costs related to our share-based employee compensation plans reported in our consolidated statements of operations:

(In thousands)	For the Year Ended December 31,		
	2024	2023	2022
Gaming	\$ 997	\$ 1,036	\$ 909
Food & beverage	191	198	174
Room	91	94	82
Selling, general and administrative	5,071	5,263	4,618
Corporate expense	23,316	25,788	28,283
<b>Total share-based compensation expense</b>	<b>\$ 29,666</b>	<b>\$ 32,379</b>	<b>\$ 34,066</b>

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**NOTE 12. FAIR VALUE MEASUREMENTS**

We have adopted the authoritative accounting guidance for fair value measurements, which does not determine or affect the circumstances under which fair value measurements are used, but defines fair value, expands disclosure requirements around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

These inputs create the following fair value hierarchy:

**Level 1:** Quoted prices for identical instruments in active markets.

**Level 2:** Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

**Level 3:** Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As required by the guidance for fair value measurements, financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Thus, assets and liabilities categorized as Level 3 may be measured at fair value using inputs that are observable (Levels 1 and 2) and unobservable (Level 3). Management's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement within the fair value hierarchy levels.

**Balances Measured at Fair Value**

The following tables show the fair values of certain of our financial instruments:

(In thousands)	December 31, 2024			
	Balance	Level 1	Level 2	Level 3
<b>Assets</b>				
Cash and cash equivalents	\$ 316,688	\$ 316,688	\$ —	\$ —
Restricted cash	4,676	4,676	—	—
Investment available for sale	12,553	—	—	12,553

(In thousands)	December 31, 2023			
	Balance	Level 1	Level 2	Level 3
<b>Assets</b>				
Cash and cash equivalents	\$ 304,271	\$ 304,271	\$ —	\$ —
Restricted cash	3,659	3,659	—	—
Investment available for sale	13,327	—	—	13,327

**Cash and Cash Equivalents and Restricted Cash**

The fair values of our cash and cash equivalents and restricted cash, classified in the fair value hierarchy as Level 1, are based on statements received from our banks at December 31, 2024 and 2023.

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**Investment Available for Sale**

We have an investment in a single municipal bond issuance of \$ 16.4 million aggregate principal amount of 7.5 % Urban Renewal Tax Increment Revenue Bonds, Taxable Series 2007 that is classified as available for sale with a maturity date of June 1, 2037. We are the only holder of this instrument and there is no quoted market price for this instrument. As such, the fair value of this investment is classified as Level 3 in the fair value hierarchy. The estimate of the fair value of such investment was determined using a combination of current market rates and estimates of market conditions for instruments with similar terms, maturities, and degrees of risk and a discounted cash flows analysis as of December 31, 2024 and 2023. The fair value of the investment is estimated using a discounted cash flows approach and the significant unobservable input used in the valuation as of December 31, 2024 and 2023 is a discount rate of 13.0 % and 12.4 %, respectively. Unrealized gains and losses on this instrument resulting from changes in the fair value of the instrument are not charged to earnings, but rather are recorded as other comprehensive income (loss) in the stockholders' equity section of the consolidated balance sheets and in the consolidated statements of other comprehensive income. At December 31, 2024 and 2023, \$ 0.8 million and \$ 0.7 million, respectively, of the carrying value of the investment available for sale is included as a current asset in prepaid expenses and other current assets, and at December 31, 2024 and 2023, \$ 11.8 million and \$ 12.6 million, respectively, is included in other assets, net on the consolidated balance sheets. The discount associated with this investment of \$ 1.8 million and \$ 2.0 million as of December 31, 2024 and 2023, respectively, is netted with the investment balance and is being accreted over the life of the investment using the effective interest method. The accretion of such discount is included in interest income on the consolidated statements of operations.

The following table summarizes the changes in fair value of the Company's Level 3 investment available for sale asset:

<i>(In thousands)</i>	Year Ended December 31,	
	2024	2023
<b>Balance at beginning of reporting period</b>	\$ 13,327	\$ 13,670
Total gains (losses) (realized or unrealized):		
Included in interest income	176	172
Included in other comprehensive income (loss)	( 220)	165
Purchases, sales, issuances and settlements:		
Settlements	( 730)	( 680)
<b>Balance at end of reporting period</b>	\$ 12,553	\$ 13,327

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We are exposed to valuation risk on our Level 3 financial instruments. We estimate our risk exposure using a sensitivity analysis of potential changes in the significant unobservable inputs of our fair value measurements. Our Level 3 financial instruments are most susceptible to valuation risk caused by changes in the discount rate. If the discount rate in our fair value measurements increased or decreased by 100 basis points, the change would not cause the value of our fair value measurements to change significantly.

The fair value of indefinite-lived intangible assets, classified in the fair value hierarchy as Level 3, is utilized in performing the Company's impairment analyses (see Note 4, *Intangible Assets*).

**Balances Disclosed at Fair Value**

The following tables provide the fair value measurement information about our note receivable and obligation under minimum assessment arrangements. As of December 31, 2024, the outstanding principal balance under the note receivable was paid in full.

<i>(In thousands)</i>	December 31, 2024			
	Outstanding Face Amount	Carrying Value	Estimated Fair Value	Fair Value Hierarchy
<b>Liabilities</b>				
Obligation under assessment arrangements	\$ 18,014	\$ 16,057	\$ 20,719	Level 3
December 31, 2023				
<b>Asset</b>	Outstanding Face Amount	Carrying Value	Estimated Fair Value	Fair Value Hierarchy
<b>Liabilities</b>				
Obligation under assessment arrangements	\$ 419	\$ 419	\$ 419	Level 3

The following tables provide the fair value measurement information about our long-term debt:

<i>(In thousands)</i>	December 31, 2024			
	Outstanding Face Amount	Carrying Value	Estimated Fair Value	Fair Value Hierarchy
<b>Credit Facility</b>				
4.750% senior notes due 2027	\$ 1,300,300	\$ 1,291,191	\$ 1,279,428	Level 2
4.750% senior notes due 2031	1,000,000	994,156	968,750	Level 1
Other	900,000	891,237	832,500	Level 1
<b>Total debt</b>	<u>\$ 3,200,306</u>	<u>\$ 3,176,590</u>	<u>\$ 3,080,684</u>	Level 3
December 31, 2023				
<b>Credit Facility</b>	Outstanding Face Amount	Carrying Value	Estimated Fair Value	Fair Value Hierarchy
4.750% senior notes due 2027	\$ 1,046,300	\$ 1,032,897	\$ 1,021,206	Level 2
4.750% senior notes due 2031	1,000,000	992,208	957,500	Level 1
Other	900,000	889,889	819,000	Level 1
<b>Total debt</b>	<u>\$ 2,946,804</u>	<u>\$ 2,915,498</u>	<u>\$ 2,798,210</u>	Level 3

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The estimated fair values of our obligation under assessment arrangements as of December 31, 2024 and 2023 are based on a discounted cash flow approach after giving consideration to the changes in market rates of interest, creditworthiness of both parties and credit spreads. The estimated fair value of our note receivable as of December 31, 2023, was estimated to equal its carrying value after consideration of the expected repayment timing of the remaining balance. The estimated fair value of our Credit Facility is based on a relative value analysis performed on or about December 31, 2024 and 2023. The estimated fair values of our senior notes are based on quoted market prices as of December 31, 2024 and 2023. The other debt is fixed-rate debt consisting of finance leases with various maturity dates from 2024 to 2025. These other debt obligations are not traded and do not have observable market inputs; therefore, we have estimated fair value to be equal to the carrying value for these obligations.

There were no transfers between Level 1, Level 2 and Level 3 measurements during the years ended December 31, 2024 and 2023.

**NOTE 13. EMPLOYEE BENEFIT PLANS**

We contribute to multiemployer pension defined benefit plans under terms of collective-bargaining agreements that cover our union-represented employees. Contributions, based on wages paid to covered employees, totaled approximately \$ 1.4 million, \$ 1.4 million and \$ 1.2 million for the years ended December 31, 2024, 2023 and 2022, respectively. These aggregate contributions were not individually significant to any of the respective plans. Our share of the unfunded vested liability related to multi-employer plans, if any, is not determinable and our participation is not individually significant on an individual multiemployer plan basis.

We have retirement savings plans under Section 401(k) of the Internal Revenue Code covering our non-union employees. The plans allow employees to defer up to the lesser of the Internal Revenue Code prescribed maximum amount or 100% of their income on a pre-tax basis through contributions to the plans. The expense of our voluntary contributions to the 401(k) profit-sharing plans and trusts, net of realized forfeitures, was \$ 5.3 million, \$ 5.3 million and \$ 5.1 million for the years ended December 31, 2024, 2023 and 2022, respectively.

**NOTE 14. SEGMENT INFORMATION**

We have four reportable segments consisting of: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online (collectively "Reportable Segments"). The Online segment includes the operating results of our online gaming operations through collaborative arrangements with third parties throughout the United States and the operations of Boyd Interactive, inclusive of our acquisition of Pala Interactive on November 1, 2022, and our acquisition of Resorts Digital on September 1, 2024. To reconcile Reportable Segments information to the consolidated information, the Company has aggregated nonreportable operating segments into a Managed & Other category. The Managed & Other category includes management fees earned under our management contract with Wilton Rancheria for the management of Sky River Casino in northern California and the operating results of Lattner Entertainment Group Illinois, LLC, our Illinois distributed gaming operator. The table in Note 1, *Summary of Significant Accounting Policies*, lists the classification of each of our 28 gaming entertainment properties that were aggregated based on their similar economic characteristics, types of customers, types of services and products provided, the regulatory environments in which they operate and their management and reporting structure.

**Results of Operations - Total Reportable Segment Revenues and Adjusted EBITDAR**

We evaluate profitability based on Adjusted EBITDAR, which represents earnings before interest expense, interest income, income taxes, depreciation and amortization, deferred rent, share-based compensation expense, project development, preopening and writedowns expenses, impairments of assets, other operating items, net, gain or loss on early extinguishments and modifications of debt, other items, net and master lease rent expense, as applicable. Total Reportable Segment Adjusted EBITDAR is the aggregate sum of the Adjusted EBITDAR for each of the properties included in our Las Vegas Locals, Downtown Las Vegas and Midwest & South segments and Adjusted EBITDAR related to the online operations in our Online segment. Results for Downtown Las Vegas include the results of our Hawaii-based travel agency as our Downtown Las Vegas properties cater to the Hawaiian market.

EBITDAR is a commonly used measure of performance in our industry that we believe, when considered with measures calculated in accordance with GAAP, facilitates comparisons between us and our competitors and provides our investors a more complete understanding of our operating results before the impact of investing transactions, financing transactions and income taxes. Management has historically adjusted EBITDAR when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results.

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The following tables set forth, for the periods indicated, departmental revenues for our Reportable Segments and our Managed & Other category to reconcile to total revenues:

<i>(In thousands)</i> <b>Revenues</b>	<b>Year Ended December 31, 2024</b>						
	<b>Gaming Revenue</b>	<b>Food &amp; Beverage Revenue</b>	<b>Room Revenue</b>	<b>Online Revenue</b>	<b>Management Fee Revenue</b>	<b>Other Revenue</b>	<b>Total Revenue</b>
Las Vegas Locals	\$ 647,753	\$ 89,842	\$ 98,365	\$ —	\$ —	\$ 58,548	\$ 894,508
Downtown Las Vegas	145,878	44,775	27,498	—	—	11,940	230,091
Midwest & South	1,747,032	168,905	78,745	—	—	68,733	2,063,415
Online	—	—	—	606,233	—	—	606,233
Managed & Other	43,263	—	—	—	88,407	4,277	135,947
<b>Total Revenues</b>	<b>\$ 2,583,926</b>	<b>\$ 303,522</b>	<b>\$ 204,608</b>	<b>\$ 606,233</b>	<b>\$ 88,407</b>	<b>\$ 143,498</b>	<b>\$ 3,930,194</b>
<b>Year Ended December 31, 2023</b>							
<i>(In thousands)</i> <b>Revenues</b>	<b>Gaming Revenue</b>	<b>Food &amp; Beverage Revenue</b>	<b>Room Revenue</b>	<b>Online Revenue</b>	<b>Management Fee Revenue</b>	<b>Other Revenue</b>	<b>Total Revenue</b>
	\$ 684,661	\$ 90,182	\$ 96,157	\$ —	\$ —	\$ 57,118	\$ 928,118
Downtown Las Vegas	143,899	42,252	24,986	—	—	11,270	222,407
Midwest & South	1,741,068	155,983	77,974	—	—	66,920	2,041,945
Online	—	—	—	422,211	—	—	422,211
Managed & Other	43,660	—	—	—	76,921	3,230	123,811
<b>Total Revenues</b>	<b>\$ 2,613,288</b>	<b>\$ 288,417</b>	<b>\$ 199,117</b>	<b>\$ 422,211</b>	<b>\$ 76,921</b>	<b>\$ 138,538</b>	<b>\$ 3,738,492</b>
<b>Year Ended December 31, 2022</b>							
<i>(In thousands)</i> <b>Revenues</b>	<b>Gaming Revenue</b>	<b>Food &amp; Beverage Revenue</b>	<b>Room Revenue</b>	<b>Online Revenue</b>	<b>Management Fee Revenue</b>	<b>Other Revenue</b>	<b>Total Revenue</b>
	\$ 700,230	\$ 88,219	\$ 87,726	\$ —	\$ —	\$ 54,555	\$ 930,730
Downtown Las Vegas	139,115	41,578	24,950	—	—	9,689	215,332
Midwest & South	1,788,494	146,182	76,395	—	—	64,995	2,076,066
Online	—	—	—	253,898	—	—	253,898
Managed & Other	46,891	—	—	—	26,905	5,555	79,351
<b>Total Revenues</b>	<b>\$ 2,674,730</b>	<b>\$ 275,979</b>	<b>\$ 189,071</b>	<b>\$ 253,898</b>	<b>\$ 26,905</b>	<b>\$ 134,794</b>	<b>\$ 3,555,377</b>

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The following table reconciles, for the periods indicated, our Reportable Segments and our Managed & Other category Adjusted EBITDAR to net income, as reported in our accompanying consolidated statements of operations:

<i>(In thousands)</i>	Year Ended December 31,		
	2024	2023	2022
<b>Adjusted EBITDAR</b>			
Las Vegas Locals	\$ 428,423	\$ 470,971	\$ 481,643
Downtown Las Vegas	83,325	85,507	86,049
Midwest & South	765,706	781,673	830,782
Online	107,604	62,337	39,778
Managed & Other	96,153	84,478	40,981
Corporate expense	( 90,618)	( 90,175)	( 88,724)
<b>Adjusted EBITDAR</b>	1,390,593	1,394,791	1,390,509
<b>Other operating costs and expenses</b>			
Deferred rent	648	708	768
Master lease rent expense	111,406	108,398	106,616
Depreciation and amortization	276,639	256,780	258,179
Share-based compensation expense	29,666	32,379	34,066
Project development, preopening and writedowns	28,572	( 8,935)	( 18,936)
Impairment of assets	10,500	107,837	40,775
Other operating items, net	5,385	( 4,207)	( 12,183)
<b>Total other operating costs and expenses</b>	462,816	492,960	409,285
<b>Operating income</b>	927,777	901,831	981,224
<b>Other expense (income)</b>			
Interest income	( 1,625)	( 23,886)	( 21,530)
Interest expense, net of amounts capitalized	177,409	171,247	151,249
Loss on early extinguishments and modifications of debt	—	—	19,815
Other, net	( 10)	1,563	2,884
<b>Total other expense, net</b>	175,774	148,924	152,418
<b>Income before income taxes</b>	752,003	752,907	828,806
Income tax provision	( 174,051)	( 132,884)	( 189,429)
<b>Net income</b>	\$ 577,952	\$ 620,023	\$ 639,377

For purposes of this presentation, corporate expense excludes its portion of share-based compensation expense. Corporate expense represents unallocated payroll, professional fees, rent, aircraft expenses and various other expenses not directly related to our casino, hotel and online operations.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Total Reportable Segment Expenses**

The Company's chief operating decision maker ("CODM") is our President and Chief Executive Officer. To monitor performance, the CODM regularly receives and reviews revenue and Adjusted EBITDAR information monthly for each operating segment aggregated by reportable segment, as well as consolidated expense information. Additionally, the CODM receives estimated and forecasted expense information by operating segment, as well as Adjusted EBITDAR margins and customer play on a segment basis. The CODM uses Adjusted EBITDAR margins to monitor the operating efficiencies of segments and customer play trends to monitor the overall health of the player in each segment. The CODM evaluates operating performance and allocates resources based on revenue and Adjusted EBITDAR. In particular, the CODM utilizes Adjusted EBITDAR to evaluate total company performance and individual operating segment performance. In addition, the CODM utilizes Adjusted EBITDAR in the evaluation of incentive compensation and in the annual budget process. Finally, the CODM uses Adjusted EBITDAR in the evaluation of potential acquisitions.

As expense information provided is either at the consolidated Company level or is estimated or forecasted, and the CODM is not able to easily compute any segment expenses, the Company has aggregated all expenses into a single other segment expense category to reconcile segment revenues to Adjusted EBITDAR, the segment performance measure. The following table reconciles, for the periods indicated, the revenues of our Reportable Segments and our Managed & Other category to Adjusted EBITDAR.

(In thousands)	Las Vegas Locals	Downtown Las Vegas	Midwest & South	Online	Managed & Other	Total
<b>Year Ended December 31, 2024</b>						
Revenues	\$ 894,508	\$ 230,091	\$ 2,063,415	\$ 606,233	\$ 135,947	\$ 3,930,194
Other segment expenses (1)	466,085	146,766	1,297,709	498,629	39,794	2,448,983
Corporate expense	—	—	—	—	—	90,618
<b>Adjusted EBITDAR</b>	<b>\$ 428,423</b>	<b>\$ 83,325</b>	<b>\$ 765,706</b>	<b>\$ 107,604</b>	<b>\$ 96,153</b>	<b>\$ 1,390,593</b>
<b>Year Ended December 31, 2023</b>						
Revenues	\$ 928,118	\$ 222,407	\$ 2,041,945	\$ 422,211	\$ 123,811	\$ 3,738,492
Other segment expenses (1)	457,147	136,900	1,260,272	359,874	39,333	2,253,526
Corporate expense	—	—	—	—	—	90,175
<b>Adjusted EBITDAR</b>	<b>\$ 470,971</b>	<b>\$ 85,507</b>	<b>\$ 781,673</b>	<b>\$ 62,337</b>	<b>\$ 84,478</b>	<b>\$ 1,394,791</b>
<b>Year Ended December 31, 2022</b>						
Revenues	\$ 930,730	\$ 215,332	\$ 2,076,066	\$ 253,898	\$ 79,351	\$ 3,555,377
Other segment expenses (1)	449,087	129,283	1,245,284	214,120	38,370	2,076,144
Corporate expense	—	—	—	—	—	88,724
<b>Adjusted EBITDAR</b>	<b>\$ 481,643</b>	<b>\$ 86,049</b>	<b>\$ 830,782</b>	<b>\$ 39,778</b>	<b>\$ 40,981</b>	<b>\$ 1,390,509</b>

(1) Other segment expenses include gaming taxes, payroll and payroll related costs, advertising, property insurance, property taxes, professional fees, utilities, and various other expenses related to our casino, hotel and online operations.

**Total Reportable Segment Assets**

The Company's assets by Reportable Segment and Managed & Other category consisted of the following amounts:

(In thousands)	December 31, 2024	December 31, 2023
<b>Assets</b>		
Las Vegas Locals	\$ 1,623,935	\$ 1,634,732
Downtown Las Vegas	292,765	295,494
Midwest & South	3,855,386	3,805,301
Online	185,567	155,356
Managed & Other	115,839	124,161
Corporate	318,323	258,082
<b>Total Assets</b>	<b>\$ 6,391,815</b>	<b>\$ 6,273,126</b>

**BOYD GAMING CORPORATION AND SUBSIDIARIES****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**

as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022

**Capital Expenditures**

The Company's capital expenditures by Reportable Segment and Managed &amp; Other category consisted of the following:

(In thousands)	Year Ended December 31,		
	2024	2023	2022
<b>Capital Expenditures</b>			
Las Vegas Locals	\$ 71,182	\$ 82,918	\$ 37,339
Downtown Las Vegas	12,040	42,233	52,423
Midwest & South	228,457	200,577	109,475
Online	42	224	462
Managed & Other	5,050	5,001	4,104
Corporate	90,959	55,776	67,874
<b>Total Capital Expenditures</b>	407,730	386,729	271,677
Change in Accrued Capital Expenditure Additions	( 7,330)	( 12,779)	( 2,522)
<b>Cash-Based Capital Expenditures</b>	\$ 400,400	\$ 373,950	\$ 269,155

The Company utilizes the Corporate entities to centralize the development of major renovation and other capital development projects that are included as construction in progress. After the project is complete, the corporate entities transfer the projects to the segment subsidiaries.

**NOTE 15. RELATED PARTY TRANSACTIONS****Boyd Percentage Ownership**

Marianne Boyd Johnson, our Executive Chairman of the Board of Directors, together with her immediate family, beneficially owned approximately 27% of our outstanding shares of common stock as of December 31, 2024. As such, the Boyd family has the ability to significantly influence our affairs, including the election of members of our Board of Directors and, except as otherwise provided by law, approving or disapproving other matters submitted to a vote of our stockholders, including a merger, consolidation or sale of assets. For each of the years ended December 31, 2024, 2023 and 2022, there were no related party transactions between the Company and the Boyd family other than compensation, including salary and equity incentives.

**NOTE 16. SUBSEQUENT EVENTS**

We have evaluated all events or transactions that occurred after December 31, 2024. During this period, up to the filing date, other than the following: (i) an \$ 0.18 per share cash dividend declared by the Board of Directors on February 20, 2025 and payable April 15, 2025 to shareholders of record on March 17, 2025; and (ii) agreements related to our Norfolk, Virginia project, as discussed further below, we did not identify any additional subsequent events, the effects of which would require disclosure or adjustment to our financial position or results of operations.

Pursuant to the October 21, 2024, agreements between the Company and the Tribe, PITGA, and GEC, on February 14, 2025, the Company entered into agreements in furtherance of its previously disclosed intentions to develop and build the Norfolk Casino in cooperation with the Tribe, PITGA and GEC. The agreements provide for the Company to serve as the exclusive developer and manager of the Norfolk Casino, which, pending receipt of final regulatory approvals, is expected to open a transitional casino facility in November 2025 and a full casino hotel resort in late 2027. The Company anticipates incurring aggregate expenditures of approximately \$ 750 million in connection with the Norfolk Casino project, as discussed in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations - Commitments*.

**ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There were no changes in or disagreements with accountants on accounting and financial disclosures during the two years in the period ended December 31, 2024.

**ITEM 9A. Controls and Procedures**

***Evaluation of Disclosure Controls and Procedures***

As of December 31, 2024, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in our reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information we are required to disclose in reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Based on the evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of the end of the period covered by this Report.

***Material Weakness Remediation***

As discussed in our 2023 Annual Report on Form 10-K as filed with the SEC on February 26, 2024, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2023, due to the identification of a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. As of December 31, 2023, management identified a material weakness related to the preparation and independent review of journal entries, which resulted in a lack of segregation of duties over the preparation, review, and recording of journal entries. The failure to maintain appropriate segregation of duties had a pervasive impact and consequently, this deficiency impacted control activities over all financial statement account balances, classes of transactions, and disclosures.

We are committed to maintaining a strong internal control environment. With the oversight of senior management, subsequent to December 31, 2023, a plan to remediate the underlying cause of the material weakness and improve the operating effectiveness of internal control over financial reporting and our disclosure controls was developed and was implemented. During the first quarter of 2024, we executed on all elements of our remediation plan as defined below and in our 2023 Annual Report on Form 10-K as filed with the SEC on February 26, 2024. We continued to reinforce remediation efforts during 2024 and monitored operating effectiveness. As of December 31, 2024, management concluded the material weakness was remediated. Specifically, the following remediation efforts occurred to ensure there were appropriate levels of independent reviews of journal entries, in order to address proper segregation of duties, including:

- Educating control owners to ensure that all design elements of the journal entry control are performed;
- Implementing additional attestations within our existing quarterly self-assessment process that address and reinforce proper segregation of duties over journal entries; and
- Enhancing our monitoring control that verifies that journal entries have a separate preparer and independent reviewer.

We believe these actions have meaningfully strengthened our internal control over financial reporting.

***Changes in Internal Control over Financial Reporting***

Except for the remediation of the identified material weakness, there were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2024, that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

***Management's Annual Report on Internal Control over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, we evaluated the effectiveness of our internal control over financial reporting as of the end of the most recent fiscal year, December 31, 2024, utilizing the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in the *Internal Control-Integrated Framework* (2013). Based on this evaluation, and the remediation discussed above, our Chief Executive Officer and Chief Financial Officer concluded that our internal control over financial reporting was effective as of December 31, 2024.

On September 1, 2024, Boyd Interactive Gaming, Inc., a wholly owned subsidiary of Boyd Gaming, completed the acquisition of Resorts Digital Gaming, LLC ("Resorts Digital") pursuant to a Membership Interest Purchase Agreement. Accordingly, the acquired assets and liabilities of these entities are included in our consolidated balance sheet as of December 31, 2024, and the results of its operations and cash flows are reported in our consolidated statements of operations and cash flows for the year ended December 31, 2024, from the date of acquisition. However, we have elected to exclude Resorts Digital from the scope of our annual report on internal control over financial reporting as of December 31, 2024. The financial position of Resorts Digital represented approximately 2.2% of our total net assets and 0.6% of our total assets as of December 31, 2024, and its results of operations increased our total revenues by 0.3% and our net income by 0.3% during the year ended December 31, 2024.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we include a report of management's assessment of the design and effectiveness of our internal controls over financial reporting as part of this Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report on our internal control over financial reporting as of December 31, 2024, which report follows below.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Boyd Gaming Corporation

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Boyd Gaming Corporation and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the financial statements as of and for the year ended December 31, 2024, of the Company and our report dated February 21, 2025, expressed an unqualified opinion on those financial statements.

As described in Management's Annual Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Resorts Digital Gaming, LLC ("Resorts Digital") which was acquired on September 1, 2024, and whose financial statements constitute 2.2% of total net assets, 0.6% of total assets, 0.3% of revenues, and 0.3% of net income of the financial statement amounts as of and for the year ended December 31, 2024. Accordingly, our audit did not include the internal control over financial reporting at Resorts Digital.

### Basis for Opinion

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

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

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

/s/ Deloitte & Touche LLP

Las Vegas, Nevada  
February 21, 2025

**ITEM 9B. Other Information**

None of the Company's directors or officers adopted, modified or terminated a "Rule 10b5-1 trading agreement" or a "non-Rule 10b5-1 trading arrangement" during the Company's fiscal quarter ended December 31, 2024, as such terms are defined under Item 408(a) of Regulation S-K.

**ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable

**PART III**

**ITEM 10. Directors, Executive Officers and Corporate Governance**

Information required by this item regarding the members of our board of directors and our audit committee, including our audit committee financial experts, will be set forth under the captions *Board Committees - Audit Committee*, *Director Nominees*, and *Section 16(a) Reporting Compliance* in our Definitive Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

The following table sets forth the non-director executive officers of Boyd Gaming Corporation as of February 21, 2025:

Name	Age	Position
Josh Hirsberg	63	Chief Financial Officer and Treasurer (Principal Financial Officer)
Theodore A. Bogich	70	Chief Operating Officer
Uri Clinton	52	General Counsel and Corporate Secretary
Stephen S. Thompson	65	Chief Administrative Officer
Lori M. Nelson	44	Chief Accounting Officer (Principal Accounting Officer) and Senior Vice President Financial Operations and Reporting

Josh Hirsberg joined the Company as our Senior Vice President, Chief Financial Officer and Treasurer effective January 1, 2008 and was promoted to Executive Vice President effective January 13, 2016. Prior to his position with the Company, Mr. Hirsberg served as the Chief Financial Officer for EdgeStar Partners, a Las Vegas-based resort development company. He previously held several senior-level finance positions in the gaming industry, including Vice President and Treasurer for Caesars Entertainment and Vice President, Strategic Planning and Investor Relations for Harrah's Entertainment.

Theodore A. Bogich was appointed to Chief Operating Officer on December 14, 2023. Prior to being appointed to this position, Mr. Bogich served as Executive Vice President, Operations since January 13, 2016. Mr. Bogich joined Boyd Gaming in 2004 as Vice President and General Manager of Sam's Town Tunica, and was named Vice President and General Manager of Blue Chip Casino Hotel in Michigan City, Indiana, in 2007. He was promoted to Senior Vice President, Operations in 2012.

Uri Clinton joined the Company as our General Counsel and Corporate Secretary effective March 2021. In that role he oversees Boyd Gaming's Legal, Corporate Governance and Regulatory Compliance functions. Immediately prior to joining Boyd Gaming, Mr. Clinton worked for six years with MGM Resorts International and one year as a partner with Sorelle Capital. In both of his immediate prior roles, Mr. Clinton provided legal, regulatory, and strategic advice and counsel as part of the business development teams in the areas of hospitality, lodging and gaming. With nearly 20 years of experience in the gaming industry, Mr. Clinton has an extensive background in leading both law departments and property operations, having served as President and Chief Operating Officer of a major East Coast casino, as well as General Counsel for a gaming equipment supplier and international holding company.

Stephen S. Thompson was appointed to Chief Administrative Officer on December 14, 2023. Prior to being appointed to this position, Mr. Thompson served as Executive Vice President, Operations since January 13, 2016. Mr. Thompson has served in numerous senior executive positions with Boyd Gaming since joining the Company in 1983, including Senior Vice President, Operations for Boyd Gaming's Nevada region since 2004.

Lori M. Nelson was appointed to Senior Vice President Financial Operations and Reporting on January 1, 2022 and additionally to Chief Accounting Officer on February 14, 2023 after serving in an interim capacity since March 31, 2022. Prior to her being appointed this position, Ms. Nelson served in numerous leadership positions with Boyd Gaming since joining the Company in 2012, including Vice President of Financial Operations.

**Code of Ethics.** We have adopted a Code of Business Conduct and Ethics ("Code of Ethics") that applies to each of our directors, executive officers and employees. Our Code of Ethics is posted on our website at [www.boydgaming.com](http://www.boydgaming.com). Any waivers or amendments to our Code of Ethics will be posted on our website.

**ITEM 11. Executive Compensation**

The information required by this item will be set forth under the captions *Director Compensation*, *Compensation Discussion and Analysis*, *Compensation Tables*, *Compensation Committee Interlocks and Insider Participation*, and *Compensation Committee Report* in our Definitive Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

**ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The information required by this item will be set forth under the captions *Ownership of Principal Stockholders and Management* and *Equity Compensation Plan Information* in our Definitive Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

**ITEM 13. Certain Relationships and Related Transactions, and Director Independence**

The information required by this item will be set forth under the captions *Transactions with Related Persons* and *Director Independence* in our Definitive Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

**ITEM 14. Principal Accounting Fees and Services**

Information about principal accounting fees and services billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34), as well as the audit committee's pre-approval policies will appear under the captions *Audit and Non-Audit Fees* and *Audit Committee Pre-Approval of Audit and Non-Audit Services* in our Definitive Proxy Statement to be filed in connection with our 2025 Annual Meeting of Stockholders and is incorporated herein by reference.

**PART IV****ITEM 15. Exhibits, Financial Statement Schedules****1. Financial Statements**

Financial statements of the Company (including related notes to consolidated financial statements) filed as part of this report are listed below:

	<u>Page No.</u>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	43
<a href="#">Consolidated Balance Sheets at December 31, 2024 and 2023</a>	45
<a href="#">Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022</a>	46
<a href="#">Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022</a>	47
<a href="#">Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2024, 2023 and 2022</a>	48
<a href="#">Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022</a>	49
<a href="#">Notes to Consolidated Financial Statements</a>	51

**2. Financial Statement Schedules**

All schedules have been omitted because they are not applicable, not required or the information required to be set forth therein is included in Consolidated Financial Statements or Notes thereto included in this Report.

**3. Exhibit List**

<u>Exhibit Number</u>	<u>Description of Exhibit</u>	<u>Method of Filing</u>
3.1	<a href="#">Amended and Restated Articles of Incorporation of the Registrant.</a>	Incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on May 24, 2006.
3.2	<a href="#">Amended and Restated By-Laws of Boyd Gaming Corporation, effective February 13, 2020.</a>	Incorporated by reference to Exhibit 3.2 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 27, 2020.
4.1	<a href="#">Form of Indenture relating to senior debt securities</a>	Incorporated by reference to Exhibit 4.1 of the Registrant's Automatic Shelf Registration Statement on Form S-3ASR dated May 1, 2015.
4.2	<a href="#">Form of Indenture relating to subordinated debt securities</a>	Incorporated by reference to Exhibit 4.2 of the Registrant's Automatic Shelf Registration Statement on Form S-3ASR dated May 1, 2015.

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<u>Exhibit Number</u>	<u>Description of Exhibit</u>	<u>Method of Filing</u>
4.3	<a href="#"><u>Indenture governing the Company's 4.750% Senior Notes due 2027, dated December 3, 2019, by and among the Company, the guarantors named therein and Wilmington Trust, National Association, as trustee.</u></a>	Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed December 3, 2019.
4.4	<a href="#"><u>Form of 4.750% Senior Note due 2027.</u></a>	Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed December 3, 2019.
4.5	<a href="#"><u>Description of Registrant's Securities</u></a>	Incorporated by reference to Exhibit 4.19 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2019 filed with the SEC on February 27, 2020.
4.6	<a href="#"><u>Indenture governing the Company's 4.750% Senior Notes due 2031, dated June 8, 2021, by and among the Company, the guarantors named therein and Wilmington Trust, National Association, as trustee.</u></a>	Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed June 8, 2021.
4.7	<a href="#"><u>Form of 4.750% Senior Note due 2031.</u></a>	Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed June 8, 2021.
4.8	<a href="#"><u>First Supplemental Indenture governing the Company's 4.750% Senior Notes due 2027, dated December 29, 2023, by and among the Company, the guarantors named therein and Wilmington Trust National Association, as trustee.</u></a>	Incorporated by reference to Exhibit 4.8 of the Registrant's Annual Report on Form 10-K filed with the SEC on February 26, 2024.
4.9	<a href="#"><u>First Supplemental Indenture governing the Company's 4.750% Senior Notes due 2031, dated December 29, 2023, by and among the Company, the guarantors named therein and Wilmington Trust National Association, as trustee.</u></a>	Incorporated by reference to Exhibit 4.8 of the Registrant's Annual Report on Form 10-K filed with the SEC on February 26, 2024.

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<b>Exhibit Number</b>	<b>Description of Exhibit</b>	<b>Method of Filing</b>
10.1	<a href="#">Form of Indemnification Agreement</a>	Filed electronically herewith
10.2*	<a href="#">Annual Incentive Plan</a>	Incorporated by reference to Exhibit 10.29 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002.
10.3*	<a href="#">The Boyd Gaming Corporation Amended and Restated Deferred Compensation Plan for the Board of Directors and Key Employees</a>	Incorporated by reference to Exhibit 10.39 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
10.4*	<a href="#">Form of Restricted Stock Unit Agreement and Notice of Award pursuant to the 2002 Stock Incentive Plan</a>	Incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.
10.5*	<a href="#">Boyd Gaming Corporation's 2002 Stock Incentive Plan (as amended and restated on May 15, 2008)</a>	Incorporated by reference to Appendix A of the Registrant's Definitive Proxy Statement filed with the SEC on April 2, 2008.
10.6*	<a href="#">Amended and Restated 2002 Stock Incentive Plan</a>	Incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K, filed with the SEC on May 24, 2006.
10.7*	<a href="#">Form of Award Agreement for Restricted Stock Units under 2002 Stock Incentive Plan for Non-Employee Directors</a>	Incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.
10.8*	<a href="#">Form of Award Agreement for Restricted Stock Units under the 2002 Stock Incentive Plans</a>	Incorporated by reference to Exhibit 10.3 of the Registrant's Current Report on Form 8-K filed with the SEC on May 24, 2006.
10.9*	<a href="#">Form of Career Restricted Stock Unit Award Unit Agreement under the 2002 Stock Incentive Plan</a>	Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed with the SEC on December 13, 2006.
10.10*	<a href="#">Form of Restricted Stock Unit Agreement and Notice of Award Pursuant to the 2002 Stock Incentive Plan</a>	Incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007.
10.11*	<a href="#">Form of Performance Share Unit Agreement and Notice of Award Pursuant to the 2002 Stock Incentive Plan</a>	Incorporated by reference to Exhibit 10.49 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011.
10.12*	<a href="#">Amendment Number 1 to the Amended and Restated Deferred Compensation Plan</a>	Incorporated by reference to Exhibit 10.40 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
10.13*	<a href="#">Amendment Number 2 to the Amended and Restated Deferred Compensation Plan</a>	Incorporated by reference to Exhibit 10.41 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
10.14*	<a href="#">Amendment Number 3 to the Amended and Restated Deferred Compensation Plan</a>	Incorporated by reference to Exhibit 10.42 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
10.15*	<a href="#">Amendment Number 4 to the Amended and Restated Deferred Compensation Plan</a>	Incorporated by reference to Exhibit 10.43 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004.
10.16*	<a href="#">Amendment Number 5 to the Amended and Restated Deferred Compensation Plan</a>	Incorporated by reference to Exhibit 10.35 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005.
10.17*	<a href="#">Amended and Restated 2000 Executive Management Incentive Plan</a>	Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on May 24, 2006.
10.18*	<a href="#">Change in Control Severance Plan for Tier I, II and III Executives</a>	Incorporated by reference to Exhibit 10.46 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006.

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<b>Exhibit Number</b>	<b>Description of Exhibit</b>	<b>Method of Filing</b>
10.19*	<a href="#">2012 Stock Incentive Plan (As amended and restated effective May 17, 2012) (incorporated by reference to Appendix A of the Registrant's Definitive Proxy Statement filed with the SEC on April 2, 2012).</a>	Incorporated by reference to Appendix A of the Registrant's Definitive Proxy Statement filed with the SEC on April 2, 2012.
10.20	<a href="#">Master Lease, dated October 15, 2018, by and between Gold Merger Sub, LLC and Boyd TCIV, LLC.</a>	Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed October 18, 2018.
10.21	<a href="#">Master Lease, dated October 15, 2018, by and between Boyd (Ohio) PropCo, LLC and PNK (Ohio), LLC</a>	Incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 filed with the SEC on August 6, 2020.
10.22*	<a href="#">2020 Stock Incentive Plan</a>	Incorporated by reference from the Registrant's Form S-8 filed September 29, 2020.
10.23	<a href="#">Credit Agreement, dated as of March 2, 2022, among the Company, the Guarantors, Bank of America, N.A., as administrative agent, collateral agent and letter of credit issuer, Wells Fargo Bank, National Association as swingline lender, and certain other financial institutions party thereto as lenders.</a>	Incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q, for the quarter ended March 31, 2022 filed with the SEC on May 6, 2022.
19	<a href="#">Insider Trading Policy</a>	Incorporated by reference to Exhibit 10.41 of the Registrant's Annual Report on Form 10-K filed with the SEC on February 26, 2024.
21.1	<a href="#">Subsidiaries of the Registrant.</a>	Filed electronically herewith.
22	<a href="#">List of Guarantor Subsidiaries of Boyd Gaming Corporation</a>	Filed electronically herewith.
23.1	<a href="#">Consent of Deloitte &amp; Touche LLP.</a>	Filed electronically herewith.
24	<a href="#">Power of Attorney (included in Part IV to this Annual Report on Form 10-K).</a>	Filed electronically herewith.
31.1	<a href="#">Certification of the Chief Executive Officer of the Registrant pursuant to Exchange Act Rule 13a-14(a).</a>	Filed electronically herewith.
31.2	<a href="#">Certification of the Chief Financial Officer of the Registrant pursuant to Exchange Act Rule 13a-14(a).</a>	Filed electronically herewith.
32.1	<a href="#">Certification of the Chief Executive Officer of the Registrant pursuant to Exchange Act Rule 13a - 14(b) and 18 U.S.C. § 1350.</a>	Furnished electronically herewith.
32.2	<a href="#">Certification of the Chief Financial Officer of the Registrant pursuant to Exchange Act Rule 13a - 14(b) and 18 U.S.C. § 1350.</a>	Furnished electronically herewith.
97.1*	<a href="#">Compensation Recoupment Policy</a>	Incorporated by reference to Exhibit 10.41 of the Registrant's Annual Report on Form 10-K filed with the SEC on February 26, 2024.
99.1	<a href="#">Governmental Gaming Regulations</a>	Filed electronically herewith.

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<u>Exhibit Number</u>	<u>Description of Exhibit</u>	<u>Method of Filing</u>
101	The following materials from Boyd Gaming Corporation's Annual Report on Form 10-K for the year ended December 31, 2024, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2024 and December 31, 2023; (ii) Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022; (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022; (iv) Consolidated Statement of Changes in Stockholders' Equity for the years ended December 31, 2024, 2023 and 2022; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022; and (vi) Notes to Consolidated Financial Statements.	Filed electronically herewith.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	Filed electronically herewith.

\* Management contracts or compensatory plans or arrangements.

**ITEM 16. Form 10-K Summary**

None

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 21, 2025.

BOYD GAMING CORPORATION

By: /s/ Lori M. Nelson  
**Lori M. Nelson**  
**Senior Vice President Financial Operations and Reporting**  
and  
**Chief Accounting Officer**  
**(Principal Accounting Officer)**

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Keith E. Smith, Josh Hirsberg and Lori M. Nelson, and each of them, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ MARIANNE BOYD JOHNSON</u> <b>Marianne Boyd Johnson</b>	Executive Chairman of the Board of Directors	February 21, 2025
<u>/s/ KEITH E. SMITH</u> <b>Keith E. Smith</b>	President, Chief Executive Officer and Director (Principal Executive Officer)	February 21, 2025
<u>/s/ JOSH HIRSBERG</u> <b>Josh Hirsberg</b>	Chief Financial Officer and Treasurer (Principal Financial Officer)	February 21, 2025
<u>/s/ WILLIAM R. BOYD</u> <b>William R. Boyd</b>	Director	February 21, 2025
<u>/s/ JOHN R. BAILEY</u> <b>John R. Bailey</b>	Director	February 21, 2025
<u>/s/ MICHAEL A. HARTMEIER</u> <b>Michael A. Hartmeier</b>	Director	February 21, 2025
<u>/s/ CHRISTINE J. SPADAFOR</u> <b>Christine J. Spadafor</b>	Director	February 21, 2025
<u>/s/ A. RANDALL THOMAN</u> <b>A. Randall Thoman</b>	Director	February 21, 2025
<u>/s/ PETER M. THOMAS</u> <b>Peter M. Thomas</b>	Director	February 21, 2025
<u>/s/ PAUL W. WHETSELL</u> <b>Paul W. Whetsell</b>	Director	February 21, 2025
<u>/s/ LORI M. NELSON</u> <b>Lori M. Nelson</b>	Senior Vice President Financial Operations and Reporting and Chief Accounting Officer (Principal Accounting Officer)	February 21, 2025

**BOYD GAMING CORPORATION  
INDEMNIFICATION AGREEMENT**

This Indemnification Agreement (this "Agreement") is made and entered into as of [•], between **BOYD GAMING CORPORATION**, a Nevada corporation (the "Company"), and [•] ("Indemnitee").

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors, officers or in other capacities unless they are provided with adequate protection through insurance or indemnification against risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will endeavor to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities.

WHEREAS, Chapter 78 of the Nevada Revised Statutes (the "NRS") and the Company's governing documents authorizes indemnification of the directors, officers, employees, and agents of the Company, and expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and persons acting on behalf of the Company with respect to indemnification;

WHEREAS, Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents, and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protections;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of any indemnification provisions in the Company's Amended and Restated Articles of Incorporation (as amended from time to time, the "Articles") and/or the Amended and Restated By-laws (as amended from time to time, the "Bylaws") and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder; and

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as an officer and/or a director from and after the date of this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof,
  - a. Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section I(a) if, by reason of his or her Corporate Status (as hereinafter defined), Indemnitee was or is a party, or is threatened to be made a party, to any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), the Company shall indemnify Indemnitee against all Expenses (as hereinafter defined), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her, or on his or her behalf, in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee either (i) is not liable pursuant to NRS 78.138 or (ii) acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe Indemnitee's conduct was unlawful.

b. Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of his or her Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 1(b), the Company shall indemnify Indemnitee against all Expenses and amounts paid in settlement actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding or any claim, issue or matters therein, if Indemnitee either (i) is not liable pursuant to NRS 78.138 or (ii) acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses or other amounts shall be made in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable to the Company or for amounts paid in settlement to the Company, unless and only to the extent that the court in which the Proceeding was brought or other court of competent jurisdiction shall determine that in view of all the circumstances in the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses as the court deems proper.

c. Termination of Proceeding. The termination of any Proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, adversely affect the right of Indemnitee to indemnification or create an inference or presumption either that Indemnitee is liable pursuant to NRS 78.138, that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company, or, with respect to any criminal action or proceeding, that Indemnitee had reasonable cause to believe that the conduct was unlawful. The Company acknowledges that such a resolution, short of final judgment, may be successful on the merits if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any Proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such Proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such Proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

d. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of his or her Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, the Company shall indemnify Indemnitee to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by him or her on his or her behalf in connection with the defense of the Proceeding. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. **Additional Indemnity.** In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee, to the fullest extent permitted by law, as such may be amended from time to time, against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her, or on his or her behalf, if, by reason of his or her Corporate Status, he or she was or is a party, or is threatened to be made a party, to any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the simple or gross negligence, recklessness, or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Section 6 and Section 7 hereof) to be unlawful.

3. **Contribution.**

- a. Whether or not the indemnification provided in Section 1 and Section 2 hereof is available, in respect of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall pay the entire amount of any judgment or settlement of such Proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee. The Company shall not enter into any settlement of any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.
- b. Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any Proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such Proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction from which such Proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such Proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.
- c. The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors, or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.
- d. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

- e. The Company hereby acknowledges that Indemnitee may have rights to indemnification for payment of the judgment or settlement amount provided by another entity ("Other Indemnitor(s)"). The Company agrees with Indemnitee that the Company is the indemnitor of first resort of Indemnitee with respect to matters for which indemnification is provided under this Agreement and that the Company will be obligated to make all payments due to or for the benefit of Indemnitee under this agreement without regard to any rights that Indemnitee may have against the Other Indemnitor(s). The Company hereby waives any equitable rights to contribution or indemnification from the Other Indemnitor in respect of any amounts paid to Indemnitee hereunder until such time as the Indemnitee has been fully and finally indemnified. The Company further agrees that no payment of Expenses or losses by the Other Indemnitor(s) to or for the benefit of Indemnitee shall affect the obligations of the Company hereunder.
- 4. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee, by reason of his or her Corporate Status, is a witness, or is made (or asked) to respond to discovery requests or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her, or on his or her behalf, in connection therewith.
- 5. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with defending any Proceeding within thirty (30) days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and Indemnitee shall also submit a written undertaking, in a form reasonably requested by the Company, by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined by a court of competent jurisdiction that Indemnitee is not entitled to be indemnified by the Company against such Expenses. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free. In furtherance of the foregoing, Indemnitee hereby undertakes to repay such amounts advanced if, and to the extent that, it shall ultimately be determined by a court of competent jurisdiction that Indemnitee is not entitled to be indemnified by the Company pursuant to the terms of this Agreement.

6. Procedures for Notification and Defense of Claim.

- a. Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding. The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights.
- b. In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld. After the retention of such counsel by the Company, the Company will not be liable to Indemnitee for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) Independent Counsel shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, or (iii) the Company shall not have retained, or shall not continue to retain, such counsel to defend such Proceeding. The Company shall have the right to conduct such defense as it sees fit in its sole discretion. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense.

c. Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

7. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the NRS and public policy of the State of Nevada. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

- a. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, the Company is actually and materially prejudiced as a result of such failure.
- b. Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 7(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following three methods, which shall be at the election of the Board (i) by a majority vote of a quorum consisting of Disinterested Directors (as defined below), (ii) if a majority vote of a quorum consisting of Disinterested Directors so orders, or if a quorum of Disinterested Directors cannot be obtained, by Independent Counsel (as defined below) in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (iii) by the stockholders of the Company.
- c. Notwithstanding anything to the contrary set forth in this Agreement, if a request for indemnification is made after a Change in Control (as defined below), at the election of Indemnitee made in writing to the Company, and if the Board by a majority vote of a quorum consisting of Disinterested Directors orders the determination of Indemnitee's entitlement to indemnification to be made by an Independent Counsel, or if a quorum of Disinterested Directors cannot be obtained, any determination required to be made pursuant to Section 7(b) above as to whether Indemnitee is entitled to indemnification shall be made by Independent Counsel selected as provided in this Section 7(c). The Independent Counsel shall be selected by Indemnitee, unless Indemnitee shall request that such selection be made by the Board. The party making the selection shall give written notice to the other party advising it of the identity of the Independent Counsel so selected. The party receiving such notice may, within seven (7) days after such written notice of selection shall have been given, deliver to the other party a written objection to such selection. Such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 hereof, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made, the Independent Counsel so selected may not serve as Independent Counsel unless and until a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 7(a) hereof, no Independent Counsel shall have been selected (or, if selected, such selection shall have been objected to) in accordance with this paragraph, then either the Company or Indemnitee may petition the courts of the State of Nevada or other court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is favorably resolved or the person so appointed shall act as Independent Counsel under Section 7(c) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 7(b) hereof. The Company shall pay any and all reasonable and necessary fees and expenses incident to the procedures of this Section 7(c), regardless of the manner in which such Independent Counsel was selected or appointed.

d. If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 7(b) hereof, the Independent Counsel shall be selected as provided in this Section 7(d). If the Independent Counsel is selected by the Board, Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnitee of a written request for indemnification pursuant to Section 7(a) hereof, no Independent Counsel shall have been selected (or, if selected, such selection shall have been objected to) in accordance with this paragraph, then either the Company or Indemnitee may petition the appropriate courts of the State of Nevada or other court of competent jurisdiction for resolution of any objection which shall have been made by Indemnitee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom an objection is favorably resolved or the person so appointed shall act as Independent Counsel under Section 7(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel in connection with acting pursuant to Section 7(b) hereof, and the Company shall pay any and all reasonable fees and expenses incident to the procedures of this Section 7(d), regardless of the manner in which such Independent Counsel was selected or appointed.

e. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

f. Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 7(f) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. The Company will promptly advise Indemnitee in writing with respect to any determination that Indemnitee is or is not entitled to indemnification, including a description of any reason or basis for which indemnification has been denied.

g. Notwithstanding anything to the contrary set forth in this Agreement, if the person, persons or entity empowered or selected under Section 7 to determine whether Indemnitee is entitled to indemnification shall not have been appointed or shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, unless the Company establishes by written opinion of Independent Counsel that (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such sixty (60) day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 7(g) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 7(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Disinterested Directors resolve as required by Section 7(b)(iii) of this Agreement to submit such determination to the stockholders for their consideration at an annual or special meeting thereof to be held within seventy five (75) days after such receipt and such determination is made thereat.

h. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure, and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Independent Counsel or member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding Indemnitee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

8. Remedies of Indemnitee.

a. In the event that (i) a determination is made pursuant to Section 7 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 7(b) or Section 7(c) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification, or such longer period, not to exceed an additional thirty (30) days, to which the period may be extended pursuant to Section 7(g), (iv) payment of indemnification is not made pursuant to this Agreement within ten (10) days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnitee shall be entitled to an adjudication of Indemnitee's entitlement to such indemnification or advancement of expenses either, at Indemnitee's sole option, in (1) an appropriate court of the State of Nevada, or any other court of competent jurisdiction or (2) an arbitration to be conducted by a single arbitrator, selected by mutual agreement of the Company and Indemnitee, pursuant to the rules of the American Arbitration Association. The Company shall not oppose Indemnitee's right to seek any such adjudication.

- b. In the event that a determination shall have been made pursuant to Section 7(b) or Section 7(c) of this Agreement that Indemnitee is not entitled to indemnification, (i) any judicial proceeding or arbitration commenced pursuant to this Section 8 shall be conducted in all respects de novo on the merits, and Indemnitee shall not be prejudiced by reason of any adverse determination under Section 7(b) or Section 7(c); and (ii) in any such judicial proceeding or arbitration, the Company shall have the burden of proving that Indemnitee is not entitled to indemnification under this Agreement.
- c. If a determination shall have been made pursuant to Section 7(b) or Section 7(c), or shall have been deemed to have been made pursuant to Section 7(g), of this Agreement that Indemnitee is entitled to indemnification, the Company shall be obligated to pay the amounts constituting such indemnification within five (5) days after such determination has been made or has been deemed to have been made and shall be conclusively bound by such determination in any judicial proceeding commenced pursuant to this Section 8, unless the Company establishes by written opinion of Independent Counsel that (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the request for indemnification exists or (ii) a prohibition of such indemnification exists under applicable law.
- d. In the event that Indemnitee, pursuant to this Section 8, seeks a judicial adjudication of, or an award in arbitration to enforce, his or her rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay to him or her, or on his or her behalf, in advance, and shall indemnify him or her against, any and all expenses (of the types described in the definition of Expenses in Section 14 of this Agreement) actually and reasonably incurred by him or her in such judicial adjudication or arbitration, if and to the extent Indemnitee is successful in such judicial adjudication or arbitration..
- e. The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 8 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement.

9. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

- a. The rights of indemnification and advancement of expenses as provided by this Agreement shall not be deemed exclusive of, and shall be in addition to, any other rights to which Indemnitee may at any time be entitled under applicable law, the Articles or the Bylaws of the Company, any agreement, a vote of stockholders, a resolution of the Board, or otherwise, and nothing in this Agreement shall diminish or otherwise restrict Indemnitee's rights to indemnification or advancement of expenses under any of the foregoing. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the NRS, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Articles, the Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change and Indemnitee shall be deemed to have such greater benefits hereunder. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy. The Company shall not adopt any amendments to its Articles or Bylaws, the effect of which would be to deny, diminish or encumber Indemnitee's right to indemnification or advancement of expenses under this Agreement, any other agreement or otherwise, without the prior written consent of the Indemnitee.

- b. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.
- c. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights (with all of Indemnitee's reasonable expenses, including, without limitation, attorneys' fees and charges, related thereto to be reimbursed by or, at the option of Indemnitee, advanced by the Company).
- d. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.
- e. The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

10. Exception to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

- a. for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or
- b. for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or similar provisions of state statutory law or common law; or

- c. for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or
- d. for any reimbursement of the Company by Indemnitee of any compensation pursuant to any compensation recoupment or claw back policy adopted by the Board or the compensation committee of the Board, including but not limited to any such policy adopted to comply with stock exchange listing requirements implementing Section 10D of the Exchange Act;
- e. in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company (other than to enforce Indemnitee's rights under this Agreement) or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or such part of the Proceeding) prior to its initiation, or (ii) the Company indemnifies Indemnitee, in its sole discretion, independently of this Agreement pursuant to the powers vested in the Company under applicable law; or
- f. in any circumstance where such indemnification is expressly prohibited by applicable law.

11. **Retroactive Effect; Duration of Agreement; Successors and Binding Agreement.** All agreements and obligations of the Company contained herein shall be deemed to have become effective upon the date Indemnitee first had Corporate Status; shall continue during the period Indemnitee has Corporate Status ; and shall continue thereafter so long as Indemnitee may be subject to any Proceeding (or any action commenced under Section 8 hereof) by reason of his or her Corporate Status, whether or not he or she is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation, reorganization or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives. The Company shall require any such successor to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Indemnitee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent the Company would be required to perform if no such succession had taken place. Except as otherwise set forth in this Section 11, this Agreement shall not be assignable or delegable by the Company.

12. **Security.** To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of Indemnitee.

13. **Enforcement.**

- a. The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve, or continue to serve, as an officer or a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving or continuing to serve as an officer or a director of the Company.
- b. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

14. **Definitions.** For purposes of this Agreement:

- a. **"Change in Control"** means the occurrence of any one of the following events:
  - i. any sale, lease, exchange or other transfer (in one or a series of related transactions) of all or substantially all of the assets of the Company;
  - ii. any "Person" as such term is used in Section 13(d) and Section 14(d) of the Exchange Act becomes, directly or indirectly, the "beneficial owner" as defined in Rule 13d-3 under the Exchange Act of securities of the Company that represent more than 50% of the combined voting power of the Company's then outstanding voting securities (the "**Outstanding Company Voting Securities**"); provided, however, that for purposes of this Section 13(a)(ii), the following acquisitions shall not constitute a Change in Control: (I) any acquisition directly from the Company, (II) any acquisition by the Company, (III) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any person or entity that directly or indirectly controls, is controlled by or is under common control with the Company and/or to the extent provided by the Board, any person or entity in which the Company has a significant interest, (IV) any acquisition by any corporation pursuant to a transaction that complies with Sections 13(a)(iv)(A) and 13(a)(iv)(B), (V) any acquisition involving beneficial ownership of less than 50% of the then-outstanding shares of the Company's common stock, par value \$0.01 per share (and any shares of capital stock or other securities of the Company into which such ordinary shares may be converted or into which they may be exchanged) (the "**Outstanding Company Common Shares**") or the Outstanding Company Voting Securities that is determined by the Board, based on review of public disclosure by the acquiring Person with respect to its passive investment intent, not to have a purpose or effect of changing or influencing the control of the Company; provided, however, that for purposes of this clause (V), any such acquisition in connection with (x) an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents or (y) any "Business Combination" (as defined below) shall be presumed to be for the purpose or with the effect of changing or influencing the control of the Company;
  - iii. during any period of not more than two (2) consecutive years, individuals who constitute the Board as of the beginning of the period (the "**Incumbent Directors**") cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director subsequent to the beginning of such period, whose election or nomination for election was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) will be an Incumbent Director; provided, however, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest with respect to directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board will be deemed to be an Incumbent Director;

- iv. consummation of a merger, amalgamation or consolidation (a " **Business Combination**") of the Company with any other corporation, unless, following such Business Combination, (A) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Common Shares and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Shares and the Outstanding Company Voting Securities, as the case may be, and (B) at least a majority of the members of the Board (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were Incumbent Directors at the time of the execution of the initial agreement or of the action of the Board providing for such Business Combination; or
- v. the stockholders of the Company approve a plan of complete liquidation of the Company.

- b. "**Corporate Status**" means the fact that a person is or was a director, officer, employee, agent or fiduciary of the Company or is or was serving at the request of the Company as a director, officer, employee or agent of any subsidiary of the Company or any other another corporation, partnership, joint venture, trust or other enterprise.
- c. "**Disinterested Director**" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.
- d. "**Enterprise**" shall mean the Company, and any subsidiary of the Company or any other corporation, constituent entity absorbed in a consolidation or merger to which the Company or any of its wholly-owned subsidiaries is a party, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, trustee, partner, manager, managing member, employee, agent or fiduciary.
- e. "**Expenses**" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts and other professionals, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred or actually incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in a Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Should any payments by the Company to or for the account of Indemnitee under this Agreement be determined to be subject to any federal, state or local income or excise tax, Expenses shall also include such amounts as are necessary to place Indemnitee in the same after-tax position (after giving effect to all applicable taxes) Indemnitee would have been in had no such tax been determined to apply to those payments. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the number of judgments or fines against Indemnitee.

f. **"Independent Counsel"** means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

g. **"Proceeding"** includes any threatened, pending or completed action, suit, claim, counterclaim, cross claim, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative, legislative or investigative (formal or informal); in each case whether or not Indemnitee's Corporate Status existed at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 7 of this Agreement to enforce his or her rights under this Agreement.

15. **Severability.** The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

16. **Modification and Waiver.** No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. **Notice by Indemnitee.** Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement unless, and only to the extent that, the Company is actually and materially prejudiced as a result of such delay or failure.

18. **Notices.** All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

To Indemnitee at the address set forth below Indemnitee's signature hereto.

To the Company at:

Boyd Gaming Corporation

6465 S Rainbow Blvd

Las Vegas, NV 89118

Atten: General Counsel

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

19. **Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

20. **Headings.** The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

21. **Successors and Assigns.** The terms of this Agreement shall be binding upon the Company and its successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business and/or assets of the Company) and shall inure to the benefit of Indemnitee and Indemnitee's spouse, assigns, heirs, devisees, executors, administrators and other legal representatives.

22. **Governing Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without regard to its conflict of laws rules. The Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement (other than an arbitration pursuant to Section 8 hereof) shall be brought only in the Eighth Judicial District Court of the State of Nevada (the " **Nevada Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Nevada Court for purposes of such action or proceeding, (iii) waive any objection to the laying of venue of any such action or proceeding in the Nevada Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Nevada Court has been brought in an improper or inconvenient forum.

*[Remainder of page intentionally left blank]*

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

COMPANY

Boyd Gaming Corporation,

a Nevada Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

INDEMNITEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Address:

\_\_\_\_\_

\_\_\_\_\_

Email: \_\_\_\_\_

## BOYD GAMING CORPORATION

Subsidiary Name	State or Other Jurisdiction of Incorporation
Boyd Gaming Corporation	Nevada
BGM Co. Inc.	Nevada
East West Gaming, LLC	California
Tides 8, LLC	California
ALST Casino Holdco, LLC	Delaware
Aliante Gaming, LLC dba Aliante Casino + Hotel + Spa	Nevada
Blue Chip Casino, LLC dba Blue Chip Casino Hotel Spa	Indiana
Boyd Acquisition, LLC	Delaware
Boyd Acquisition I, LLC	Delaware
Boyd Acquisition II, LLC	Delaware
Peninsula Gaming, LLC	Delaware
Belle of Orleans, L.L.C. dba Amelia Belle Casino	Louisiana
Diamond Jo, LLC dba Diamond Jo Casino	Delaware
Diamond Jo Worth, LLC dba Diamond Jo Worth	Delaware
Kansas Star Casino, LLC dba Kansas Star Casino	Kansas
The Old Evangeline Downs, L.L.C. dba Evangeline Downs Racetrack & Casino	Louisiana
OED Acquisition, LLC	Delaware
Boyd Atlantic City, Inc.	New Jersey
Boyd Central Region, Inc.	Nevada
Boyd Corporate Campus, LLC	Nevada
Boyd Development Corporation	Nevada
Boyd Elk Grove, LLC	Nevada
Boyd FSE, Inc.	Nevada
Boyd Interactive Gaming, Inc.	Nevada
Boyd Interactive Gaming Holdings, L.L.C.	Nevada
Boyd Interactive Gaming, L.L.C.	Nevada
IA - IPR Holdings LLC	Nevada
Pala Interactive, LLC	Delaware
Resorts Digital, LLC	New Jersey
Boyd Louisiana Racing, L.L.C.	Louisiana
Boyd Racing, L.L.C. dba Delta Downs Racetrack Hotel & Casino	Louisiana
Red River Entertainment of Shreveport, L.L.C. dba Sam's Town Shreveport	Louisiana
Treasure Chest Casino, L.L.C. dba Treasure Chest Casino	Louisiana
Kenner Williams Blvd, LLC	Louisiana
Boyd Office Building, Inc.	Nevada
Boyd Pennsylvania, Inc.	Pennsylvania
Boyd Pennsylvania Partners, LP	Pennsylvania
Boyd Phoenix Corporation	Nevada
Pala Interactive Canada, Inc.	Ontario, Canada
Pala GP ULC	Ontario, Canada
Boyd Robinsonville, Inc.	Mississippi
Boyd Shared Services Inc. dba Boyd Linen and Uniform Services	Nevada
Boyd Social Gaming, LLC	Nevada
Boyd TCIV, LLC	Nevada
Ameristar Casino Kansas City, LLC dba Ameristar Casino • Hotel Kansas City	Missouri
Ameristar Casino St. Charles, LLC dba Ameristar Casino • Resort • Spa St. Charles	Missouri
Belterra Resort Indiana LLC dba Belterra Casino Resort	Nevada
Ogle Haus, LLC dba Ogle Haus Inn	Indiana
PNK (Ohio), LLC dba Belterra Park	Ohio
PNK (Ohio) II, LLC	Ohio
PNK (Ohio) III, LLC	Ohio
Boyd TCV GP, LLC	Pennsylvania
Boyd Travel, Inc. dba Vacations Hawaii	Nevada
Boyd Tunica, Inc. dba Sam's Town Hotel and Gambling Hall Tunica	Mississippi
Boyd Biloxi, LLC dba IP Casino Resort Spa	Mississippi
California Hotel & Casino dba California Hotel and Casino, Sam's Town Hotel & Gambling Hall	Nevada
1100 Boulder Highway, LLC	Nevada
California Hotel Finance Corporation	Nevada
Echelon Resorts LLC	Nevada
Eldorado, Inc. dba Jokers Wild	Nevada
M.S.W., Inc. dba Main Street Station Hotel and Casino	Nevada
Sam-Will, Inc. dba Fremont Hotel & Casino	Nevada
Coast Casinos, Inc.	Nevada
Coast Hotels & Casinos, Inc. dba The Orleans Hotel and Casino, Gold Coast Hotel and Casino, Suncoast Hotel and Casino	Nevada
Constellation Insurance Company, Inc.	Hawaii
Lattner Entertainment Group Illinois, LLC	Illinois
Rock Solid Amusements, LLC	Illinois
Opelousas Training Center, LLC	Louisiana
Nevada Palace, LLC dba Eastside Cannery Casino and Hotel	Nevada
Par-A-Dice Gaming Corporation dba Par-A-Dice Casino	Illinois
The Cannery Hotel and Casino, LLC dba Cannery Casino Hotel	Nevada
Valley Forge Convention Center Partners, LLC dba Valley Forge Casino Resort	Pennsylvania
Valley Forge Colonial, LLC	Pennsylvania

**BOYD GAMING CORPORATION**

The subsidiaries of Boyd Gaming Corporation (the "Company") listed below are 100% owned and have fully and unconditionally guaranteed the Company's 4.750% senior notes due December 2027 and 4.750% senior notes due December 2031.

**Subsidiary Name**

Aliante Gaming, LLC  
ALST Casino Holdco, LLC  
Ameristar Casino Kansas City, LLC  
Ameristar Casino St. Charles, LLC  
Belle of Orleans, L.L.C.  
Belterra Resort Indiana LLC  
BGM Co. Inc.  
Blue Chip Casino, LLC  
Boyd Acquisition, LLC  
Boyd Acquisition I, LLC  
Boyd Acquisition II, LLC  
Boyd Biloxi, LLC  
Boyd Louisiana Racing, L.L.C.  
Boyd Racing, L.L.C.  
Boyd TCIV, LLC  
Boyd Tunica, Inc.  
California Hotel & Casino  
California Hotel Finance Corporation  
Coast Casinos, Inc.  
Coast Hotels & Casinos, Inc.  
Diamond Jo, LLC  
Diamond Jo Worth, LLC  
Kansas Star Casino, LLC  
M.S.W., Inc.  
Nevada Palace, LLC  
Ogle Haus, LLC  
Par-A-Dice Gaming Corporation  
Peninsula Gaming, LLC  
PNK (Ohio), LLC  
PNK (Ohio) II, LLC  
PNK (Ohio) III, LLC  
Red River Entertainment of Shreveport, L.L.C.  
Sam-Will, Inc.  
The Cannery Hotel and Casino, LLC  
The Old Evangeline Downs, L.L.C.  
Treasure Chest Casino, L.L.C.  
Valley Forge Colonial, LLC  
Valley Forge Convention Center Partners, LLC

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-90840, 333-119850, 333-129421, 333-153852, 333-184158, and 333-249123 on Form S-8 of our reports dated February 21, 2025, relating to the financial statements of Boyd Gaming Corporation (the "Company") and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada

February 21, 2025

**BOYD GAMING CORPORATION**  
**CERTIFICATION**

I, Keith E. Smith, certify that:

1. I have reviewed this annual report on Form 10-K of Boyd Gaming Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

By:/s/ Keith E. Smith

**Keith E. Smith**  
**President and Chief Executive Officer**

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**BOYD GAMING CORPORATION**  
**CERTIFICATION**

I, Josh Hirsberg, certify that:

1. I have reviewed this annual report on Form 10-K of Boyd Gaming Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 21, 2025

By:/s/ Josh Hirsberg  
**Josh Hirsberg**  
**Chief Financial Officer and Treasurer**

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**BOYD GAMING CORPORATION**

**CERTIFICATION**

In connection with the periodic report of Boyd Gaming Corporation (the "Company") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Keith E. Smith, President and Chief Executive Officer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: February 21, 2025

By:/s/ Keith E. Smith

**Keith E. Smith**  
**President and Chief Executive Officer**

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**BOYD GAMING CORPORATION**

**CERTIFICATION**

In connection with the periodic report of Boyd Gaming Corporation (the "Company") on Form 10-K for the period ended December 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Josh Hirsberg, Chief Financial Officer and Treasurer of the Company, hereby certify as of the date hereof, solely for purposes of Title 18, Chapter 63, Section 1350 of the United States Code, that to the best of my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company at the dates and for the periods indicated.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: February 21, 2025

By:/s/ Josh Hirsberg

**Josh Hirsberg**  
**Chief Financial Officer and Treasurer**

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**BOYD GAMING CORPORATION**  
**COMPENSATION RECOUPMENT POLICY**

*Effective October 2, 2023*

**I. Scope and Application**

The Board of Directors (the “Board”) of Boyd Gaming Corporation (together with its subsidiaries, the “Company”) believes it is desirable and in the best interests of the Company and its stockholders to maintain and enhance a culture that is focused on integrity and accountability and that discourages conduct detrimental to the Company’s sustainable growth. Therefore, in the event of any required accounting restatement of the financial statements of the Company due to the material noncompliance of the Company with any financial reporting requirement under the applicable U.S. federal securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “Restatement”), the Company shall recover reasonably promptly from any person, who is or was an “Executive Officer,” as such term is defined in Rule 10D-1 adopted under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Section 303A.14 of the NYSE’s listing standards, of the Company (each, a “Covered Person”) and any other employee of the Company who holds the title of Senior Vice President or above, as designated by the General Counsel after consultation with the Chief Executive Officer, the amount of any “Erroneously Awarded Incentive-Based Compensation” (as defined below). This Policy shall be effective as of October 2, 2023 (the “Effective Date”). **For purposes of this Policy, “Executive Officers” are the same group of officers who have been identified as “Officers” for purposes of Section 16 of the Exchange Act.**

For purposes of this Policy, “Incentive-Based Compensation” means any compensation that is granted, earned or vested based wholly or in part on the attainment of a “financial reporting measure,” which means a measure that is determined and presented in accordance with Generally Accepted Accounting Principles which are used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measures, including, for example, but not limited to EBITDA, Adjusted EBITDA, EBITDAR, Adjusted EBITDAR, adjusted EBITDAR growth, adjusted earnings and net revenue growth. Stock price and total shareholder return are also financial reporting measures for this purpose. For avoidance of doubt, a financial reporting measure need not be presented within the Company’s financial statements or included in a filing with the Securities and Exchange Commission.

For purposes of this Policy, “Recoverable Incentive-Based Compensation” means all Incentive-Based Compensation received on or after the Effective Date of this Policy set forth above by a Covered Person: (i) after beginning service as an Executive Officer; (ii) who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation; (iii) while the Company has a class of securities listed on a national securities exchange or a national securities association; and (iv) during the three completed fiscal years immediately preceding the date that the Company is required to prepare a Restatement, including any applicable transition period that results from a change in the Company’s fiscal year within or immediately following those three completed fiscal years. For this purpose, the Company is deemed to be required to prepare a Restatement on the earlier of: (i) the date the Board, or the Company’s officers authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement; and

(ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. The Company's obligation to recover Erroneously Awarded Incentive-Based Compensation is not dependent on if or when the restated financial statements are filed with the Securities and Exchange Commission.

## II. Recoupment

The amount of Incentive-Based Compensation that must be recovered from a Covered Person pursuant to this policy is the amount of Recoverable Incentive-Based Compensation received by a Covered Person that exceeds the amount of Recoverable Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid (referred to as the "Erroneously Awarded Incentive-Based Compensation"). For Recoverable Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Incentive-Based Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the amount must be based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return, as applicable, upon which the Recoverable Incentive-Based Compensation was received, and the Company must maintain documentation of that reasonable estimate and provide such documentation to the New York Stock Exchange (the "NYSE"). For the purposes of this Policy, Recoverable Incentive-Based Compensation will be deemed to be received in the fiscal period during which the financial reporting measure specified in the applicable Incentive-Based Compensation award is attained, even if the payment or grant occurs after the end of that period.

In the event of a Restatement, the Company may, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Incentive-Based Compensation, which may include, but is not limited to, to the extent permitted by applicable law and to the extent such manner of recovery would be considered reasonably prompt as determined by the General Counsel: (i) offsetting the amount from any compensation owed by the Company to the affected Executive Officer (including, without limitation, amounts payable under a deferred compensation plan at such time as is permitted by Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder); (ii) reducing or eliminating future salary increases, cash incentive awards or equity awards payments; or (iii) requiring the affected Executive Officer to pay the amount to the Company upon the Company's written demand for such payment. If the Company agrees to recover the Erroneously Awarded Incentive-Based Compensation pursuant to item (iii) in this paragraph, recovery must be initiated within 90 days of such determination unless the General Counsel agrees another timeframe for recovery is appropriate and is still considered reasonably prompt.

The Company shall recover the Erroneously Awarded Incentive-Based Compensation from Covered Persons unless the Board determines that recovery is impracticable because: (i) the direct expense to a third party to assist in enforcing this Policy would exceed the amount of Erroneously Awarded Incentive-Based Compensation; provided that, the Company must make a reasonable attempt to recover the Erroneously Awarded Incentive-Based Compensation before concluding that recovery is impracticable, document such reasonable attempt to recover the Erroneously Awarded Incentive-Based Compensation and provide such documentation to the NYSE; (ii) recovery would violate home country law where that law was adopted prior to November 28, 2022, or (ii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the applicable requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

### **III. Enforceability; No Indemnification**

In no event will the Company indemnify any Covered Person for any amounts that are recovered under this Policy. This Policy is in addition to (and not in lieu of) any right of repayment, forfeiture or right of offset against any employees that is required pursuant to any statutory repayment requirement (regardless of whether implemented at any time prior to or following the adoption or amendment of this Policy), including Section 304 of the Sarbanes-Oxley Act of 2002. Any amounts paid to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 shall be considered in determining any amounts recovered under this Policy. Amounts paid to the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2022 include, for the Chief Executive Officer and the Chief Financial Officer of the Company, (i) any bonus or other incentive-based or equity-based compensation received by that person from the issuer during the 12-month period following the first public issuance or filing with the Securities and Exchange Commission and (ii) any profits realized from the sale of securities of the issuer during the 12-month period following the first public issuance or filing with the Securities and Exchange Commission.

The application and enforcement of this Policy does not preclude the Company from taking any other action to enforce a Covered Person's obligations to the Company, including termination of employment or institution of legal proceedings. Nothing in this Policy restricts the Company from seeking recoupment under any other compensation recoupment Policy or any applicable provisions in plans, agreements, awards or other arrangements that contemplate the recoupment of compensation from a Covered Person, except that the Company shall not apply one or more policies to recoup funds from a Covered Person more than once for the same event or series of events. If a Covered Person fails to repay Erroneously Awarded Incentive-Based Compensation that is owed to the Company under this Policy, the Company shall take all appropriate action to recover such Erroneously Awarded Incentive-Based Compensation from the Covered Person, and the Covered Person shall be required to reimburse the Company for all expenses (including legal expenses) incurred by the Company in recovering such Erroneously Awarded Incentive-Based Compensation.

The terms of this Policy shall be binding and enforceable against all Covered Persons subject to this Policy and their beneficiaries, heirs, executors, administrators or other legal representatives. If any provision of this Policy or the application of such provision to any Covered Person shall be adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Policy, and the invalid, illegal or unenforceable provisions shall be deemed amended to the minimum extent necessary to render any such provision (or the application of such provision) valid, legal or enforceable.

Each Covered Person shall sign and return to the Company the Acknowledgement Form attached hereto, pursuant to which the Covered Person agrees to be bound by, and to comply with, the terms and conditions of this Policy.

This Policy shall be interpreted in a manner that is consistent with Rule 10D-1 under the Exchange Act, Section 303A.14 of the NYSE Listed Company Manual and any related rules or regulations adopted by the Securities and Exchange Commission or the NYSE (the "Applicable Rules") as well as any other applicable law. To the extent the Applicable Rules require recovery of incentive-based compensation in additional circumstances beyond those specified above, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover incentive-based compensation to the fullest extent required by the Applicable Rules.

#### **IV. Administration and Enforcement**

The Board of Directors has designated the Compensation Committee (the “Committee”), through the General Counsel’s office, for the implementation, administration and enforcement of this Policy, provided, however, that notwithstanding any provision of this Policy that is inconsistent with, or contrary to the Committee’s scope of authority shall not be included in this Policy’s scope of enforcement or otherwise overseen by the Company’s management unless so directed by the Committee. Any violations of this Policy shall be reported to the Company’s General Counsel and Compliance Officer.

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**ACKNOWLEDGEMENT AND AGREEMENT**

I acknowledge that I have read the Boyd Gaming Corporation Compensation Recoupment Policy. In consideration of my continued employment with Boyd Gaming Corporation, I agree that all Incentive-Based Compensation earned or paid to me after October 2, 2023, including, without limitation, all equity awards so earned or granted to me, will be subject to the terms and conditions of such Compensation Recoupment Policy, as amended from time to time. Further, by signing below, I agree to abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Incentive-Based Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy.

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Date \_\_\_\_\_

### GOVERNMENTAL GAMING REGULATIONS

We are subject to extensive regulation under laws, rules and supervisory procedures primarily in the jurisdictions where our facilities are located or docked. If additional gaming regulations are adopted in a jurisdiction in which we operate, such regulations could impose restrictions or costs that could have a significant adverse effect on us. From time to time, various proposals have been introduced in the legislatures of some of the jurisdictions in which we have existing or planned operations that, if enacted, could adversely affect the tax, regulatory, operational or other aspects of the gaming industry and us. Currently, numerous jurisdictions in which we operate or that are contiguous to jurisdictions in which we operate are considering legislative proposals that would expand gaming whether through increasing the availability of existing gaming products in such jurisdiction or authorizing new types of gaming products previously unavailable to gaming patrons in such jurisdiction, such as sports betting, online sports betting, daily fantasy sports, distributed gaming and new lottery products. The enactment of any such expansion proposals in such jurisdictions could significantly impact the competitive environment in which we operate. We do not know whether or in what form any such legislation will be enacted. The federal government has also previously considered a federal tax on casino revenues and the elimination of betting on amateur sporting events and may consider such a tax or eliminations on betting in the future. In addition, gaming companies are currently subject to significant state and local taxes and fees in addition to normal federal and state corporate income taxes, and such taxes and fees are subject to increase at any time. Any material increase in these taxes or fees could adversely affect us.

Some jurisdictions, including Nevada, Illinois, Indiana, Louisiana, Mississippi, Missouri, Iowa, Kansas, Ohio, and Pennsylvania empower their regulators to investigate participation by licensees in gaming outside their jurisdiction and require access to periodic reports respecting those gaming activities. Violations of laws or disciplinary action in one jurisdiction could result in investigative activity and disciplinary actions in other jurisdictions.

Under provisions of gaming laws in jurisdictions in which we have operations, and under our organizational documents, certain of our securities are subject to restrictions on ownership which may be imposed by specified governmental authorities. The restrictions may require a holder of our securities to dispose of the securities or, if the holder refuses, or is unable, to dispose of the securities, we may be required to repurchase the securities.

The indentures governing our outstanding notes provide that if a holder of a note or beneficial owner of a note is required to be licensed, qualified or found suitable under the applicable gaming laws and is not so licensed, qualified or found suitable within the time period specified by the applicable gaming authority, the holder will be required, at our request, to dispose of its notes within a time period that either we prescribe or such other time period prescribed by the applicable gaming authority, and thereafter, we shall have the right to redeem such holder's notes.

#### **Nevada**

The ownership and operation of casino gaming facilities in Nevada are subject to the Nevada Gaming Control Act and the regulations promulgated by the Nevada Gaming Commission thereunder, which we refer to as the Nevada Act, including various local codes and ordinances. Our gaming operations are subject to the licensing and regulatory control of the Nevada Gaming Commission, which we refer to as the Nevada Commission, the Nevada Gaming Control Board, which we refer to as the Nevada Board, the Clark County Liquor and Gaming Licensing Board, and the City of Las Vegas, which, with the Nevada Commission and the Nevada Board, we collectively refer to as the Nevada Gaming Authorities.

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy that are concerned with, among other things:

- the prevention of unsavory or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
- the prevention of unsavory or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
- the establishment and maintenance of responsible accounting practices and procedures;
- the maintenance of effective controls over the financial practices of licensees, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- providing reliable record keeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;
- the prevention of cheating and fraudulent practices;
- the maintenance of a Gaming Compliance and Reporting Plan, including the establishment of a Gaming Compliance Committee and the retention of a Corporate Compliance Officer; and
- the provision of a source of state and local revenues through taxation and licensing fees.

Changes in such laws, regulations and procedures could have an adverse effect on our gaming operations and our business, financial condition and results of operations.

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Corporations that operate casinos in Nevada are required to be licensed by the Nevada Gaming Authorities. A gaming license requires the periodic payment of fees and taxes and is not transferable. We are registered by the Nevada Commission as a publicly traded corporation, or a Registered Corporation. As a Registered Corporation, we are required periodically to submit detailed financial and operating reports to the Nevada Commission and furnish any other information which the Nevada Commission may require. We have been licensed by the Nevada Commission to own the stock of California Hotel and Casino, and to be the sole member and manager of The Cannery Hotel and Casino, LLC, the operator of The Cannery Hotel Casino, and of Nevada Palace, LLC, the operator of the Eastside Cannery Casino & Hotel, and have been found suitable to own the stock of Coast Casinos, Inc., and of Boyd Interactive Gaming, Inc., and to be the sole member and manager of ALST Casino Holdco, LLC. California Hotel and Casino is licensed by the Nevada Commission to operate non-restricted gaming activities at the California and Sam's Town Las Vegas and is additionally registered as an intermediary company and found suitable by the Nevada Commission to own the stock of Sam-Will, Inc., the operator of the Fremont, Eldorado, Inc., the operator of Jokers Wild, and M.S.W., Inc., the operator of Main Street Station. Coast Casinos, Inc., is registered as an intermediary company and found suitable by the Nevada Commission to own the stock of Coast Hotels and Casinos, Inc., the operator of the Gold Coast Hotel and Casino, The Orleans Hotel and Casino, and the Suncoast Hotel and Casino. ALST Casino Holdco is registered as an intermediary company and licensed by the Nevada Commission to be the sole member and manager of Aliante Gaming, LLC, the operator of the Aliante Casino + Hotel. Boyd Interactive Gaming, Inc., is registered as an intermediary company and is licensed to be the sole member of Boyd Interactive Gaming, LLC. In 2003, the Nevada Commission approved Boyd Louisiana Racing Inc. and Boyd Racing L.L.C., d.b.a. Delta Downs Racetrack, Casino & Hotel, to share in the revenue from the conduct of off-track pari-mutuel wagering, under certain conditions, as it pertains to the broadcast of live racing events to licensed Nevada pari-mutuel race books. No person may become a more than 5% stockholder or holder of more than a 5% interest in, or receive any percentage of profits from, California Hotel and Casino or its subsidiaries, Coast Casinos, Inc., or its subsidiary, ALST Casino Holdco, LLC, or its subsidiary, The Cannery Hotel and Casino, LLC, Nevada Palace, LLC, or Boyd Interactive Gaming, Inc., or its subsidiary, without first obtaining licenses and approvals from the Nevada Gaming Authorities. We refer to all of the foregoing entities collectively as the Licensed Subsidiaries. Boyd Gaming and all of its Licensed Subsidiaries have obtained from the Nevada Gaming Authorities the various registrations, approvals, permits and licenses required in order to engage in gaming activities in Nevada.

The Nevada Gaming Authorities may investigate any individual who has a material relationship to, or material involvement with, Boyd Gaming and its Licensed Subsidiaries in order to determine whether such individual is suitable or should be licensed as a business associate of a gaming licensee. Officers, directors and certain key employees of the Licensed Subsidiaries must file applications with the Nevada Gaming Authorities and may be required to be licensed or found suitable by the Nevada Gaming Authorities. Our officers, directors and key employees who are actively and directly involved in gaming activities of the Licensed Subsidiaries may be required to be licensed or found suitable by the Nevada Gaming Authorities. The Nevada Gaming Authorities may deny an application for licensing for any cause which they deem reasonable. A finding of suitability is comparable to licensing, and both require submission of detailed personal and financial information followed by a thorough investigation. The applicant for licensing or a finding of suitability must pay all the costs of the investigation. Changes in licensed positions must be reported to the Nevada Gaming Authorities within 30 days as prescribed by law and, in addition to their authority to deny an application for a finding of suitability or licensure, the Nevada Gaming Authorities have jurisdiction to disapprove a change in a corporate position.

If the Nevada Gaming Authorities were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us or any of our Licensed Subsidiaries, the companies involved would have to sever all relationships with such person. In addition, the Nevada Commission may require Boyd Gaming or any of its Licensed Subsidiaries to terminate the employment of any person who refuses to file appropriate applications. Determinations of suitability or questions pertaining to licensing are not subject to judicial review in Nevada.

Boyd Gaming and its Licensed Subsidiaries are required to submit detailed financial and operating reports to the Nevada Commission. Substantially all material loans, leases, sales of securities and similar financing transactions by the Licensed Subsidiaries must be reported to, and/or approved by, the Nevada Commission.

If it were determined that the Nevada Act was violated by any of the Licensed Subsidiaries, the gaming licenses they hold could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, Boyd Gaming and the persons involved could be subject to substantial fines for each separate violation of the Nevada Act or Regulations at the discretion of the Nevada Commission. Further, a supervisor could be nominated by the Nevada Commission for court appointment to operate our gaming properties and, under certain circumstances, earnings generated during the supervisor's appointment (except for reasonable rental value of our gaming properties) could be forfeited to the State of Nevada. Limitation, conditioning or suspension of any gaming license or the appointment of a supervisor could (and revocation of any gaming license would) materially adversely affect our gaming operations and our business, financial condition and results of operations.

Any beneficial holder of our voting securities, regardless of the number of shares owned, may be required to file an application, be investigated and have his suitability reviewed as a beneficial holder of our voting securities if the Nevada Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. The applicant must pay all costs of investigation incurred by the Nevada Gaming Authorities in conducting any such investigation.

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The Nevada Act requires any person who acquires more than 5% of our voting securities to report the acquisition to the Nevada Commission on the date specified therein. The Nevada Act requires that beneficial owners of more than 10% of our voting securities apply to the Nevada Commission for a finding of suitability within 30 days after the date specified by the Nevada Commission therein. Under certain circumstances, an "institutional investor," as defined in the Nevada Act, which acquires more than 10%, but not more than 25%, of our voting securities may apply to the Nevada Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only. An institutional investor that has obtained such a waiver may, in certain circumstances, hold up to 29% of our voting securities and maintain its waiver for a limited period of time. An institutional investor shall not be deemed to hold voting securities for investment purposes unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of our board of directors, any change in our corporate charter, bylaws, management, policies or operations, or any of our gaming affiliates, or any other action which the Nevada Commission finds to be inconsistent with holding our voting securities for investment purposes only. Activities that are not deemed to be inconsistent with holding voting securities for investment purposes include only:

- voting on all matters voted on by stockholders;
- making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in our management, policies or operations; and
- such other activities as the Nevada Commission may determine to be consistent with such investment intent.

The Nevada Act also requires that any beneficial owner of 10% or more of any class of our voting securities who has the intent to engage in any proscribed activity, shall, (a) within 2 days after possessing such intent, notify the Chair of the Nevada Board in writing in the manner prescribed by such Chair, (b) file an application with the Nevada Commission for a finding of suitability within 30 days after notifying the Chair of the Nevada Board pursuant to (a) above, and (c) deposit with the Nevada Board the sum of money which, in the opinion of the Nevada Board, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of such application, and thereafter deposit such additional sums as are required by the Nevada Board to pay all final costs and charges. The Nevada Act defines "proscribed activity" to mean (a) an activity that necessitates a change or amendment to our corporate charter, bylaws, management, policies or operation; (b) an activity that materially influences or affects our affairs; or (c) any other activity determined by the Nevada Commission to be inconsistent with holding our voting securities for investment purposes only. Such a shareholder who has the intent to engage in a proscribed activity is deemed to be engaged in an activity that influences or affects our affairs. Subject to the foregoing requirements, a person shall not be unduly prohibited from lawfully exercising any of his or her voting rights derived from being a shareholder, and a person who has submitted an application pursuant to the foregoing requirements may exercise his or her voting rights while such application is pending. A person who is found unsuitable by the Nevada Commission shall immediately cease engaging in all proscribed activities and shall no longer engage in such activities thereafter. Any violation of these provisions is a gross misdemeanor.

If the beneficial holder of voting securities who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information including a list of beneficial owners. The applicant is required to pay all costs of investigation.

Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the Nevada Commission or the Chair of the Nevada Board, may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any stockholder found unsuitable and who holds, directly or indirectly, any beneficial ownership of the common stock of a Registered Corporation beyond such period of time as may be prescribed by the Nevada Commission may be guilty of a gross misdemeanor. We are subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us, or any of our Licensed Subsidiaries, we:

- pay that person any dividend or interest upon voting securities of Boyd Gaming;
- allow that person to exercise, directly or indirectly, any voting right conferred through securities held by the person;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require such unsuitable person to relinquish their voting securities for cash at fair market value.

Additionally, the Clark County Liquor and Gaming Licensing Board has taken the position that it has the authority to approve all persons owning or controlling the stock of any corporation controlling a gaming license.

The Nevada Commission may, at its discretion, require the holder of any debt security of a Registered Corporation to file applications, be investigated and be found suitable to own the debt security of a Registered Corporation. If the Nevada Commission determines that a person is unsuitable to own such security, then pursuant to the Nevada Act, the Registered Corporation can be sanctioned, including the loss of its approvals, if without the prior approval of the Nevada Commission, it:

- pays to the unsuitable person any dividend, interest, or any distribution whatsoever;
- recognizes any voting right by such unsuitable person in connection with such securities;
- pays the unsuitable person remuneration in any form; or
- makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation, or similar transaction.

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We are required to maintain a current stock ledger in Nevada which may be examined by the Nevada Gaming Authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Nevada Gaming Authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. We are also required to render maximum assistance in determining the identity of the beneficial owner.

We may not make a public offering of our securities without the prior approval of the Nevada Commission if the securities or the proceeds therefrom are intended to be used to construct, acquire or finance gaming facilities in Nevada, or to retire or extend obligations incurred for such purposes. Any representation to the contrary is unlawful. In November 2017, the Nevada Commission granted us three years, the maximum time permitted, in which to make public offerings of debt or equity. This three-year approval or continuous or delayed public offering approval, also known as a shelf approval, is subject to certain conditions and expires in November 2020, at which time we will seek to renew the approval. The Nevada Commission's approval may be rescinded for good cause without prior notice upon the issuance of an interlocutory stop order by the Chair of the Nevada Board.

Changes in control of Boyd Gaming through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or any act or conduct by a person whereby he obtains control, may not occur without the prior approval of the Nevada Commission. Entities seeking to acquire control of a Registered Corporation must satisfy the Nevada Gaming Authorities in a variety of stringent standards prior to assuming control of such Registered Corporation. The Nevada Commission may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated and licensed as part of the approval process relating to the transaction.

The Nevada legislature has declared that some corporate acquisitions opposed by management, repurchase of voting securities and corporate defense tactics affecting Nevada gaming licensees, and Registered Corporations that are affiliated with those licensees, may be injurious to stable and productive corporate gaming. The Nevada Commission has established a regulatory scheme to ameliorate the potentially adverse effects of these business practices upon Nevada's gaming industry and to further Nevada's policy to:

- assure the financial stability of corporate gaming operators and their affiliates;
- protect the continued integrity of corporate gaming in matters of corporate governance;
- preserve the beneficial aspects of conducting business in the corporate form; and
- promote a neutral environment for the orderly governance of corporate affairs.

Approvals are, in certain circumstances, required from the Nevada Commission before we can make exceptional repurchases of voting securities above the current market price thereof and before a corporate acquisition opposed by management can be consummated. As a Registered Corporation, the Nevada Act also requires prior approval of a plan of recapitalization proposed by our board of directors in response to a tender offer made directly to our stockholders for the purposes of acquiring control of us.

License fees and taxes, computed in various ways depending on the type of gaming or activity involved, are payable to the State of Nevada, Clark County and the City of Las Vegas. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly, quarterly or annually and are based upon:

- a percentage of the gross revenues received;
- the number of gaming devices operated; or
- the number of table games operated.

An excise tax is also paid by casino operations upon the amount of consideration collected in connection with admission to certain indoor or outdoor premises or areas where live entertainment is provided, subject to certain exclusions.

Any person who is licensed, required to be licensed, registered, required to be registered, or is under common control with such persons, which we refer to as Licensees, and who proposes to become involved in a gaming venture outside of Nevada is required to deposit with the Nevada Board, and thereafter maintain, a revolving fund in the amount of \$10,000 to pay the expenses of investigation of the Nevada Board of their participation in such foreign gaming. The revolving fund is subject to increase or decrease in the discretion of the Nevada Commission. Thereafter, Licensees are required to comply with certain reporting requirements imposed by the Nevada Act. Licensees are also subject to disciplinary action by the Nevada Commission if they knowingly violate any laws of the foreign jurisdiction pertaining to the foreign gaming operation, fail to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations, engage in activities that are harmful to the State of Nevada or its ability to collect gaming taxes and fees, or employ a person in the foreign operation who has been denied a license or finding of suitability in Nevada on the ground of personal unsuitability.

The sale of food or alcoholic beverages at our Nevada casinos is subject to licensing, control and regulation by the applicable local authorities. All licenses are revocable and are not transferable. The agencies involved have full power to limit, condition, suspend or revoke any such license, and any such disciplinary action could, and a revocation would, have a significant adverse effect upon the operations of the affected casino or casinos.

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## Illinois

We are subject to the jurisdiction of the Illinois gaming authorities as a result of our ownership and operation of 1) Par-A-Dice Hotel Casino in East Peoria, Illinois, and 2) the Illinois Video Gaming Terminal Operator Lattner Entertainment Group Illinois, LLC.

In February 1990, the State of Illinois legalized riverboat gambling. The Illinois Riverboat Gambling Act, which we refer to as the initial Illinois Act, authorizes the five-member Illinois Gaming Board, which we refer to as the Illinois Board, to issue up to ten riverboat gaming owners' licenses on navigable streams within or forming a boundary of the State of Illinois except for Lake Michigan and any waterway in Cook County, which includes Chicago. Pursuant to the initial Illinois Act, a licensed owner who holds greater than a 10% interest in one riverboat operation could hold no more than a 10% interest in any other riverboat operation. In addition, the initial Illinois Act restricted the location of certain of the ten owners' licenses. Four of the licenses were to be located on the Mississippi River, one license was to be at a location on the Illinois River south of Marshall County and one license had to be located on the Des Plaines River in Will County. The remaining licenses were not restricted as to location. Currently, ten owners' licenses are in operation, including one license in each of Alton, Aurora, Des Plaines, East Peoria, East St. Louis, Elgin, Metropolis, Rock Island and two licenses in Joliet.

The tenth license that was initially granted to Emerald Casino Inc. - an operator in East Dubuque which we refer to as Emerald Casino - was not renewed by the Illinois Board and was the subject of protracted litigation that concluded. Various appeals in the Illinois Appellate Court for the First and Fourth Districts followed the Illinois Board's denial of Emerald Casino's request for renewal of the tenth license on March 6, 2001 and subsequent revocation of the license in December 2005. Although the Illinois Appellate Court ultimately ordered the Illinois Board to issue Emerald Casino's license for renewal, the Illinois Appellate Court also affirmed the Illinois Board's decision to revoke that license. The Illinois Supreme Court refused Emerald Casino's request to review the latter decision, and Emerald Casino announced that it would not pursue any additional appeals in the matter. As a result, the Board authorized a bid process to issue the tenth license to a new operator. On December 6, 2007, the Illinois Department of Central Management Services issued a Request for Proposal to receive bids from investment banking firms to oversee the bid process. Credit Suisse was the successful bidder and oversaw the bid process for the tenth Illinois gaming license. Seven bids were submitted to the Illinois Board to provide gaming operations in Waukegan, Rosemont, Des Plaines, Stickney, Country Club Hills, Calumet City, and Harvey. The Illinois Board selected the Waukegan, Rosemont and Des Plaines sites as the three finalists. On December 22, 2008, the Illinois Board announced that it awarded the tenth Illinois gaming license to Midwest Gaming & Entertainment LLC, which developed and operates the Rivers Casino in Des Plaines. The Rivers Casino commenced gaming operations on June 18, 2011.

Furthermore, under the initial Illinois Act, no gambling could be conducted while a riverboat was docked. A gaming excursion could last no more than four hours, and a gaming excursion was deemed to have started when the first passenger boarded a riverboat. Gaming could continue during passenger boarding for a period of up to 30 minutes. Gaming was also allowed for a period of up to 30 minutes after the gangplank or its equivalent was lowered, thereby allowing passengers to exit the riverboat. During the 30-minute exit time period, new passengers were not allowed to board the riverboat. Although riverboats were mandated to cruise, there were certain exceptions. If a riverboat captain reasonably determined that either it was unsafe to transport passengers on the waterway due to inclement weather or the riverboat had been rendered temporarily inoperable by unforeseeable mechanical or structural difficulties or river icing, the riverboat could remain dockside or return to the dock. In those situations, a gaming excursion could commence or continue while the gangplank or its equivalent was raised and remained raised, in which event the riverboat was not considered docked. If a gaming excursion had to begin or continue with the gangplank or its equivalent raised, and the riverboat did not leave the dock, entry of new patrons on to the riverboat was prohibited until the completion of the excursion.

In June of 1999, amendments to the Illinois Act, which we refer to as the Amended Illinois Act, were passed by the legislature and signed into law by the Governor. The Amended Illinois Act redefined the conduct of gaming in the state. Pursuant to the Amended Illinois Act, riverboats can conduct gambling without cruising, and passengers can enter and leave a riverboat at any time. In addition, riverboats may now be located upon any water, other than Lake Michigan, within Illinois, and not just navigable waterways. There is no longer any prohibition of a riverboat being located in Cook County. Riverboats are now defined as self-propelled excursion boats or permanently moored barges. The Amended Illinois Act requires that only three, rather than four, owners' licenses, be located on the Mississippi River. The 10% ownership prohibition has also been removed. Therefore, subject to certain Illinois Board rules, individuals or entities could own more than one riverboat operation.

The Amended Illinois Act also allows for the relocation of a riverboat home dock. A licensee that was not conducting riverboat gambling on January 1, 1998, may apply to the Illinois Board for renewal and approval of relocation to a new home dock and the Illinois Board shall grant the application and approval of the new home dock upon the licensee providing to the Illinois Board authorization from the new dockside community. Any licensee that relocates in accordance with the provisions of the Amended Illinois Act must attain a level of at least 20% minority ownership of such a gaming operation.

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The initial Illinois Act strictly regulates the facilities, persons, associations and practices related to gaming operations. The initial Illinois Act grants the Illinois Board specific powers and duties, and all other powers necessary and proper to fully and effectively execute the initial Illinois Act for the purpose of administering, regulating and enforcing the system of riverboat gaming. The Illinois Board has authority over every person, association, corporation, partnership and trust involved in riverboat gaming operations in the State of Illinois.

The initial Illinois Act requires the owner of a riverboat gaming operation to hold an owner's license issued by the Illinois Board. Gaming participants are limited to 1,200 for any owner's license. The number of gaming participants will be determined by the number of gaming positions available. Gaming positions are counted as follows:

- electronic gaming devices positions will be determined as 90% of the total number of devices available for play;
- craps tables will be counted as having ten gaming positions; and
- games utilizing live gaming devices, except for craps, will be counted as having five gaming positions.

Each owner's license initially runs for a period of three years. Thereafter, the license must be renewed annually. Under the Amended Illinois Act, the Board may renew an owner's license for up to four years. An owner licensee is eligible for renewal upon payment of the applicable fee and a determination by the Illinois Board that the licensee continues to meet all of the requirements of the initial Illinois Act and Illinois Board rules. The owner's license for Par-A-Dice Riverboat Casino initially expired in February 1995. Since that time the license has been renewed every four years, the maximum time permitted by the Illinois Act. An ownership interest in an owner's license may not be transferred or pledged as collateral without the prior approval of the Illinois Board.

Pursuant to the Amended Illinois Act, which removed the 10% ownership prohibition, the Illinois Board established certain rules to effectuate this statutory change. In deciding whether to approve direct or indirect ownership or control of an owner's license, the Illinois Board shall consider the impact of any economic concentration of the ownership or control. No direct or indirect ownership or control shall be approved which will result in undue economic concentration of the ownership of riverboat gambling operations in Illinois. Undue economic concentration means that a person or entity would have actual or potential domination of riverboat gambling in Illinois sufficient to:

- substantially impede or suppress competition among holders of owners' licenses;
- adversely impact the economic stability of the riverboat casino industry in Illinois; or
- negatively impact the purposes of the initial Illinois Act, including tourism, economic development, benefits to local communities, and State and local revenues.

The Illinois Board will consider the following criteria in determining whether the approval of the issuance, transfer or holding of a license will create undue economic concentration:

- the percentage share of the market presently owned or controlled by the person or entity in each of the following categories: The total number of licensed riverboats casinos in Illinois; The total riverboat casino square footage; Number of persons employed in the riverboat gambling operation and any affiliated hotel operation; Number of Electronic games; Net revenue and Adjusted Gross Receipts; Table Win; Electronic Gaming Device Win; Table Drop; and Electronic Gaming Device Drop;
- the estimated increase in the market share if the person or entity is approved to hold the owner's license;
- the relative position of other persons or entities that own or control owners' licenses in Illinois;
- the current and projected financial condition of the riverboat gaming industry;
- the current market conditions, including proximity and level of competition, consumer demand, market concentration, and any other relevant characteristics of the market;
- whether the license to be approved has separate organizational structures or other independent obligations;
- the potential impact on the projected future growth and development of the riverboat gambling industry, the local communities in which licenses are located, and the State of Illinois;
- the barriers to entry into the riverboat gambling industry and if the approval of the license will operate as a barrier to new companies and individuals desiring to enter the market;
- whether the approval of the license is likely to result in enhancing the quality and customer appeal of products and services offered by riverboat casinos in order to maintain or increase their respective market shares;
- whether a restriction on the approval of the additional license is necessary in order to encourage and preserve competition in casino operations; and
- any other relevant information.

The initial Illinois Act does not limit the maximum bet or per patron loss. Minimum and maximum wagers on games are set by the licensee. Wagering may not be conducted with money or other negotiable currency. No person under the age of 21 is permitted to wager and wagers may only be received from a person present on the licensed riverboat, in a casino, or at the organization gaming facility. With respect to electronic gaming devices, the payout percentage may not be less than 80% nor more than 100%.

An admission tax is imposed on the owner of a riverboat operation. Effective July 1, 2003, additional amendments to the Amended Illinois Act were passed by the legislature and signed into law by the Governor, which we refer to as the Second Amended Illinois Act. Under the Second Amended Illinois Act, for an owner licensee that admitted 2,300,000 persons or fewer in the previous calendar year, the admission tax is \$4.00 per person and for a licensee that admitted more than 2,300,000 persons in the previous calendar year, the admission tax is \$5.00. Additionally, a wagering tax is imposed on the adjusted gross receipts, as defined in the initial Illinois Act, of a riverboat operation. As of July 1, 2003, pursuant to the Second Amended Illinois Act, the wagering tax was increased as follows: 15% of annual adjusted gross receipts up to and including \$25 million; 27.5% of annual adjusted gross receipts in excess of \$25 million but not exceeding \$37.5 million; 32.5% of annual adjusted gross receipts in excess of \$37.5 million but not exceeding \$50 million; 37.5% of annual adjusted gross receipts in excess of \$50 million but not exceeding \$75 million; 45% of annual adjusted gross receipts in excess of \$75 million but not exceeding \$100 million; 50% of annual adjusted gross receipts in excess of \$100 million but not exceeding \$250 million; and 70% of annual adjusted gross receipts in excess of \$250 million. The owner licensee is required, on a daily basis, to wire the wagering tax payment to the Illinois Board. The wagering tax as outlined in the Second Amended Illinois Act shall no longer be imposed beginning on the earlier of (i) July 1, 2005; (ii) the first date after the effective date of the Second Amended Illinois Act that riverboat gambling operations are conducted pursuant to the dormant tenth license or (iii) the first day that riverboat gambling operations are conducted under the authority of an owner's license that is in addition to the ten owners' licenses authorized by the Initial Act. Thereafter, the tax will roll back to the rates as outlined in the Amended Illinois Act.

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Effective July 1, 2005, additional amendments to the Second Amended Act were passed by the legislature and signed into law by the Governor, which we refer to as the Third Amended Illinois Act. Under the Third Amended Act, for an owner that admitted 1,000,000 persons or fewer in calendar year 2004, the admission tax is \$2.00 and for all other licensees it is \$3.00 per person admitted. Additionally, the wagering tax provisions were "rolled back" to the rates as defined in the Amended Illinois Act. Thus, the effective wager tax rates are: 15% of annual adjusted gross receipts up to and including \$25 million; 22.5% of annual adjusted gross receipts in excess of \$25 million but not exceeding \$50 million; 27.5% of annual adjusted gross receipts in excess of \$50 million but not exceeding \$75 million; 32.5% of annual adjusted gross receipts in excess of \$75 million but not exceeding \$100 million; 37.5% of annual adjusted gross receipts in excess of \$100 million but not exceeding \$150 million; 45% of annual adjusted gross receipts in excess of \$150 million but not exceeding \$200 million; and 50% of annual adjusted gross receipts in excess of \$200 million, which we refer to as the Privilege Tax. In addition to payment of the above listed amounts, by June 15 of each year, each owner (other than an owner that admitted 1,000,000 or fewer persons in calendar year 2004) must pay to the Illinois Board the amount, if any, by which the base amount for the licensed owner exceeds the amount of tax paid pursuant to the Third Amended Act. The base amount for a riverboat in East Peoria is \$43 million. This obligation terminates on the earliest of (i) July 1, 2007, (ii) the first day after the effective date of the Third Amended Act that riverboat gambling operations are conducted pursuant to a dormant license, (iii) the first day that riverboat gambling operations are conducted under the authority of an owner's license that is in addition to the ten owners' licenses initially authorized, or (iv) the first day that a licensee under the Illinois Horse Racing Act of 1975 conducts gaming operations with slot machines or other electronic gaming devices. The obligation to meet these base amount requirements terminated on July 1, 2007.

The Illinois Board has the authority to reduce the above mentioned wagering tax obligation imposed under the Third Amended Act by an amount the Board deems reasonable for acts of God, terrorism, bioterrorism or a condition beyond the control of the owner licensee. There can be no assurance that the Illinois legislature will not enact additional legislation regarding admission and wagering tax rates.

Effective May 26, 2006, additional amendments to the Third Amended Act were passed by the legislature and signed into law by the Governor, which we refer to as the Fourth Amended Act. Under the Fourth Amended Act, and for a period of two (2) years beginning May 26, 2006, owner licensees that operate a riverboat with adjusted gross receipts in 2004 greater than \$200 million paid - in addition to the amounts referenced above - an amount equal to 3% of the adjusted gross receipts received into the Horse Racing Equity Trust Fund, which we refer to as the Surcharge. This provision affected four owner licensees, but did not apply to Par-A-Dice Hotel Casino in East Peoria, Illinois.

On May 30, 2006, four days after the Fourth Amended Act was signed into law, the four casinos affected by the Surcharge filed a lawsuit in the Circuit Court of the Twelfth Judicial Circuit in Will County, Illinois against the Treasurer of the State of Illinois and the Illinois Racing Board. The four-count Complaint sought a declaratory judgment that the Fourth Amended Act's Surcharge was unconstitutional and a permanent injunction against its enforcement. On March 26, 2007, the Illinois circuit court granted summary judgment in favor of the four casinos for violation of the Illinois Constitution's Uniformity Clause, but in favor of the defendants and the racetracks that later intervened on the remaining claims in the complaint. The defendants and the racetracks filed an appeal with the Illinois Supreme Court, which reversed the lower court's decision and ruled in favor of the State. The affected casinos appealed this decision to the US Supreme Court, and, on June 8, 2009, the U.S. Supreme Court denied the petition for a writ of certiorari.

On June 10, 2009 the same four casinos filed a motion to reopen the judgment based on new evidence in the original trial court in Illinois. The judge denied the petition to reopen the case and the casinos appealed on January 15, 2010. Following a ruling by the Illinois Appellate Court refusing to stay the distribution of the funds held in protest, the four casinos voluntarily dismissed the appeal. Additionally, a civil RICO suit was also filed in the Northern District of Illinois against former governor Rod Blagojevich et al. and John Johnston, owner of Balmoral Park Racetrack and Maywood Park Racetrack. The suit claims that the taxed casinos were the victims of the criminal conduct of the former governor and the conspiracy between the former governor and the named racetracks. On interlocutory appeal the 7th Circuit Court of Appeals found former Governor Blagojevich to be protected by the immunity granted by virtue of his position of governor and dismissed former Governor Blagojevich from the suit. On December 11, 2014, the judge entered an order consistent with the jury determination in the civil RICO proceedings awarding the plaintiff casinos a total of \$82,900,000 in compensatory and punitive damages. Following the award, on December 24, 2014, Balmoral Park, Maywood Park Racetrack, and John Johnston filed for bankruptcy. The court award was subsequently reduced to \$25,940,000 following the defendants' appeal. The parties agreed to abandon further court action in this matter in connection with an agreed upon plan of liquidation approved by the bankruptcy court in June of 2016. The court appointed bankruptcy trustee continues to manage the assets of the bankrupt parties in accordance with the plan of liquidation and make distribution to the creditors as warranted. No other suit is actively pursued by the four effected casinos at this time. All other court proceedings have been concluded and ruled upon in favor of the State. Par-A-Dice Hotel and Casino is not a party to any of the foregoing lawsuits.

Effective December 15, 2008, the legislature passed and the Governor signed into law amendments that re-enact similar provisions of the Fourth Amended Act, which require the same casinos to pay the Surcharge until the earliest of the following occurs: (i) December 15, 2011; (ii) any organization licensee begins to operate a slot machine or video game of chance under the Illinois Horse Racing Law of 1975 or the initial Illinois Act; (iii) payments begin under subsection (c-5) of Section 13 of the initial Illinois Act or (iv) the wagering tax imposed under Section 13 of the initial Illinois Act is increased to reflect a tax rate that is at least as stringent or more stringent than the wagering tax imposed under the Second Amended Act described above. A second state court claim challenging the constitutionality of the 2008 act was dismissed with prejudice on November 19, 2009. On February 11, 2011, the Appellate Court affirmed. The new law does not apply to the Par-A-Dice Hotel and Casino.

Effective June 6, 2006, additional amendments to the Fourth Amended Act were passed by the legislature and signed into law by the Governor, which we refer to as the Fifth Amended Act to restate and clarify the Third Amended Act as to the amount of payments an owner licensee is required to make to the Illinois Board. The Fifth Amended Act now provides that - in addition to any amounts due pursuant to the Privilege Tax - each owner licensee (other than an owner that admitted 1,000,000 or fewer persons in calendar year 2004) must pay to the Illinois Board the amount by which its pre-determined base amount exceeds the amount of "net privilege tax" remitted. The Fifth Amended Act defines "net privilege tax" as all Privilege Taxes paid by a licensed owner to the Illinois Board, less the amount equal to 5% of the adjusted gross receipts generated by an owner licensee that is paid from the State Gaming Fund to the unit of local government designated as the home dock of the owner licensee's riverboat. As stated above, the requirement to pay the difference between pre-determined base amounts and "net privilege taxes" terminated on July 1, 2007.

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In addition to owner's licenses, the Illinois Board also requires licensing for all vendors of gaming supplies and equipment and for all employees of a riverboat gaming operation. The Illinois Board is authorized to conduct investigations into the conduct of gaming and into alleged violations of the Illinois Act and the Illinois Board rules. Employees and agents of the Illinois Board have access to and may inspect any facilities relating to the riverboat gaming operation.

A holder of any license is subject to the imposition of fines, suspension or revocation of such license, or other action for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, morals, good order and general welfare of the people of the State of Illinois, or that would discredit or tend to discredit the Illinois gaming industry or the State of Illinois. Any riverboat operations not conducted in compliance with the initial Illinois Act may constitute an illegal gaming place and consequently may be subject to criminal penalties, which penalties include possible seizure, confiscation and destruction of illegal gaming devices and seizure and sale of riverboats and dock facilities to pay any unsatisfied judgment that may be recovered and any unsatisfied fine that may be levied. The initial Illinois Act also provides for civil penalties, equal to the amount of gross receipts derived from wagering on the gaming, whether unauthorized or authorized, conducted on the day of any violation. The Illinois Board may revoke or suspend licenses, as the Illinois Board may see fit and in compliance with applicable laws of the State of Illinois regarding administrative procedures and may suspend an owner's license, without notice or hearing, upon a determination that the safety or health of patrons or employees is jeopardized by continuing a riverboat's operation. The suspension may remain in effect until the Illinois Board determines that the cause for suspension has been abated and it may revoke the owner's license upon a determination that the owner has not made satisfactory progress toward abating the hazard.

If the Illinois Board has suspended, revoked or refused to renew the license of an owner or if a riverboat gambling operation is closing and the owner is voluntarily surrendering its owner's license, the Illinois Board may petition the local circuit court, which we refer to as the Court, in which the riverboat is situated for appointment of a receiver. The court will have sole jurisdiction over any and all issues pertaining to the appointment of a receiver. The Illinois Board will specify the specific powers, duties and limitations for the receiver, including but not limited to the authority to:

- hire, fire, promote and discipline personnel and retain outside employees or consultants;
- take possession of any and all property, including but not limited to its books, records, and papers;
- preserve or dispose of any and all property;
- continue and direct the gaming operations under the monitoring of the Illinois Board;
- discontinue and dissolve the gaming operation;
- enter into and cancel contracts;
- borrow money and pledge, mortgage or otherwise encumber the property;
- pay all secured and unsecured obligations;
- institute or defend actions by or on behalf of the holder of an owner's license; and
- distribute earnings derived from gaming operations in the same manner as admission and wagering taxes are distributed under Sections 12 and 13 of the initial Illinois Act.

The Illinois Board will submit at least three nominees to the Court. The nominees may be individuals or entities selected from an Illinois Board approved list of pre-qualified receivers who meet the same criteria for a finding of preliminary suitability for licensure under Sections 3000.230(c)(2)(B) and (C) of the rules promulgated by the Illinois Board. In the event that the Illinois Board seeks the appointment of a receiver on an emergency basis, the Illinois Board will submit at least two nominees selected from the Illinois Board approved list of pre-qualified receivers to the Court and will issue a Temporary Operating Permit to the receiver appointed by the Court. A receiver, upon appointment by the court, will before assuming his or her duties, execute and post the same bond as an owner licensee pursuant to Section 10 of the initial Illinois Act.

The receiver will function as an independent contractor, subject to the direction of the Court; however, the receiver will also provide to the Illinois Board regular reports and provide any information deemed necessary for the Illinois Board to ascertain the receiver's compliance with all applicable rules and laws. From time to time, the Illinois Board may, at its sole discretion, report to the Court on the receiver's level of compliance and any other information deemed appropriate for disclosure to the Court. The term and compensation of the receiver shall be set by the Court. The receiver will provide to the Court and the Illinois Board at least 30 days written notice of any intent to withdraw from the appointment or to seek modification of the appointment. Except as otherwise provided by action to the Illinois Board, the gaming operation will be deemed a licensed operation subject to all rules of the Illinois Board during the tenure of any receivership.

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The Illinois Board requires that a "Key Person" of an owner licensee submit a Personal Disclosure or Business Entity Form and be investigated and approved by the Illinois Board. The Illinois Board shall certify for each applicant for or holder of an owner's license each position, individual or Business Entity that is to be approved by the Illinois Board and maintain suitability as a Key Person. With respect to an applicant for or the holder of an owner's license, Key Person shall include:

- any Business Entity and any individual with an ownership interest or voting rights of more than 5% in the licensee or applicant, and the trustee of any trust holding such ownership interest or voting rights;
- the directors of the licensee or applicant and its chief executive officer, president and chief operating officer, or their functional equivalents; and
- all other individuals or Business Entities that, upon review of the applicant's or licensee's Table of Organization, Ownership and Control (as discussed below), the Illinois Board determines hold a position or a level of ownership, control or influence that is material to the regulatory concerns and obligations of the Illinois Board for the specified licensee or applicant.

In order to assist the Illinois Board in its determination of Key Persons, applicants for or holders of an owner's license shall provide to the Illinois Board a Table of Organization, Ownership and Control, which we refer to as the Table. The Table will identify in sufficient detail the hierarchy of individuals and Business Entities that, through direct or indirect means, manage, own or control the interest and assets of the applicant or license holder. If a Business Entity identified in the Table is a publicly-traded company, the following information must be provided in the Table:

- the name and percentage of ownership interest of each individual or Business Entity with ownership of more than 5% of the voting shares of the entity, to the extent such information is known or contained in Schedules 13D or 13G filed with the Securities and Exchange Commission;
- to the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together (as individuals or through trusts) exercise control over or own more than 10% of the voting shares of the entity; and
- any trust holding more than 5% of the ownership or voting interest in the entity, to the extent such information is known or contained in Schedules 13D or 13G filed with the Securities and Exchange Commission. The Table may be disclosed under the Freedom of Information Act.

Each owner licensee must provide a means for the economic disassociation of a Key Person in the event such economic disassociation is required by an order of the Illinois Board. Based upon findings from an investigation into the character, reputation, experience, associations, business probity and financial integrity of a Key Person, the Illinois Board may enter an order upon the licensee or require the economic disassociation of such Key Person.

Furthermore, each applicant or owner licensee must disclose the identity of every person, association, trust or corporation having a greater than 1% direct or indirect pecuniary interest in an owner licensee or in the riverboat gaming operation with respect to which the license is sought. The Illinois Board may also require an applicant or owner licensee to disclose any other principal or investor and require the investigation and approval of such individuals.

The Illinois Board (unless the investor qualifies as an Institutional Investor) requires a Personal Disclosure Form from any person or entity who or which, individually or in association with others, acquires directly or indirectly, beneficial ownership of more than 5% of any class of voting securities or non-voting securities convertible into voting securities of a publicly-traded corporation which holds an ownership interest in the holder of an owner's license. If the Illinois Board denies an application for such a transfer and if no hearing is requested, the applicant for the transfer of ownership interest must promptly divest those shares in the publicly-traded parent corporation. The holder of an owner's license would not be able to distribute profits to a publicly-traded parent corporation until such shares have been divested. If a hearing is requested, the shares need not be divested and profits may be distributed to a publicly-held parent corporation pending the issuance of a final order from the Illinois Board.

An Institutional Investor that, individually or jointly with others, cumulatively acquires, directly or indirectly, 5% or more of any class of voting securities of a publicly-traded licensee or a licensee's publicly-traded parent corporation shall, within no less than ten days after acquiring such securities, notify the administrator of the Illinois Board, who we refer to as the Administrator, of such ownership and shall provide any additional information as may be required. If an Institutional Investor (as specified above) acquires 10% or more of any class of voting securities of a publicly-traded licensee or a licensee's publicly-traded parent corporation, then it shall file an Institutional Investor Disclosure Form within 45 days after acquiring such level of ownership interest. The owner licensee shall notify the Administrator as soon as possible after it becomes aware that it or its parent is involved in an ownership acquisition by an Institutional Investor. The Institutional Investor also has an obligation to notify the Administrator of its ownership interest.

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In addition to Institutional Investor Disclosure Forms, certain other forms may be required to be submitted to the Illinois Board. An owner licensee must submit a Marketing Agent Form to the Illinois Board for each Marketing Agent with whom it intends to do business. A Marketing Agent is a person or entity, other than a junketeer or an employee of a riverboat gaming operation, who is compensated by the riverboat gaming operation in excess of \$100 per patron per trip for identifying and recruiting patrons. Key Persons of owner licensees must submit Trust Identification Forms for trusts, excluding land trusts, for which they are a grantor, trustee or beneficiary each time such a trust relationship is established, amended or terminated.

Applicants for and holders of an owner's license are required to obtain formal approval from the Illinois Board for changes in the following areas:

- Key Persons;
- type of entity;
- equity and debt capitalization of the entity;
- investors or debt holders;
- source of funds;
- applicant's economic development plan;
- riverboat capacity or significant design change;
- gaming positions;
- anticipated economic impact; or
- agreements, oral or written, relating to the acquisition or disposition of property (real or personal) of a value greater than \$1 million.

A holder of an owner's license is allowed to make distributions to its stockholders only to the extent that such distribution would not impair the financial viability of the gaming operation. Factors to be considered by the licensee include, but are not limited to, the following:

- cash flow, casino cash and working capital requirements;
- debt service requirements, obligations and covenants associated with financial instruments;
- requirements for repairs and maintenance and capital improvements;
- employment or economic development requirements of the Amended Illinois Act; and
- a licensee's financial projections.

The Illinois Board may waive any licensing requirement or procedure provided by rule if it determines that such waiver is in the best interests of the public and the gaming industry. Also, the Illinois Board may, from time to time, amend or change its rules. In general, uncertainty exists regarding the Illinois gaming regulatory environment due to limited experience in interpreting the Illinois Act.

Additionally, on July 13, 2009, Governor Pat Quinn signed the Video Gaming Act (230 ILCS 40/ Art 5) making video gaming terminals legal in Illinois. The Act allows for video gaming terminals to be placed in certain liquor establishments, truck stops and fraternal/ veterans clubs throughout the state. Under the Video Gaming Act, municipalities are authorized to pass an ordinance prohibiting video gaming within the corporate limits of the municipality and county boards may pass ordinances prohibiting video gaming within the unincorporated areas of the county. On January 26, 2011, the Illinois Court of Appeals found the Video Gaming Act to be unconstitutional due to a violation of the single subject rule. The State appealed the decision to the Illinois Supreme Court on February 1, 2011. The State also filed motions, which were approved by the Illinois Supreme Court, permitting the Illinois Board to continue its review of applications filed pursuant to the Video Gaming Act. On July 11, 2011 the Illinois Supreme Court overturned the ruling of the Illinois Court of Appeals, holding that the Video Gaming Act and associated legislation did not violate the single subject rule and was otherwise constitutional. Video gaming terminals may not be placed within 1,000 feet of the home dock of a riverboat licensed under the Riverboat Gambling Act. Through December, 2023, there were approximately 47,047 video gaming terminals in Illinois. On June 1, 2018, Boyd Gaming acquired Lattner Entertainment Group Illinois, LLC, a video gaming terminal operator licensed pursuant to the Video Gaming Act.

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On June 28, 2019, Governor Pritzker signed into law Senate Bill 0690. The bill permits sports wagering, including online/mobile, a Chicago casino, five additional casinos, slots and table games at racetracks, possible slots at the Chicago airports, an additional video gaming terminal at each establishment and in some instances five additional video gaming terminals, and the opportunity for existing casinos to move to land-based operations or purchase additional gaming positions. Along with the expansion, significant taxes and licensing fees are levied.

With the appropriate master sports wagering license, the 3 existing horse tracks, the 10 existing casinos, up to three OTBs per track, and up to seven sports facilities (requires 17,000-plus seating capacity) or its designee within five blocks of the sports facility, can offer onsite sports wagering. Each of those groups (tracks, casinos, and sports facilities) may offer online or mobile wagering if the offering is under its brand or owned by the casino or track operator. Initially, online and mobile wagering is permissible but will require in-person registration/account establishment until such time as an online sports wagering operator is licensed (maximum of three) pursuant to a competitive bid process, which cannot result in a license until 630 days after the passage of the Act. The Act also establishes a lottery pilot program, which permits sports lottery terminals to be placed at 2,500 lottery retail locations in each of the first 2 years (5,000 total) following the effective date of the Act. The lottery pilot program can only offer parlay wagers and sunset on Jan. 1, 2024.

The master sports wagering licensees are taxed at 15% of adjusted gross sports wagering receipts, with the tax payable monthly in arrears, with an additional 2% tax on revenue generated (online/mobile or otherwise) in the city of Chicago. There are also various provisions relating to sharing data with the leagues, official data requirements for in-game betting, and minority, women, disabled, and veteran engagement targets for all licensees under the Act. (See the detailed sports wagering summary below).

**New Casinos:** The amendments permit the Illinois Gaming Board (the Board) to issue a license to 1) the City of Chicago, 2) the City of Danville, 3) the City of Waukegan, 4) the City of Rockford, 5) certain townships of Cook County, and 6) unincorporated Williamson County adjacent to the Big Muddy River. Except for the Chicago casino, applications for the other casinos must be submitted within 120 days of the amendments becoming effective. The Board will only consider an applicant if the county board or authority of the host municipality certifies that the applicant met certain criteria including negotiating with the host community in good faith and agreement as to the location. The Board is required to engage with a consultant to conduct a feasibility study for the Chicago casino within 10 days of the effectiveness of the amended Act. Each applicant shall pay a \$15 million reconciliation fee upon issuance of the license and three years later a reconciliation fee equal to 75% of the adjusted gross receipts (AGR) for the most lucrative 12-month period minus any initial per-position payment paid by the specific licensee. The reconciliation fee may be made in two annual installments. In addition to the license fee, the per-position payments are set at \$17,500 for the non-Chicago casino (max \$35 million) and \$30,000 for Chicago (max \$120 million). The Chicago casino will have up to 4,000 positions, which it can split by offering slots at the Chicago airports. The other new casinos will be limited to 2,000 positions, except for the one in Williamson County, which can only have 1,200.

A temporary facility in Rockford opened in November 2021 while the permanent casino is under construction. Temporary casinos opened in Chicago, Danville, Waukegan and Williamson County in 2023 while permanent facilities are under construction. The license for south suburban Cook County has been awarded and a temporary facility is anticipated to open in 2024.

**Existing Casinos:** Existing casinos may conduct land-based gambling with approval of the Board and payment of a \$250,000 fee. The existing operators may also add positions but will be required to pay both the per-position fee and the reconciliation fee as set forth for the non-Chicago casinos in the paragraph above. Unless granted an extension by the Board, the existing casinos are also required to make their position expansion election, from 1,200 to up to 2,000 within 30 days of the effective date of the Act. Note that for the existing casinos, the reconciliation fee is a percentage of the additional positions divided by the total number of positions at the casino.

**Racetrack gaming operations:** The Illinois Gaming Act is amended to grant authority to the Board over racetrack operations. The Board is granted 120 days from the date of the application to grant the organization gaming license to the applicant.

**Taxes – Admission and Privilege:** The admission tax is left at \$3, but the allocation of the tax is spelled out by location. The admission tax is also applied to the racetracks offering gambling games pursuant to the organization licenses. The tax rate remains unchanged for owner licensees for revenue from anything other than table games, with the top privilege tax set at 50% for income over \$200 million. For the first time, table games are taxed differently than slot machines. Table game AGR of up to and including \$25 million is taxed at 15%, and any AGR over \$25 million is taxed at 20%. Also, the Casino Queen is given an additional downward adjustment to its AGR. Although the language is not clear, the Chicago casino appears to be exempted from the privilege tax schedule, but simply has a tax of one-third of AGR. The existing casinos receive a dollar-for-dollar credit not to exceed \$2 million for renovations or construction costs through 2023. If the existing casinos have a lower AGR in 2019 (or subsequent years) than they did in 2018, the privilege tax liability is reduced until AGR equals the amount of AGR in 2018 (3% cap unless the cap is expanded due to non-gaming improvement spend). The reduction in liability is not refunded but applied as a credit against the subsequent year's taxes. The adjustment period under this provision can be extended by spending \$15 million in non-gaming amenities (subject to a cap of \$75 million in successive years). All the construction work must be union contracts to be eligible for the tax credits. Beginning in 2020, free play up to 20% of AGR is excluded from gross receipts.

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**Miscellaneous Provisions, including Test Labs and Diversity Requirements:** Amendments also require the Board to use multiple accredited testing labs regardless of contractual obligations or discretion, mandate the approval of internal control changes if the Board has not acted on the proposed changes within 90 days, strengthen the ethics controls on Board members, and revise the criteria to be appointed to the Board. The bill clarifies the disclosure of ownership in the public 5.1 disclosures. New section 5.3, "Ethical Conduct," was added to prevent gifts or influence with the host communities of the new casinos, requiring all communication between the host communities and prospective licensees to be disclosed to the Board. Violation of this new section 5.3 is a Class 4 felony. New Section 230 ILCS 10/6(a-5) sets forth additional and new criteria for applicants for an Owners License. These new criteria include history and success of developing tourism facilities ancillary to gaming, the creation of living wage jobs for Illinois residents, the projected number of jobs to be created, commitment to community-based organizations, identification of adverse effects and the ancillary costs of those effects, and engagement with minorities and women-owned business. The most significant criteria for new applicants is a requirement to demonstrate best efforts to reach a goal of 25% minority ownership and 5% women ownership.

The bill also mandates a diversity program for all licensees that includes annual reporting and makes achievement in diversity inclusion criteria for the renewal of a license. The focus of the diversity language not only includes vendor spend but also employee engagement and advancement. Copies of the licensee's annual report on its diversity efforts will be provided to the state legislature. 24-hour gaming is expressly authorized for owners licensees (but not organizational licensees). And a provision appears in both the Illinois Gambling Act and Video Gaming Act that makes it clear that conflicts in the two Acts are resolved in favor of the Illinois Gambling Act.

Licensed establishments may offer up to 6 Video Gaming Terminals, except that a new establishment license category is established for large truck stop establishments, which may operate up to 10 video gaming terminals. These large truck stop establishments must be within three miles of the freeway and have volume exceeding 50,000 gallons per month. Terminal Handlers are able to access the logic door and other internal mechanisms of the Video Gaming Terminal without the physical presence of a Board agent. Maximum wagers are increased from \$2 to \$4, and the maximum jackpot (excluding the progressive \$10,000 bonus) is increased from \$500 to \$1,199 (to avoid W2G issuance). The Board is required to issue emergency rules for the progressive bonus within 90 days of the effective date of the Act. Beginning July 1, 2019, an additional tax of 3% is implemented on net terminal income. On July 1, 2020, the tax increases to 4%. New language placing restrictions on "video gaming malls" is introduced, leaving the Board to make determinations about the application of the restriction.

Through a new Section 230 ILCS 5/56, the Horse Racing Act is amended to allow racetracks to apply to the Board for an organization gaming license. Per the amendments to the Riverboat Gambling Act, which becomes the "Illinois Gambling Act," the number of gaming positions at a racetrack are limited to 1,200 for the track located in Cook County and 900 positions for any tracks outside of Cook County. The positions may include table games. There is a provision that permits the Board to retain unused positions and reallocate those positions to the tracks that want them (in excess of the maximums). (See 230 ILCS 10/7.7). The tracks are required to pay the per-position fee that the casinos are required to pay (\$17,500), but the Madison County track is only required to pay for 540 positions, regardless of an election exceeding 540. The reconciliation payment described above also applies. The amendment also prohibits additional regulation of the organization gaming licensees by the local municipality. (See 230 ILCS 10/7.8)

A number of requirements surround the issuance of the organization gaming license including specifics around capital contributions, proceeds contributed to purses, and contributions to the Horsemen Associations. Following the authorization of gambling games at the tracks, the amendments institute a \$0.40 admission tax per patron (which is inconsistent with language amending the Riverboat Gambling Act) and adjustment to a number of bonds, fees and payments, including the maximum discipline the Racing Board is authorized to issue and discontinuing the subsidy based on the 1994 purses once gambling games are authorized. The amendment also establishes the pari-mutuel tax rate as a percentage of handle, topping out at 3.5% for handle that is 175% or more above the 2011 average daily pari-mutuel handle. Language has also been added to safeguard against the appropriation of the various Illinois Breeders Trust Funds, giving incentive to races involving Illinois horses, and requiring an annual contribution of \$1 million by all tracks to backstretch workers once gambling games are operational. The amendments also permit a new standard bread track in Cook County that may have up to 16 inter-track wagering locations. The new track will have all rights that the existing tracks have including sports wagering and up to 1,200 gaming positions. Finally, the definition of pari-mutuel wagering (Section 3.12) was amended to expressly exclude historical race wagering.

**Illinois Transfer Tax and Withholding Requirements:** The newly added 35 ILCS 5/201(14)(b-5) imposes a surcharge on the sale or exchange of assets, properties and intangibles of an organizational licensee equal to the amount of federal income tax liability for the sale or exchange. The surcharge is in effect from 2019-2027 and will not apply in certain instances including bankruptcy, loss of license, death of current owners, or a transfer by any licensee that is not an "initial licensee." The Illinois Department of Revenue is authorized to adopt rules to administer this section. "Initial licensee" is not defined in the Act. In addition, a separate provision, 25 ILCS 5/710(a)(3), is amended to require tracks, casinos, or any gaming facility to withhold state income tax.

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Gaming Board Closed Session Fix: The Open Meetings Act was amended to expressly permit the Board to discuss personal, commercial, financial, or other information that is considered confidential in closed session. The absence of this provision previously had resulted in a number of lawsuits relating to violations of the Open Meetings Act.

Board Member Political Party: No more than three members of the Board may be from the same political party.

The following summaries in more detail some key points of the Sports Wagering Act (Article 25):

- Board Authority
  - Except for the lottery pilot program, which will be regulated by the Illinois State Lottery, the Illinois Gaming Board will regulate all manner of sports wagering.
  - The Board is granted the customary rule making authority and broad discretion to implement the Act. The Board's authority includes the awarding of all licenses (other than the central communication system for the lottery program), but also whether licensees are permitted to share data with the leagues, what wagers may be restricted at the request of various stakeholders, and, in certain circumstances, whether official data is required for in-game betting.
- Wagering Restrictions
  - The bettor must be at least 21 and physically located in the state.
  - Wagers cannot be placed on any minor league sports events or any Illinois collegiate teams – and, as much reported, wagers cannot be placed on any kindergarten through 12th-grade sporting events.
  - In addition to the established limitations or those set by the Board, the casinos, racetracks, sports facilities, online operators, professional sports team, league, association, sports-governing body, or institution of higher education may request that the Board prohibit certain wagers if the requesting party believes that wagering is "contrary to public policy, unfair to consumers or affects the integrity" of either the sport or the sports betting industry. (25-15(g))
  - For the sports facility to offer sports wagering, each professional sports team that plays at that venue must give written authorization to the venue.
- Licenses
  - Sports wagering, subject to licensure, can be offered at 1) the three horseracing tracks (organizational licensees) 2) up to nine OTBs (3 per track), 3) the 10 existing casinos, 4) up to seven sports facilities, and eventually by three online operators.
  - The Sports Wagering Act authorizes the Board to issue licenses in six different categories: (1) master sports wagering, (2) occupational, (3) supplier, (4) management services provider, (5) tier 2 official league data provider, and (6) central system provider.
    - Master Sports Wagering - This license is awarded to the operators of the casinos, the horse tracks, the sports facilities, and, eventually, the three (maximum) online operators awarded the license pursuant to the competitive bid process.
    - Occupational – Self-explanatory. These are the individuals who work for the other licensees issued pursuant to this Act.
    - Supplier – These are the technology providers or other suppliers to the Master Sports Wagering licensee. Treated like a traditional supplier – all hardware and software are required to go through independent testing labs.
    - Management Services Provider – These are any suppliers taking a share of the revenue, any third party the Master Sports Wagering licensee engages with to run the sports wagering operation, or anyone else deemed a Management Service Provider by the Board.
    - Tier 2 Official League Data Provider – Self-Explanatory. As noted elsewhere, this licensee is only for providing data for in-game betting.
    - Central System Provider – This licensee runs the central system under the lottery pilot program, is selected following a competitive bid, and is regulated by the Illinois State Lottery and not the Illinois Gaming Board.

- The Board determines the scope of licensing, but the Act requires fingerprints and release of information from all officers and directors of a corporation, all members of an LLC, and all partners of a partnership.
  - The Board is authorized to accept licensing by another jurisdiction as evidence that the supplier applicant or management service provider meets the necessary requirements (25-50(c) and 25-55(c)). This same provision is not in the licensing section for any of the other four licensing groups (master sports wagering, occupational, tier 2 official League Data, or Central System Provider).
- Taxes
  - All master sports wagering licensees are taxed at 15% of adjusted gross sports wagering receipts, with the tax payable monthly in arrears (25-90(a)), with an additional 2% tax on revenue generated within the city of Chicago. (25-90(a-5)). There is a distinction in 25-90(a-5) between terrestrial and online/mobile wagering.
- Fees and Renewals
  - Initial Master Sports Wagering License (four years):
    - Existing Horseracing Tracks - 5% of handle from the preceding calendar year or the lowest master sports wagering licensee fee paid by casino operators, whichever is greater. The fee cannot exceed \$10 million. The tracks are required to pay the fee on July 1, 2020.
    - Future Horseracing Tracks - \$5 million, but that amount will be adjusted (up) based on the handle from the first 12 months of operations.
    - Casinos – 5% of AGR for the preceding calendar year, not to exceed \$10 million. The casinos are required to pay the fee on July 1, 2020.
    - Sports facilities - \$10 million
    - Online Sports Wagering Operator - \$20 million
  - Fees for Renewal Master Sports Wagering License (four years) - \$1 million
    - Supplier: \$150,000 for the initial license (four years) and then \$150,000 annually for each renewal (one year).
    - Management Services Provider: \$1 million for the initial license (four years) and then \$500,000 for each renewal (four years).
    - Tier 2 Official Data Provider: The licensing fee for the initial license (three years) is payable to the Board at the end of the first year of licensure based on the amount of data sold to master sports wagering licensees as official league data as follows: (1) for data sales up to and including \$500,000, the fee is \$30,000; (2) for data sales in excess of \$500,000 and up to and including \$750,000, the fee is \$60,000; (3) for data sales in excess of \$750,000 and up to and including \$1,000,000, the fee is \$125,000; (4) for data sales in excess of \$1,000,000 and up to and including \$1,500,000, the fee is \$250,000; (5) for data sales in excess of \$1,500,000 and up to and including \$2,000,000, the fee is \$375,000; and (6) for data sales in excess of \$2,000,000, the fee is \$500,000. The renewal license (three years) uses the same metrics but is based on the previous year's fee.
    - Central System Licensee: \$20 million upon being awarded the contract with the Lottery following the competitive bid process. The length of time for the award of this contract is not dictated in the Act.
- Data and Integrity Issues
  - The Board may require the licensees to share sports wagering account data in real time with the Board and, if a sports governing body has notified the Board that such data is "necessary and desirable," the licensees may share that information with the sports governing body, so long as that body only uses that information for "integrity purposes" (25-15(f))
  - The Board and the licensees "may" but are not required to cooperate with investigations conducted by sports governing bodies (25-15(h)). The licensees are required to disclose to the Board any abnormal wagering, breach of protocol, violations of the Act, etc.
  - Licensees may use any data to determine the outcome of "tier one" wagers (not in-game wagers) (25-25(f)).
  - If a sports governing body headquartered in the United States notifies the Board of its desire to supply official data for in-game betting, the licensees must use such data. If the sports governing bodies do not make this notification, the licensees may use any data. The licensee, with the approval of the Board, is relieved of the obligation to use official data if the official data limitations frustrate the desired in-game bet (25-25(g)).
  - The Act establishes a hotline for anonymous reporting of prohibited conduct and obligates the Board to investigate reasonable allegations on a confidential basis (25-75).
  - The Act prohibits a master sports wagering licensee (but not other licensees) from purchasing an athlete's personal biometric data unless it received written permission from the athlete's "exclusive bargaining representative" (25-80).

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- Other Provisions

- The Act goes into great detail regarding minority, disabled, women, and veteran vendor engagement and reporting (25-85). This section also sets forth an annual job fair requirement.
- The Act establishes a sports wagering self-exclusion option (25-100).
- The Act requires the Board to provide a report on sports wagering on or before Jan. 15, 2021 and every year thereafter.

The Administrative Procedure Act is amended to permit for emergency rules to be issued by the Board and the Lottery to implement the Sports Wagering Act. Similarly, the criminal code and other relevant state acts are amended to account for permissible sports wagering.

From time to time, various proposals have been introduced and may be introduced in future sessions of the Illinois legislature that, if enacted, would affect the taxation, regulation, operation or other aspects of the gaming industry or Boyd Gaming. Some of this legislation, if enacted, could adversely affect the gaming industry or Boyd Gaming, and no assurances can be given as to whether such legislation or similar legislation will be enacted.

#### **Indiana**

The Indiana Riverboat Gaming Act, or the Indiana Act, was passed in 1993 and authorized the issuance of up to eleven Riverboat Owner's Licenses to be operated from counties that are contiguous to the Ohio River, Lake Michigan and Patoka Lake. Five riverboats operate from counties contiguous to the Ohio River and five operate from counties contiguous to Lake Michigan. Subsequent legislation has amended or modified the Indiana Act, including:

- Legislation adopted in May 2003 eliminated the Riverboat Owner's License for a riverboat to be docked in a county contiguous to Patoka Lake. However, the General Assembly authorized the Indiana Gaming Commission to enter into a contract pursuant to which an Operating Agent can operate a riverboat in Orange County, which is contiguous to Patoka Lake, on behalf of the Indiana Gaming Commission. This contract was awarded to Blue Sky Casino, LLC, d/b/a French Lick Casino & Resort, which commenced operations on November 3, 2006.
- Legislation enacted in April 2007 specified a riverboat cannot be moved from the county in which it was docked on January 1, 2007, to another county.
- In May 2008 the horse track located in Anderson, Indiana commenced slot operations and in June 2008 the horse track located in Shelbyville, Indiana commenced slot operations pursuant to the Gambling Games at Racetracks legislation. Each horse track may install up to 2,000 slot machines ("Racino"). The Indiana Gaming Commission may authorize the installation of additional slot machines at each Racino.
- Public Law 255-2015 specifies a process for entering into tribal-state compacts concerning Indian Gaming, a procedure not previously in Indiana law. It should be noted that in May of 2012, the Pokagon Band of Potawatomi Indians submitted to the Bureau of Indian Affairs a fee-to-trust application to take 165 acres of land in South Bend into trust. The proposed development includes a Class III casino-style gaming facility. In 2017 the Pokagon Band of Potawatomi Indians opened a Class II gaming facility in South Bend, Indiana. Legislation passed in 2017 changes the revenue sharing provisions for South Bend, Indiana. The Pokagon Band of Potawatomi Indians and State of Indiana entered into a tribal-state compact for Class III gaming at the facility in South Bend, Indiana, in May 2021 pursuant to applicable state and federal law.
- Public Law 255-2015 provides for table games at Racinos beginning in 2021 upon application and approval by the Indiana Gaming Commission and further limits the number of gambling games a Racino may offer to 2,200 after January 1, 2021.
- Public Law 212-2016, codified at Indiana Code 4-33-24-1., legalized Fantasy Sports play in Indiana.
- Public Law 72-2016, codified at Indiana Code 4-33-4-3.5, amended existing law and now requires all licensed owners and operating agent to pay to the commission a special Workers Compensation Fee of \$12,000 per year in exchange for the removal of the requirement to reimburse Workers Compensation costs incurred by Gaming Enforcement Agents and support staff.

The Indiana Act and rules promulgated thereunder provide for the strict regulation of the facilities, persons, associations and practices related to gaming operations. The Indiana Act vests the seven member Indiana Gaming Commission with the power and duties of administering, regulating and enforcing riverboat gaming in Indiana. In 2005 the Indiana Act was amended to change the residency requirements of Indiana Gaming Commission members requiring only one member, rather than three, reside in counties contiguous to Lake Michigan and to the Ohio River. The Indiana Gaming Commission's jurisdiction extends to every person, association, corporation, partnership and trust involved in any riverboat gaming operation located in the State of Indiana.

The Indiana Act requires that the owner of a riverboat gambling operation hold a Riverboat Owner's License issued by the Indiana Gaming Commission. The applicants for a Riverboat Owner's License must submit a comprehensive application and the substantial owners and key persons must submit personal disclosure forms. The company, substantial owners and key persons must undergo an exhaustive background investigation prior to the issuance of a Riverboat Owner's License. A person who owns or will own five percent of a Riverboat Owner's License must automatically undergo the background investigation. The Indiana Gaming Commission may investigate any person with any level of ownership interest. The Operating Agent of an Orange County riverboat and Racino licensees undergo the same background investigation as a Riverboat Licensee. If the holder of a Riverboat license, the Riverboat Licensee or the Operating Agent is a publicly-traded corporation, its Articles of Incorporation must contain language concerning transfer of ownership, suitability determinations and possible divestiture of ownership if a shareholder is found unsuitable.

A Riverboat Owner's License and Operating Contract entitle the licensee or the Operating Agent to operate one riverboat. The Indiana Act was amended in May 2003 to allow a person to hold up to one hundred percent of two individual Riverboat Owner's Licenses. In addition, a transfer fee of two million dollars will be imposed on a Riverboat Licensee who purchases or otherwise acquires a controlling interest in a second Indiana Riverboat Owner's License.

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Pursuant to language that became effective on July 1, 2009, each riverboat licensee, Operating Agent and Racino licensee must execute and submit a Power of Attorney and name a Trustee who would operate the casino and related facilities if a statutory event occurs and the Indiana Gaming Commission adopts a resolution authorizing the Trustee to temporarily conduct the riverboat gambling operations. Specifically, the Indiana Gaming Commission may adopt a resolution authorizing a Trustee to temporarily conduct riverboat gambling operations if any of the following occurs: (i) The Indiana Gaming Commission revokes the owner's license; (ii) the Indiana Gaming Commission declines to renew the owner's license; (iii) a proposed transferee is denied a license when attempting to purchase a riverboat and current owner is unable or unwilling to retain ownership of the riverboat; or (iv) a licensee agrees, in writing, to relinquish control of a riverboat to a trustee as approved by the Indiana Gaming Commission. The Power of Attorney and potential Trustees had to be submitted by November 1, 2009. Blue Chip's Power of Attorney and its proposed Trustee were initially approved by the Indiana Gaming Commission at its March 4, 2009, business meeting and last approved August 18, 2016. The approval of the Trustee is annual and coincides with the annual renewal of the Casino Owner's License.

All riverboats must comply with applicable federal and state laws including, but not limited to, U.S. Coast Guard regulations. Each riverboat must be certified to carry at least five hundred passengers and be at least one hundred fifty feet in length. Those riverboats located in counties contiguous to the Ohio River must replicate historic Indiana steamboat passenger vessels of the nineteenth century. Public Law 255-2015 allows for inland casinos on adjacent and existing casino. Two casinos appear to be prepared to avail themselves of this provision and build new land based facilities. Originally, the Indiana Act did not limit the number of gaming positions allowed on each riverboat. Public Law 255-2015 now sets a limit, whether inland or on the existing riverboat, at the highest number since January 1, 2007. The only limitation on the number of permissible patrons previously allowed was established by the U.S. Coast Guard Certificate of Inspection in the specification of the riverboat's capacity. In 2005 the Indiana Act was amended to allow the Indiana Gaming Commission to adopt an alternative certification process if the U.S. Coast Guard discontinues issuing Certifications of Inspections to Indiana riverboats. On June 7, 2007, the Indiana Gaming Commission adopted the Guide for Alternate Certification of Continuously Moored, Self-Propelled, Riverboat Gaming Vessels in the State of Indiana. Vessels with an existing Certificate of Inspection operating as a dockside riverboat casino will be accepted as-is into the Alternative Certification program, subject to satisfactory completion of the United States Coast Guard procedures for becoming a Permanently Moored Vessel and a satisfactory inspection by ABS Consulting. Upon surrendering the United States Coast Guard Certificate of Inspection rules and regulation of the Occupational Health and Safety Administration will apply to the vessel and its crew, including casino personnel.

The Indiana Gaming Commission, after consultation with the Corps, may determine those navigable waterways located in counties contiguous to Lake Michigan or the Ohio River that are suitable for riverboats. If the Corps rescinds approval for the operation of a riverboat gambling facility, the Riverboat Owner's License issued by the Indiana Gaming Commission is void and the Riverboat Licensee may not commence or must cease conducting gambling operations.

The initial Riverboat Owner's License ran for a period of five years. Thereafter, the license is subject to renewal on an annual basis upon a determination by the Indiana Gaming Commission that it continues to be eligible to hold a Riverboat Owner's License pursuant to the Indiana Act and rules promulgated thereunder. After the expiration of the initial license, the Riverboat Owner's License must be renewed annually with each Riverboat Licensee undergoing a complete reinvestigation every three years. The Indiana Gaming Commission reserves the right to investigate Riverboat Licensees at any time it deems necessary. The initial license was issued to Blue Chip Casino, Inc., the predecessor to Blue Chip Casino, LLC, in August of 1997. Blue Chip underwent a reinvestigation in 2018 and its license was renewed. The license is valid for a period of one year and must be renewed annually. Blue Chip's license was renewed and reinvestigated in 2018 as a part of the investigation conducted relating to the acquisition of four (4) casino properties from Penn National Gaming, Inc. ("Penn") as a part of Penn's acquisition of Pinnacle Entertainment, Inc.; the Belterra Resort in Florence, Indiana is one of the four casino properties acquired by Boyd. The Operating Contract for an Orange County riverboat is valid for a period of twenty years. However, the Operating Agent is to be reinvestigated every three years to determine continued suitability. In addition, the Indiana Gaming Commission has the right to reinvestigate the Operating Agent at any time it deems necessary. Racino licenses must be renewed annually with a reinvestigation every three years.

Pursuant to legislation enacted in 2009, all riverboat licensees, Operating Agents, and Racino licensees must submit to the Indiana Gaming Commission for approval a proposed Power of Attorney identifying the person who would temporarily operate the facility on a temporary basis and upon approval of the Indiana Gaming Commission ("Trustee"). The Trustee is to operate the facility if one of the following occurs: (i) the Indiana Gaming Commission revokes the license or the Operating Agreement; (ii) the Indiana Gaming Commission does not renew a license or an Operating Agent contract; (iii) a proposed transferee of a license or Operating Agent is denied a license or an Operating Agent Contract and the licensee or Operating Agent is unwilling to retain ownership of the riverboat or Racino; or (iv) the licensee agrees, in writing, to relinquish control to a trustee approved by the Indiana Gaming Commission. The Indiana Gaming Commission will establish a deadline for all licensees and Operating Agents to submit a proposed Power of Attorney. After the deadline passes the Indiana Gaming Commission may not renew a license or Operating Agent Contract until the Power of Attorney is submitted and the Indiana Gaming Commission has approved the Power of Attorney and the proposed trustee. If the Indiana Gaming Commission adopts a resolution authorizing a trustee to temporarily operate a riverboat or a Racino the licensee will have 180 days from the date the resolution is adopted to sell the riverboat or Racino to a person approved by the Indiana Gaming Commission. If the riverboat or Racino is not sold within 180 days, the trustee may sell the riverboat or Racino to a person approved by the Indiana Gaming Commission. All licensees must apply for and hold all other licenses necessary for the operation of a riverboat gambling operation, including, but not limited to, alcoholic beverage licenses and food preparation licenses.

Neither the Riverboat Owner's License nor the Operating Contract may be leased, hypothecated or have money borrowed or loaned against it. An ownership interest in a Riverboat Owner's License or an Operating Contract may only be transferred in accordance with the Indiana Act and rules promulgated thereunder.

The Indiana Act does not limit the amount a patron may bet or lose. Minimum and maximum wagers for each game are set by the Riverboat Licensee or an Operating Agent. Wagering may not be conducted with money or other negotiable currency. No person under the age of 21 is permitted to wager on a riverboat. A person at least 18 years of age may be present on a riverboat only if that person has applied for and received an occupational license but a person under 21 may not deal or otherwise participate in the gambling games. Wagers may only be taken from a person present on the riverboat. All electronic gaming devices must pay out in a theoretical range that is at least eighty but less than one hundred percent of the amount wagered. In addition, in May 2003, the Indiana General Assembly adopted legislation authorizing twenty-four hour operation for all Indiana riverboats upon application to, and approval by, the Indiana Gaming Commission. The Indiana Gaming Commission had previously allowed only twenty-one hour gaming. As a result of the legislative change and upon receipt of the requisite approval, Blue Chip commenced twenty-four hour gaming on August 1, 2003.

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Pursuant to legislation adopted in May 2003, the Indiana Gaming Commission adopted rules to establish and implement a voluntary exclusion program that requires, among other things, (i) that persons who participate in the voluntary exclusion program be included on a list of persons excluded from all Indiana riverboats, (ii) that persons who participate in the voluntary exclusion program may not seek readmittance to Indiana riverboats, (iii) Riverboat Licensees and Operating Agents must make reasonable efforts, as determined by the Indiana Gaming Commission, to cease all direct marketing efforts to a person participating in the voluntary exclusion program, and (iv) a Riverboat Licensee or Operating Agent may not cash a check of, or extend credit to, a person participating in the voluntary exclusion program. The voluntary exclusion program does not preclude a Riverboat Licensee or Operating Agent from seeking payment of a debt accrued by a person before entry into the voluntary exclusion program. The Indiana Gaming Commission commenced the voluntary exclusion program on July 1, 2004. As of September 2012, 5,869 individuals had enrolled in the program.

The Indiana General Assembly amended the Indiana Act in 2002 to allow riverboats to choose between continuing to conduct excursions or operate dockside. The Indiana Gaming Commission authorized riverboats to commence dockside operations on August 1, 2002. Blue Chip opted to operate dockside and commenced dockside operations on August 1, 2002. Pursuant to the legislation, the tax rate was increased from 20% to 22.5% during any time an Indiana riverboat does not operate dockside. For those riverboats that operate dockside, the following graduated tax rate is applicable: (i) 15% of the first \$25 million of adjusted gross receipts, which we refer to as AGR; (ii) 20% of AGR in excess of \$25 million, but not exceeding \$50 million; (iii) 25% of AGR in excess of \$50 million, but not exceeding \$75 million; (iv) 30% of AGR in excess of \$75 million, but not exceeding \$150 million; and (v) 35% of AGR in excess of \$150 million, but not exceeding \$600 million; (vi) 40% of AGR in excess of \$600 million. AGR is based on Indiana's fiscal year (July 1 of one year through June 30 of the following year). Public Law 229-2013 changed the graduated tax rate for a riverboat that received less than \$75,000,000.00 AGR in the preceding state fiscal year by taxing the first \$25,000,000.00 at a 5% rate as opposed to the prevailing 15%. However, a riverboat that is taxed at the 5% rate shall pay an additional \$2,500,000.00 in any state fiscal year that it exceeds \$75,000,000.00 AGR.

Public Law 229-2013 also allows the licensees to deduct not more than \$2.5 million from AGR in state fiscal year 2013 attributable to free play wagering (statutorily referred to as "qualified wagering") and not more than \$5 million from AGR for subsequent years ending before July 1, 2016 (new legislation is being considered to extend the free play deduction to additional fiscal years). Public Law 255-2015 extended the deduction permanently and increased the deduction to \$7 million.

The Operating Agent in Orange County will pay the wagering tax on the same basis as the other ten Indiana riverboats. The Indiana Act requires that Riverboat Licensees pay a \$3.00 admission tax for each person. A riverboat that opts to continue excursions pays the admission tax on a per excursion basis while a riverboat that operates dockside pays the admission tax on a per entry basis. Legislation enacted in April 2007 provides the Indiana Gaming Commission with the authority to adopt rules to determine the point at which a patron is considered admitted to a riverboat. Legislation enacted in 2017 eliminated the admissions tax and replaced it with a supplemental wagering tax which is a formula calculated based on the riverboat's AGR. For a riverboat that has relocated from dockside to an inland casino the supplemental wagering tax was set at 3% of AGR imposed starting the day operations commenced at the inland casino. For dockside riverboat casinos the supplemental wagering tax takes effect July 1, 2018 and may not exceed 4% for the fiscal year commencing July 1, 2018 and ending June 30, 2019 and may not exceed 3.5% beginning July 1, 2019. Legislation proposed in Senate Bill 242, in the 2018 session, would clarify the formula for the calculation of the supplemental wagering tax commencing July 1, 2018. The 2017 legislation changed the collection of the admissions tax, wagering tax and the supplemental wagering tax from daily to monthly. The 2018 legislative session did not pass any laws which impact the operation of the Blue Chip Casino as only slight adjustments were made to existing law which primarily affected the Racinos.

On April 24, 2019, the Indiana General Assembly approved a significant omnibus gaming bill. House Enrolled Act 1015 permitted the movement of gaming licenses; the acceleration of live dealers at the state's two race track casinos (racinos); tax rates to be paid by Indiana's casino operators; and, legalizing sports wagering.

The following is a summary of some of the key provisions of the final version of HEA 1015:

- The Majestic Star Casino in Gary had two gaming licenses, which were operated at one casino location. HEA 1015 authorized the owner of the Gary casino to petition the Indiana Gaming Commission to relocate one of those licenses to a more desirable land-based location in Gary. Upon doing so, Majestic surrendered one of its licenses back to the state. However, while a gaming license allows an operator to operate a statutorily prescribed number of gambling games in a stated location, under HEA 1015, Majestic or its successor is still allowed to operate the same number of gambling games, 2,764, it was previously allowed to operate with both licenses.
- The license surrendered by Majestic Star was relocated to Vigo County. The county's voters approved a public referendum to permit a casino in Vigo County. The Indiana Gaming Commission awarded this license through a competitive process, the casino is currently under construction, and anticipated to open in 2024.
- Several additional considerations were adopted under HEA 1015, including: (i) changes to the casino tax structure, which lowered certain wagering tax rates for casinos beginning in July 2021; (ii) an additional \$2 million in tax-free promotional play for all casino properties in the state, and; (iii) an amended wagering tax structure for the former Majestic Star Casino, up upon its move to its new location within Gary, which will allow it to continue to reap the benefits of being taxed as if it were operating under two licenses, for eight years.
- The two racinos were permitted to implement live dealer table games beginning January 1, 2020 (prior to the passage of HEA 1015, previous law would have not permitted the racinos to implement live dealer table games until July 1, 2021).

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- “Hold harmless” provisions (local protections/payments) were implemented for municipalities that will be impacted by the move of the Majestic Star Casino to its new location (including Hammond, East Chicago and Michigan City, each of which is home to casinos), as well as those that anticipate increased competition from a Terre Haute casino (including Evansville and an adjusted tax benefit for the French Lick Casino in Orange County).
- The payments made to Evansville will be temporary in nature, beginning with a payment of \$1.2 million within the first year of gaming operations in Terre Haute, by the Terre Haute operator, and decreasing from there over a three-year period. The payments being made to the three cities located in northwest Indiana will be made by Gary and will remain in place for the first four fiscal years after gaming operations commence at the new Gary location. The tax adjustment for French Lick is ongoing, beginning in fiscal year 2021.
- Finally, HEA 1015 legalized sports wagering throughout Indiana. Under HEA 1015, the following structure for legalized sports betting was implemented in Indiana:
  - Legalizes sports wagering in Indiana for persons 21 years of age and older, beginning September 1, 2019;
  - Allows sports wagering to take place at any of the Indiana licensed casinos, racinos and off-track betting parlors and via mobile device;
  - Allows registration for a mobile sports betting app to take place from any mobile device, rather than requiring in-person registration at a brick and mortar location;
  - Establishes the Indiana Gaming Commission as the regulatory oversight body for sports wagering;
  - Establishes a 9.5 percent tax rate on the adjusted gross receipts obtained by a certificate holder;
  - Establishes licensure categories for: certificate holders (licensed Indiana operators seeking to offer sports wagering); vendors (a contractor with a certificate holder that manages sports wagering operations either at the brick and mortar sports book or via mobile application), and; sports wagering service providers (a contractor with a certificate holder or vendor that provides associated equipment for sports betting, services such equipment, or provides risk management, integrity services or odds to a certificate holder or vendor);
  - Allows the IGC to determine rules for in-play sports bets and whether or not “official league data” will be required for such bets;
  - Establishes a \$100,000 license fee for certificate holders, an annual fee of \$50,000 for certificate holders, a \$100,000 license fee for vendors, an annual fee of \$50,000 for vendors and a \$10,000 license fee for a sports wagering service provider;
  - Requires all data related to sports wagering to be shared with the Indiana Gaming Commission, which may then provide it to any sports governing body;
  - Prohibits wagering on e-sports, high school athletics and amateur sporting events, or any sporting event not approved by the IGC;
  - Requires reporting by certificate holders or vendors to the IGC and relevant sports governing bodies of any information related to certain integrity concerns related to sports betting, including abnormal betting activity, and;
  - Allows a certificate holder three “skins” to operate.

The Orange County Operating Agent must pay a \$4.00 admission tax for each person that enters the riverboat. However, Public Law 255-2015 exempted the payment of the admissions tax for the French Lick Casino and creates a fee for each Racino in the amount of \$2.250 million per Racino. Racino licensees must pay the following graduated wagering tax: (i) 25% of the first \$100 million; (ii) 30% of AGR in excess of \$100 million, but not exceeding \$150 million; (iii) 35% of AGR in excess of \$150 million, but not exceeding \$600 million; (iv) 40% of AGR in excess of \$600 million. The Indiana Act provides for the suspension or revocation of a license whose owner does not timely submit the wagering or admission tax. Racino licensees must also pay (i) a 3% county slot machines wagering fee not to exceed \$8 million in a fiscal year; (ii) an annual \$500,000 problem gambling fee; (iii) 15% of its respective AGR to horsemen's purses, horsemen's associations and the gaming integrity fee; and (iv) an annual supplemental fee of 1% AGR to the Operating Agent for the first five years of operation and, thereafter, an annual renewal fee of \$100 per slot machine.

In April 2007, the Indiana General Assembly amended the manner in which riverboats are to be taxed for property tax purposes. Retroactive to March 1, 2006, riverboats are to be taxed based on the lowest valuation as determined by an application of each of the following methodologies: (i) cost approach; (ii) sales comparison approach; and (iii) income capitalization approach. Alternatively, the Riverboat Licensee and the respective Township Assessor may reach an agreement regarding the value of the riverboat. All Indiana state excise taxes, use taxes and gross retail taxes apply to sales made on a riverboat. In 2004 the Indiana Supreme Court ruled that vessels purchased out of the State of Indiana and brought into the State of Indiana would be subject to Indiana sales tax. Additionally, the Supreme Court declined to hear an Indiana Tax Court case that determined wagering tax payments made by a riverboat could not be deducted from the riverboat's adjusted gross income. Finally, for taxable years beginning after December 31, 2014 the adjusted gross income tax rate was lowered from 3.4% to 3.3% thereby lowering the required withholding from qualifying jackpots from 3.4% to 3.3%. The Legislation enacted in 2017 changed the phase out of the state income tax add back for wagering taxes deducted on a taxpayer's federal income tax return to an 8-year phase out.

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The Indiana Gaming Commission is authorized to conduct investigations into gambling games, the maintenance of equipment, and violations of the Indiana Act as it deems necessary. The Indiana Gaming Commission may subject a Riverboat Licensee, an Operating Agent or a Racino licensee to fines, suspension or revocation of its license or Operating Contract for any conduct that violates the Indiana Act, rules promulgated thereunder or that constitutes a fraudulent act.

The Riverboat Licensee, Operating Agent and Racino licensees must carry insurance in types and amounts as required by the Indiana Gaming Commission. By rule promulgated by the Indiana Gaming Commission, neither a Riverboat Licensee, Operating Agent nor a Racino licensee may enter into or perform any contract or transaction in which it transfers or receives consideration that is not commercially reasonable or that does not reflect the fair market value of goods and services rendered or received. All contracts are subject to disapproval by the Indiana Gaming Commission and contracts should reflect the potential for disapproval.

The Indiana Act places special emphasis on minority and women business enterprise participation in the riverboat industry. The Indiana Gaming Commission recently hired consultants who performed a Statistical Analysis of the Utilization of minority and women business enterprises by Riverboat Licensees and the Operating Agents. Based on the results of that Statistical Analysis Riverboat Licensees, Operating Agents and Racino licensees must establish goals of expending ten and nine-tenths percent of the total dollars spent on construction expenditures with women business enterprises. The Indiana Gaming Commission encourages the purchase of goods and services in the following categories from minority and women business enterprises based on the capacity measurement determined by the Statistical Analysis: (i) Twenty-three and two-tenths percent with minority-owned construction firms; (ii) four and two-tenths percent with minority-owned procurement firms; (iii) two and five-tenths percent with women-owned procurement firms; (iv) eleven and two-tenths percent with minority-owned professional services firms; (v) seven and eight-tenths percent with women-owned professional services firms; (vi) two and nine-tenths percent of other expenditures with minority-owned firms; and (vii) one and eight-tenths percent with other women-owned firms. Riverboat Licensees, Operating Agents and Racino licensees may be subject to a disciplinary action for failure to meet the minority and women business enterprise expenditure goals.

By rule promulgated by the Indiana Gaming Commission, a Riverboat Licensee or affiliate may not enter into a debt transaction in excess of \$1 million without the prior approval of the Indiana Gaming Commission. A debt transaction is any transaction that will result in the encumbrance of assets. Unless waived, approval of debt transactions requires consideration by the Indiana Gaming Commission at two business meetings. The Indiana Gaming Commission, by resolution, has authorized the Executive Director, subject to subsequent approval by the Indiana Gaming Commission, to approve debt transactions after a review of the documents and consultation with the Chair and the Indiana Gaming Commission's outside financial analyst.

A rule promulgated by the Indiana Gaming Commission requires the reporting of currency transactions to the Indiana Gaming Commission after the transactions are reported to the federal government. Indiana rules also require that Riverboat Licensees track and maintain logs of transactions that exceed \$3,000. The Indiana Gaming Commission has promulgated a rule that prohibits distributions, excluding distributions for the payment of taxes, by a Riverboat Licensee to its partners, shareholders, itself or any affiliated entity if the distribution would impair the financial viability of the riverboat gaming operation. The Indiana Gaming Commission has also promulgated a rule mandating Riverboat Licensees to maintain a cash reserve to protect patrons against defaults in gaming debts. The cash reserve is to be equal to a Riverboat Licensee's average payout for a three-day period based on the riverboat's performance the prior calendar quarter. The cash reserve can consist of cash on hand, cash maintained in Indiana bank accounts and cash equivalents not otherwise committed or obligated.

In January 2011, the Indiana Gaming Commission extended an Emergency Rule originally promulgated based on two Supreme Court decisions clearly establishing the Indiana Gaming Commission's authority over Local Development Agreements between Riverboat, Contracting Agent and Racino licensees and the local community in which each is located. The Emergency Rule requires recipients of local development payments to follow specific guidelines to promote openness and transparency in the receipt, dissemination and use of the payments. SB 325, which has passed the Senate and has been sent to the House for its consideration, tracts the language of the Emergency Rule.

The Indiana Act prohibits contributions to a candidate for a state legislative or local office or to a candidate's committee or to a regular party committee by:

- a person who owns at least one percent of a Riverboat Licensee, Operating Agent or Racino licensee;
- a person who is an officer of a Riverboat Licensee, Operating Agent or Racino Licensee;
- a person who is an officer of a person that owns at least one percent of a Riverboat Licensee, Operating Agent or Racino Licensee; or
- a person who is a political action committee of a Riverboat Licensee, Operating Agent, or Racino Licensee.

The prohibition against political contributions extends for three years following a change in the circumstances that resulted in the prohibition.

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Individuals employed on a riverboat and in certain positions must hold an occupational license issued by the Indiana Gaming Commission. Suppliers of gaming equipment and gaming or revenue tracking services must hold a supplier's license issued by the Indiana Gaming Commission. By rule promulgated by the Indiana Gaming Commission, Riverboat Licensees, Operating Agents and Racino Licensees who employ non-licensed individuals in positions requiring licensure or who purchase supplies from a non-licensed entity may be subject to a disciplinary action.

As earlier mentioned, in 2018 Boyd acquired Belterra Resort Indiana, LLC, and three other gambling properties, from Penn as a part of Penn's acquisition of Pinnacle Entertainment, Inc. Boyd's financing for the acquisition of the four properties and for other corporate activities was approved by the Indiana Gaming Commission in Order 2018-60; the Order approving the acquisition of the Belterra Resort Indiana, LLC is 2018-121. The acquisition of Belterra Resort Indiana, LLC maximized the number of riverboat casinos Boyd may own in Indiana as a result of Indiana's two license limitation for a single licensee of riverboat casinos. The acquisition also triggered a one-time \$2,000,000.00 fee for the second license which was paid by Boyd as a part of the timing of the Indiana Gaming Commission's approval.

2018 also saw the opening of a second Indian casino located in the South Bend, Indiana area. The casino opened with Class II Gaming and is now operating Class III games pursuant to a compact between the tribe and the State of Indiana.

Retail and mobile sports wagering at commercial casinos and racinos and off-track betting facilities affiliated with racinos was legalized in May 2019. Retail sports wagering launched in September 2019 and online sports wagering launched in October 2019.

## **Louisiana**

In the State of Louisiana, we, through our wholly owned subsidiaries, own and operate five gaming properties: Treasure Chest Casino in Kenner, Delta Downs Racetrack, Casino & Hotel in Vinton, Sam's Town Hotel and Casino in Shreveport, Evangeline Downs Racetrack and Casino in Opelousas and the Amelia Belle Casino in Amelia. Through Evangeline Downs, we also operate three off-track betting facilities, which contain Video Draw Poker Devices. The operation and management of these riverboat casinos, slot machine operations at certain racetracks, live racing facilities, off-track betting facilities and video poker operations in Louisiana are subject to extensive state regulation. The Louisiana Riverboat Economic Development and Gaming Control Act, or the Riverboat Act, became effective on July 19, 1991. The Louisiana Pari-Mutuel Live Racing Facility Economic Redevelopment and Gaming Control Act, or the Slots Act, became effective on July 9, 1997. The Video Draw Poker Act became effective July 30, 1991. The statutory scheme regulating live and off-track betting, or the Horse Racing Act, has been in existence since 1958.

The Riverboat Act states, among other things, that certain of the policies of the State of Louisiana are:

- to develop a historic riverboat industry that will assist in the growth of the tourism market;
- to license and supervise the riverboat industry from the period of construction through actual operation;
- to regulate the operators, manufacturers, suppliers and distributors of gaming devices; and
- to license all entities involved in the riverboat gaming industry.

The Slots Act states, among other things, that certain policies of the State of Louisiana are:

- to revitalize and rehabilitate pari-mutuel racing facilities through the allowance of slot machine operations at certain racetracks; and
- to regulate and license owners of such facilities.

The Horse Racing Act states, among other things, that certain policies of the State of Louisiana are:

- to encourage the development of horse racing with pari-mutuel wagering on a high plane;
- to encourage the development and ownership of race horses;
- to regulate the business of racing horses and to provide the orderly conduct of racing;
- to provide financial assistance to encourage the business of racing horses; and
- to provide a program for the regulation, ownership, possession, licensing, keeping, breeding and inoculation of horses.

Both the Riverboat Act and the Slots Act make it clear, however, that no holder of a license or permit possesses any vested interest in such license or permit and that the license or permit may be revoked at any time.

In a special session held in April 1996, the Louisiana legislature passed the Louisiana Gaming Control Act, or the Gaming Control Act, which created the Louisiana Gaming Control Board, or the Gaming Control Board. Pursuant to the Gaming Control Act, all of the regulatory authority, control and jurisdiction of licensing for both riverboats and slot facilities was transferred to the Gaming Control Board. The Gaming Control Board came into existence on May 1, 1996 and is made up of nine members and two ex-officio members (the Secretary of Revenue and Taxation and the superintendent of Louisiana State Police). It is domiciled in Baton Rouge and regulates riverboat gaming, the land-based casino in New Orleans, racetrack slot facilities and video poker. The Attorney General acts as legal counsel to the Gaming Control Board. Any material alteration in the method whereby riverboat gaming, slot facilities or video draw poker is regulated in the State of Louisiana could have an adverse effect on the operations of the Treasure Chest, Delta Downs, Sam's Town Shreveport, Evangeline Downs and Amelia Belle.

## **Riverboats**

The Riverboat Act approved the conducting of gaming activities on a riverboat, in accordance with the Riverboat Act, on twelve separate waterways in Louisiana. The Riverboat Act allows the Gaming Control Board to issue up to fifteen licenses to operate riverboat gaming projects within the state, with no more than six licenses for operation from any one designated waterway. There are presently fifteen licenses issued and fourteen are operating currently.

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We and certain of our directors and officers and certain of our key personnel were found suitable to operate riverboat gaming in the State of Louisiana. New directors, officers and certain key employees associated with gaming must also be found suitable by the Gaming Control Board prior to working in gaming-related areas. These approvals may be immediately revoked for a number of causes as determined by the Gaming Control Board. The Gaming Control Board may deny any application for a certificate, permit or license for any cause found to be reasonable by the Gaming Control Board. The Gaming Control Board has the authority to require us to sever our relationships with any persons for any cause deemed reasonable by the Gaming Control Board or for the failure of that person to file necessary applications with the Gaming Control Board.

The three current Louisiana river boat gaming licenses were renewed in 2020 for a five (5) year period. Red River Entertainment of Shreveport, LLC d/b/a Sam's Town Hotel and Casino in Shreveport was renewed until January 15, 2025. Belle of Orleans, LLC d/b/a Amelia Belle was renewed until February 19, 2025 and Treasure Chest was renewed until April 8, 2025.

Annual fees are currently charged to each riverboat project as follows:

- \$50,000 per year for the first year and \$100,000 for each year thereafter; and
- 21.5% of net gaming proceeds.

Additionally, each local government may charge a boarding fee or admissions tax. Treasure Chest pays the City of Kenner a fee of (\$2.50 per passenger boarding the vessel multiplied by 1.2). Sam's Town Shreveport pays admission taxes of up to 5.5% of adjusted gross receipts to various local governmental bodies. Amelia Belle pays St. Mary Parish \$1.4 million per year (subject to adjustment) as admission tax. Any increase in these fees or taxes could have a material and detrimental effect on the operations of Treasure Chest, Sam's Town and Amelia Belle.

#### *Slot Facilities*

The Slots Act allows for four separate "eligible facilities" to operate slot machines at live horse racing pari-mutuel facilities (one each in Calcasieu Parish, St. Landry Parish, Bossier Parish and Orleans Parish). Each facility, with the exception of Orleans Parish, may, upon proper licensure, operate slot machines in a designated gaming space of up to 1,632 gaming positions.

Gaming licenses and approvals of slot operations are issued by the Gaming Control Board, and are subject to revocation for any cause deemed reasonable by the Gaming Control Board. Our operation of slot machines at Delta Downs and Evangeline Downs is subject to strict regulation by the Gaming Control Board and the Louisiana State Police. Extensive regulations concerning accounting, internal controls, underage patrons and other aspects of slot machine operations have been promulgated by the Gaming Control Board. Failure to adhere to these rules and regulations can result in substantial fines and the suspension or revocation of the license to conduct slot machine operations. Any failure to comply with the Louisiana Gaming Control Board's rules or regulations in the future could ultimately result in the revocation of our license to operate slot machines at Delta Downs and Evangeline Downs.

Annual Fees and taxes currently charged Delta Downs and Old Evangeline Downs under the Slots Acts are as follows:

- 15% of the annual net slot machine proceeds are dedicated to supplement purses of the live horse race meets held at the facility;
- 3% of the annual net slot machine proceeds dedicated to horse breeders associations;
- 18.5% taxable net slot machine proceeds are paid to the state;
- For Delta Downs, an admission tax of \$0.25 per person attending live racing and off-track betting facilities only on those days when there are scheduled live races at its racetrack (currently Wednesdays through Saturdays) from the hours of 6:00 p.m. until 12:00 a.m. and during those periods when it is not conducting live racing (i.e., between race meetings) only on Thursdays through Mondays from the hours of 12:00 p.m. until 12:00 a.m.; and
- For Evangeline Downs, an admission tax of \$0.25 per person attending live racing and off-track betting facilities during those periods when it is conducting race meetings from one hour before post time until one hour after the conclusion of racing; during periods when it is not conducting race meetings, on all persons entering on Thursday through Monday from 12 p.m. until 12 a.m. each day.

#### *Gaming Control Board*

At any time, the Gaming Control Board may investigate and require the finding of suitability of any stockholder, beneficial stockholder, officer or director of Boyd Gaming or of any of its subsidiaries. The Gaming Control Board requires all holders of more than a 5% interest in the license holder to submit to suitability requirements. Additionally, if a shareholder who must be found suitable is a corporate or partnership entity, then the shareholders or partners of the entity must also submit to investigation. The sale or transfer of more than a 5% interest in any riverboat or slot project is subject to Gaming Control Board approval.

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Pursuant to the regulations promulgated by the Gaming Control Board, all licensees are required to inform the Gaming Control Board of all debt, credit, financing and loan transactions, including the identity of debt holders. Our subsidiaries, Treasure Chest Casino, L.L.C., Boyd Racing, L.L.C., Red River Entertainment of Shreveport, L.L.C. (Sam's Town Shreveport), Old Evangeline Downs, LLC and Belle of Orleans, LLC (Amelia Belle) are licensees and are subject to these regulations. In addition, the Gaming Control Board, in its sole discretion, may require the holders of such debt securities to file applications and obtain suitability certificates from the Gaming Control Board. Although the Riverboat Act and the Slots Act do not specifically require debt holders to be licensed or to be found suitable, the Gaming Control Board retains the discretion to investigate and require that any holders of debt securities be found suitable under the Riverboat Act or the Slots Act. Additionally, if the Gaming Control Board finds that any holder exercises a material influence over the gaming operations, a suitability certificate will be required. If the Gaming Control Board determines that a person is unsuitable to own such a security or to hold such an indebtedness, the Gaming Control Board may propose any action which it determines proper and necessary to protect the public interest, including the suspension or revocation of the license. The Gaming Control Board may also, under the penalty of revocation of license, issue a condition of disqualification naming the person(s) and declaring that such person(s) may not:

- receive dividends or interest in debt or securities;
- exercise directly or through a nominee a right conferred by the securities or indebtedness; receive any remuneration from the licensee;
- receive any economic benefit from the licensee; or
- continue in an ownership or economic interest in a licensee or remain as a manager, director or partner of a licensee.

Any violation of the Riverboat Act, the Slots Act or the rules promulgated by the Gaming Control Board could result in substantial fines, penalties (including a revocation of the license) and criminal actions. Additionally, all licenses and permits issued by the Gaming Control Board are revocable privileges and may be revoked at any time by the Gaming Control Board.

#### *Live Horse Racing*

Pari-mutuel betting and the conducting of live horse race meets in Louisiana are strictly regulated by the Louisiana State Racing Commission, which we refer to as the Racing Commission. The Racing Commission is comprised of thirteen members and is domiciled in New Orleans, Louisiana. In order to be approved to conduct a live race meet and to operate pari-mutuel wagering (including off-track betting), an applicant must show, among other things:

- racing experience;
- financial qualifications;
- moral and financial qualifications of applicant and applicant's partners, officers and officials;
- the expected effect on the breeding and horse industry;
- the expected effect on the State's economy; and
- the hope of financial success.

In May 2001, a subsidiary of Boyd Gaming applied for and received approval from the Racing Commission to buy Delta Downs. Approval was also granted to conduct live race meets and to operate pari-mutuel wagering at the Delta Downs facility and to conduct off-track wagering at Delta Downs. The term of each of these licenses is ten years and they renew annually.

In April 2002, Peninsula Gaming (now a subsidiary of Boyd Gaming) applied for and received approval from the Racing Commission to buy Evangeline Downs. Approval was also granted to conduct live race meets and to operate pari-mutuel wagering at the Evangeline Downs facility and to conduct off-track wagering at Evangeline Downs and other locations. The term of each of these licenses is ten years and they renew annually.

Any alteration in the regulation of riverboat casinos, slot machine operations at certain racetracks, or live racing facilities could have a material adverse effect on the operations of Treasure Chest, Delta Downs, Sam's Town Shreveport, Amelia Belle Casino or Evangeline Downs.

In 2018, voters in 47 of the 64 parishes approved daily fantasy games. The Louisiana legislature did not pass the required regulatory legislation until 2020 in Act 141. Fantasy sports in Louisiana launched in 2021.

In 2018, Louisiana passed Act 469 that authorized the 15 riverboat casinos to move 1,200 feet onto land from their designated berth space. Act 469 also replaced the limit of 30,000 square feet of gambling space per riverboat with a cap of 2,365 gaming positions. Rules have been developed to facilitate this on shore move. The Company is constructing a new land-based facility in Kenner, Louisiana, to move our Treasure Chest Casino operations from its current riverboat to a new land-based casino. It is anticipated to open in 2024 subject to regulatory and other approvals.

On November 3, 2020, voters in 55 of the 64 parishes approved sports betting in Louisiana. In 2021 the regulatory framework for sports betting was passed in Acts 80, 440, and 435. Retail sports wagering went live in October 2021 and mobile sports wagering went live in February 2022.

In 2021, Act 437 authorized historical horse racing machines (HHRs) to be regulated by the Louisiana State Racing Commission. The four racetracks can operate unlimited HHRs and on-property mobile wagering at the racetrack. Delta Downs, Evangeline Downs, and Louisiana Downs can operate up to 50 HHRs at up to 5 off-track betting facilities and on-property mobile wagering. The Fairgrounds can operate up to 50 HHRs at 12 of its off-track betting facilities and on-property mobile wagering. The first historical horse racing machines in Louisiana went live in 2022.

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## Mississippi

The ownership and operation of casino gaming facilities in the State of Mississippi, such as those at Sam's Town Tunica and IP Biloxi, are subject to extensive state and local regulation, but primarily the licensing and regulatory control of the Mississippi Gaming Commission, or the Mississippi Commission.

The Mississippi Gaming Control Act, or the Mississippi Act, is similar to the Nevada Gaming Control Act. The Mississippi Commission has adopted regulations that are also similar in many respects to the Nevada gaming regulations.

The laws, regulations and supervisory procedures of the Mississippi Commission are based upon declarations of public policy that are concerned with, among other things:

- the prevention of unsavory or unsuitable persons from having a direct or indirect involvement with gaming at any time or in any capacity;
- the establishment and maintenance of responsible accounting practices and procedures;
- the maintenance of effective controls over the financial practices of licensees, including the establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues, providing for reliable record keeping and requiring the filing of periodic reports with the Mississippi Commission;
- the prevention of cheating and fraudulent practices;
- providing a source of state and local revenues through taxation and licensing fees; and
- ensuring that gaming licensees, to the extent practicable, employ Mississippi residents.

The regulations are subject to amendment and interpretation by the Mississippi Commission. We believe that our compliance with the licensing procedures and regulatory requirements of the Mississippi Commission will not affect the marketability of our securities. Changes in Mississippi laws or regulations may limit or otherwise materially affect the types of gaming that may be conducted and such changes, if enacted, could have an adverse effect on us and our business, financial condition and results of operations.

The Mississippi Act provides for legalized gaming in each of the fourteen counties that border the Gulf Coast or the Mississippi River, but only if the voters in the county have not voted to prohibit gaming in that county. Currently, gaming is permissible in nine of the fourteen eligible counties in the state and gaming operations have commenced in seven counties. Traditionally, Mississippi law required gaming vessels to be located on the Mississippi River or on navigable waters in eligible counties along the Mississippi River, or in the waters lying south of the counties along the Mississippi Gulf Coast. However, the Mississippi Legislature amended the Mississippi Act to permit licensees in the three counties along the Gulf Coast to establish casino structures that are located in whole or part on shore and land-based casino operations provided the land-based gaming areas do not extend inland more than 800 feet beyond the nineteen-year mean high water line, except in Harrison County where the 800-foot limit can be extended as far inland as the greater of 800 feet beyond the 19 year mean high water line or the southern boundary of Highway 90. Due to another change in the interpretation of the Mississippi Act, the Commission has also permitted licensees in approved Mississippi River counties to conduct gaming operations on permanent structures, provided that the majority of the gaming floor in any such structure is located on the river side of the "bank full" line of the Mississippi River.

Our Sam's Town Tunica casino is located on barges situated in a specially constructed basin several hundred feet inland from the Mississippi River. The Mississippi Attorney General issued an opinion in July 1993 addressing legal locations for gaming vessels under the Mississippi Act and the Mississippi Commission later approved the location of the casino barges on the Sam's Town Tunica site as legal under the opinion of the Mississippi Attorney General. We believe that Sam's Town Tunica is in compliance with the Mississippi Act and the Mississippi Attorney General's 1993 opinion regarding legal gaming sites. However, no assurance can be given that a court ultimately would conclude that our casino barges at Sam's Town Tunica are located on a site that is legal within the meaning of Mississippi law. If the basin in which our Sam's Town Tunica casino barges presently are located was not deemed a legal location within the meaning of Mississippi law, such a decision would have a significant adverse effect on us and our business, financial condition and results of operations. Our IP Biloxi casino is located on permanent structures elevated above the Back Bay of Biloxi.

The Mississippi Act permits unlimited stakes gaming on a 24-hour basis and does not restrict the number of gaming positions or percentage of space which may be utilized for gaming. The Mississippi Act permits substantially all traditional casino games and gaming devices and race books and sports pools. While sports and race book wagering is permitted, such wagers may be made only while the patron is located on the property of a licensed gaming establishment.

We and any subsidiary of ours that operates a casino in Mississippi (each a "Gaming Subsidiary" and together, the "Gaming Subsidiaries") are subject to the licensing and regulatory control of the Mississippi Commission. We are registered under the Mississippi Act as a publicly traded corporation, or a Registered Corporation, of Boyd Tunica, Inc., the owner and operator of Sam's Town Tunica, a licensee of the Mississippi Commission, and of Boyd Biloxi, LLC, the owner and operator of IP Biloxi. As a Registered Corporation, we are required periodically to submit detailed financial and operating reports to the Mississippi Commission and furnish any other information the Mississippi Commission may require. If we are unable to continue to satisfy the registration requirements of the Mississippi Act, we and any Gaming Subsidiary cannot own or operate gaming facilities in Mississippi. No person may become a stockholder of or receive any percentage of profits from a licensed subsidiary of a Registered Corporation without first obtaining licenses and approvals from the Mississippi Commission. We have obtained such approvals in connection with the licensing of Sam's Town Tunica and IP Biloxi.

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A Gaming Subsidiary must maintain a gaming license from the Mississippi Commission to operate a casino in Mississippi. Such licenses are issued by the Mississippi Commission subject to certain conditions, including continued compliance with all applicable state laws and regulations. There are no limitations on the number of gaming licenses that may be issued in Mississippi. Gaming licenses require the payment of periodic fees and taxes, are not transferable, are issued for a three-year period and must be renewed periodically thereafter. Sam's Town Tunica's current gaming license expires on December 3, 2025, and IP Biloxi's gaming license expires on October 3, 2023.

Certain of our officers and employees and the officers, directors and certain key employees of Sam's Town Tunica and IP Biloxi must be found suitable or approved by the Mississippi Commission. We believe that we have obtained, applied for or are in the process of applying for all necessary findings of suitability with respect to Boyd Gaming, Sam's Town Tunica and IP Biloxi, although the Mississippi Commission, in its discretion, may require additional persons to file applications for findings of suitability. In addition, any person having a material relationship or involvement with us may be required to be found suitable, in which case those persons must pay the costs and fees associated with such investigation. The Mississippi Commission may deny an application for a finding of suitability for any cause that it deems reasonable. Changes in certain licensed positions must be reported to the Mississippi Commission. In addition to its authority to deny an application for a finding of suitability, the Mississippi Commission has jurisdiction to disapprove a change in any corporate position or title and such changes must be reported to the Mississippi Commission. The Mississippi Commission has the power to require us and our Gaming Subsidiaries to suspend or dismiss officers, directors and other key employees or sever relationships with other persons who refuse to file appropriate applications or whom the authorities find unsuitable to act in such capacities. Determination of suitability or questions pertaining to licensing are not subject to judicial review in Mississippi.

At any time, the Mississippi Commission has the power to investigate and require the finding of suitability of any record or beneficial stockholder of Boyd Gaming. The Mississippi Act requires any person who acquires more than five percent of any class of voting securities of a Registered Corporation, as reported to the Securities and Exchange Commission, or SEC, to report the acquisition to the Mississippi Commission, and such person may be required to be found suitable. Also, any person who becomes a beneficial owner of more than ten percent of any class of voting securities of a Registered Corporation, as reported to the SEC, must apply for a finding of suitability by the Mississippi Commission and must pay the costs and fees that the Mississippi Commission incurs in conducting the investigation. If a stockholder who must be found suitable is a corporation, partnership or trust, it must submit detailed business and financial information including a list of beneficial owners.

The Mississippi Commission generally has exercised its discretion to require a finding of suitability of any beneficial owner of five percent or more of any class of voting securities of a Registered Corporation. However, under certain circumstances, an "institutional investor," as defined in the Mississippi Commission's regulations, which acquires more than ten percent, but not more than twenty-five percent, of the voting securities of a Registered Corporation may apply to the Mississippi Commission for a waiver of such finding of suitability if such institutional investor holds the voting securities for investment purposes only. An institutional investor shall not be deemed to hold voting securities for investment purposes unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of the board of directors of the Registered Corporation, any change in the corporate charter, bylaws, management, policies or operations, or any of its gaming affiliates, or any other action which the Mississippi Commission finds to be inconsistent with holding the voting securities for investment purposes only. Activities which are not deemed to be inconsistent with holding voting securities for investment purposes include:

- voting on all matters voted on by stockholders;
- making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in management, policies or operations; and
- such other activities as the Mississippi Commission may determine to be consistent with such investment intent.

Any person who fails or refuses to apply for a finding of suitability or a license within thirty days after being ordered to do so by the Mississippi Commission may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any person found unsuitable and who holds, directly or indirectly, any beneficial ownership of our securities beyond such time as the Mississippi Commission prescribes, may be guilty of a misdemeanor. We may be subject to disciplinary action if, after receiving notice that a person is unsuitable to be a stockholder or to have any other relationship with us or any Gaming Subsidiary owned by us, the company involved:

- pays the unsuitable person any dividend or other distribution upon such person's voting securities;
- recognizes the exercise, directly or indirectly, of any voting rights conferred by securities held by the unsuitable person;
- pays the unsuitable person any remuneration in any form for services rendered or otherwise, except in certain limited and specific circumstances; or
- fails to pursue all lawful efforts to require the unsuitable person to divest himself of the securities, including, if necessary, the immediate purchase of the securities for cash at a fair market value.

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We may be required to disclose to the Mississippi Commission, upon request, the identities of the holders of our debt or other securities. In addition, under the Mississippi Act, the Mississippi Commission, in its discretion, may require the holder of any debt security of a Registered Corporation to file an application, be investigated and be found suitable to own the debt security if the Mississippi Commission has reason to believe that the ownership of the debt security by the holder would be inconsistent with the declared policies of the State of Mississippi.

Although the Mississippi Commission generally does not require the individual holders of obligations such as notes to be investigated and found suitable, the Mississippi Commission retains the discretion to do so for any reason, including but not limited to, a default, or where the holder of the debt instruments exercises a material influence over the gaming operations of the entity in question. Any holder of debt securities required to apply for a finding of suitability must pay all investigative fees and costs of the Mississippi Commission in connection with such an investigation.

If the Mississippi Commission determines that a person is unsuitable to own a debt security, then the Registered Corporation maybe sanctioned, including the loss of its approvals, if without the prior approval of the Mississippi Commission, it:

- pays to the unsuitable person any dividend, interest, or any distribution whatsoever;
- recognizes any voting right by the unsuitable person in connection with those securities;
- pays the unsuitable person remuneration in any form; or
- makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation, or similar transaction.

Each Gaming Subsidiary must maintain in Mississippi a current ledger with respect to the ownership of its equity securities, and we must maintain in Mississippi a current list of our stockholders which must reflect the record ownership of each outstanding share of any class of our equity securities. The ledger and stockholder lists must be available for inspection by the Mississippi Commission at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Mississippi Commission. A failure to make such disclosure may be grounds for finding the record holder unsuitable. We must also render maximum assistance in determining the identity of the beneficial owner.

The Mississippi Act requires that the certificates representing securities of a Registered Corporation bear a legend indicating that the securities are subject to the Mississippi Act and the regulations of the Mississippi Commission. We have received from the Mississippi Commission a waiver of this legend requirement. The Mississippi Commission has the power to impose additional restrictions on the holders of our securities at any time.

Substantially all material loans, leases, sales of securities and similar financing transactions by a Registered Corporation or a Gaming Subsidiary must be reported to or approved by the Mississippi Commission. A Gaming Subsidiary may not make a public offering of its securities but may pledge or mortgage its casino facilities. A Registered Corporation may not make a public offering of its securities without the prior approval of the Mississippi Commission if any part of the proceeds of the offering is to be used to finance the construction, acquisition or operation of gaming facilities in Mississippi or to retire or extend obligations incurred for those purposes. Such approval, if given, does not constitute a recommendation or approval by the Mississippi Commission of the investment merits of the securities subject to the offering. We have received a waiver of the prior approval requirement with respect to public offerings and private placements of securities, subject to certain conditions, including the ability of the Mississippi Commission to issue a stop order with respect to any such offering if the staff determines it would be necessary to do so.

Under the regulations of the Mississippi Commission, a Gaming Subsidiary may not guarantee a security issued by an affiliated company pursuant to a public offering, or pledge its assets to secure payment or performance of the obligations evidenced by the security issued by the affiliated company, without the prior approval of the Mississippi Commission. A pledge of the stock of a Gaming Subsidiary and the foreclosure of such a pledge are ineffective without the prior approval of the Mississippi Commission. Moreover, restrictions on the transfer of an equity security issued by a Gaming Subsidiary or its holding companies and agreements not to encumber such securities are ineffective without the prior approval of the Mississippi Commission. We have obtained approvals from the Mississippi Commission for such guarantees, pledges and restrictions in connection with offerings of securities, subject to certain restrictions, but we must obtain separate prior approvals from the Mississippi Commission for pledges and stock restrictions in connection with certain financing transactions. Moreover, the regulations of the Mississippi Commission require us to file a Loan to Licensees and Lease Transaction Report with the Mississippi Commission within thirty (30) days following certain financing transactions and the offering of certain debt securities. If the Mississippi Commission were to deem it appropriate, the Mississippi Commission could order any such transaction rescinded.

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Changes in control of us through merger, consolidation, acquisition of assets, management or consulting agreements or any act or conduct by a person by which he or she obtains control, may not occur without the prior approval of the Mississippi Commission. Entities seeking to acquire control of a Registered Corporation must satisfy the Mississippi Commission in a variety of stringent standards prior to assuming control of the Registered Corporation. The Mississippi Commission also may require controlling stockholders, officers, directors, and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and found suitable as part of the approval process relating to the transaction.

The Mississippi legislature has declared that some corporate acquisitions opposed by management, repurchases of voting securities and other corporate defense tactics that affect corporate gaming licensees in Mississippi and Registered Corporations may be injurious to stable and productive corporate gaming. The Mississippi Commission has established a regulatory scheme to ameliorate the potentially adverse effects of these business practices upon Mississippi's gaming industry and further Mississippi's policy to:

- assure the financial stability of corporate gaming operators and their affiliates;
- preserve the beneficial aspects of conducting business in the corporate form; and
- promote a neutral environment for the orderly governance of corporate affairs.

Approvals are, in certain circumstances, required from the Mississippi Commission before a Registered Corporation may make exceptional repurchases of voting securities (such as repurchases which treat holders differently) in excess of the current market price and before a corporate acquisition opposed by management can be consummated. Mississippi's gaming regulations also require prior approval by the Mississippi Commission of a plan of recapitalization proposed by the Registered Corporation's board of directors in response to a tender offer made directly to the Registered Corporation's shareholders for the purpose of acquiring control of the Registered Corporation.

Neither we nor any Gaming Subsidiary may engage in gaming activities in Mississippi while also conducting gaming operations outside of Mississippi without approval of, or a waiver of such approval by, the Mississippi Commission. The Mississippi Commission may require determinations that, among other things, there are means for the Mississippi Commission to have access to information concerning the out-of-state gaming operations of us and our affiliates. We previously have obtained, or otherwise qualified for, a waiver of foreign gaming approval from the Mississippi Commission for operations in other jurisdictions in which we conduct gaming operations and will be required to obtain approval or a waiver of such approval from the Mississippi Commission prior to engaging in any additional future gaming operations outside of Mississippi; provided, however, that upon notice to the Mississippi Commission within thirty days of conducting such activity, such a waiver shall be deemed automatically granted under the Mississippi Commission's regulations in connection with foreign gaming activities (except for internet gaming activities) conducted (i) within the fifty (50) states or any territory of the United States, (ii) on board any cruise ship embarking from a port located therein, and (iii) in any other jurisdiction in which a casino operator's license or its equivalent is not required in order to legally conduct gaming operations.

If the Mississippi Commission were to determine that we or our Gaming Subsidiaries had violated a gaming law or regulation, the Mississippi Commission could limit, condition, suspend or revoke our approvals and the license of such Gaming Subsidiary, subject to compliance with certain statutory and regulatory procedures. In addition, we, the Gaming Subsidiary and the persons involved could be subject to substantial fines for each separate violation. Because of such a violation, the Mississippi Commission could attempt to appoint a supervisor to operate the casino facilities. Limitation, conditioning or suspension of any gaming license or approval or the appointment of a supervisor could (and revocation of any gaming license or approval would) materially adversely affect us and our business, financial condition and results of operations.

License fees and taxes, computed in various ways depending on the type of gaming or activity involved, are payable to the State of Mississippi, to the Mississippi Commission and to the counties and cities in which a Gaming Subsidiary's operations are conducted. Depending upon the particular fee or tax involved, these fees and taxes are payable either monthly, quarterly or annually. Generally, gaming fees and taxes are based upon the following:

- a percentage of the gross gaming revenues received by the casino operation;
- the number of gaming devices operated by the casino; or
- the number of table games operated by the casino.

The gaming operator license fees payable to the State of Mississippi include an annual license fee of \$5,000, plus a monthly license fee based upon "gaming receipts" (generally defined as gross receipts less payouts to customers as winnings), and the current maximum tax rate imposed by the State of Mississippi is eight percent of all gaming receipts in excess of \$134,000 per month. The foregoing license fees we pay are allowed as a credit against our Mississippi income tax liability for the year paid. Additionally, there is an annual license fee payable by us to the state equal to \$81,200 plus \$100 for each game in excess of thirty-five games on the casino floor. Moreover, the Mississippi Commission assesses each of Sam's Town Tunica and IP Biloxi with an annual investigative fee of up to \$300,000, which is based on the number of gaming devices on the property. The gross revenues fee imposed by Tunica County in which Sam's Town Tunica is located and the City of Biloxi in which IP Biloxi is located equals approximately four percent of the gaming receipts.

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The Mississippi Commission's regulations require as a condition of licensure that a project include a 500-car or larger parking facility in close proximity to the casino complex, a 300-room or larger hotel of at least a three diamond rating as defined by an acceptable travel publication as determined by the Mississippi Commission, a restaurant capable of seating at least 200 people and a fine dining facility capable of seating at least 75 people, a casino floor of at least 40,000 square feet and have (or support) an amenity that will be unique to the market, encourage economic development and promote tourism. Unless waived, such regulations apply to new casinos or acquisitions of closed casinos. Sam's Town Tunica and IP Biloxi were both grandfathered under a prior version of the regulation and thus are exempt from the current regulation's requirements.

The sale of alcoholic beverages by Sam's Town Tunica and IP Biloxi is subject to licensing, control and regulation by both the local jurisdiction and the Alcoholic Beverage Control Division, or ABC, of the Mississippi Department of Revenue. Each is located in an area designated as a special resort area, which allows the property to serve alcoholic beverages on a 24-hour basis. If the ABC laws are violated, the ABC has the full power to limit, condition, suspend or revoke any license for the serving of alcoholic beverages or to place such licensee on probation with or without conditions. Any such disciplinary action could (and revocation would) have a significant adverse effect upon us and our business, financial condition and results of operations. Certain of our officers and managers at Sam's Town Tunica and IP Biloxi must be investigated by the ABC in connection with our liquor permits and changes in certain key positions must be approved by the ABC.

In 2018, the Mississippi Legislature enacted legislation establishing a statewide lottery. The sale of lottery tickets is subject to the licensing, control and regulation of the Mississippi Lottery Corporation. Sam's Town Tunica and IP Biloxi have obtained retailer permits for the sale of lottery tickets at their casino properties.

After PASPA was overturned in May 2018, the Mississippi Commission promulgated rules authorizing retail and on-property mobile sports wagering. Sports wagering was interpreted to fall under the gaming activities permitted by state law, eliminating the need for the authorizing legislation. In August 2018 sports wagering launched in Mississippi.

#### **Missouri**

Conducting gambling activities and operating a riverboat gaming facility in Missouri are subject to extensive regulation under Missouri's Riverboat Gambling Act and the rules and regulations promulgated thereunder. The Missouri Gaming Commission (the "Commission") was created by the Missouri Riverboat Gambling Act and is charged with regulatory authority over riverboat gaming operations in Missouri, including the issuance of gaming licenses to owners, operators, suppliers and certain affiliates of riverboat gaming facilities. In August 2018, the Commission issued Boyd Gaming Corporation a Class A riverboat gaming license in connection with its proposed acquisition of Ameristar Casino Kansas City, LLC and Ameristar Casino St. Charles, LLC. In addition, the Commission approved the company's petition for approval of transfer of interest and change in control to allow for the proposed acquisition to close in October 2018. This acquisition resulted in the company operating two casino properties in Missouri, one in Kansas City and one in St. Charles, through these acquired subsidiaries. Each of the acquired subsidiaries maintains a Class B riverboat gaming license issued by the Commission which allows for the operation of the casino properties.

In order to obtain a license to operate a riverboat gaming facility, the proposed operating business entity must complete a Riverboat Gaming Application form requesting a Class B License. In order to obtain a license to own and/or control a Class B Licensee as its ultimate holding company, a company must complete a Riverboat Gaming Application form requesting a Class A License. The Riverboat Gaming Application form is comprised of comprehensive questions regarding the nature and suitability of the applicant. Applicants who submit the Riverboat Gaming Application form requesting either a Class A or Class B License undergo an extensive background investigation by the Commission. In addition, each key person associated with the applicant (including directors, officers, managers and owners of a significant direct or indirect interest in the Class A or Class B License applicant) must complete a Key Person and Level 1 Application (Personal Disclosure Form 1) and undergo a substantial background investigation. Certain key business entities closely related to the applicant must undergo a similar application process and background check. An applicant for a Class A or Class B License will not receive or be allowed to retain a license if the applicant and its key persons, including key business entities, have not established and maintained good repute and moral character. No licensee shall either employ or contract with any person who has pled guilty to, or been convicted of, a felony, to perform any duties directly connected with the licensee's privileges under a license granted by the Commission.

Each Class B License granted entitles a licensee to conduct gambling activities at a specific riverboat gaming operation. Each Class A License granted entitles the licensee to develop and operate a Class B licensee or, if authorized, multiple Class B licensees. The duration of both the Class A and Class B License initially runs for two one-year terms; thereafter, for four-year terms. In conjunction with the renewal of each license, the Commission requires the filing of a Riverboat Gaming Renewal Application form and renewal fees. In conjunction with each renewal, the Commission may conduct an additional investigation of the licensee with specific emphasis on new information provided in the Riverboat Gaming Renewal Application form. The Commission also possesses the right to periodically conduct a comprehensive investigation on any Class A, Class B, supplier or key person licensee since the date on which the last comprehensive investigation was conducted. The Commission also licenses the serving of alcoholic beverages on riverboats and related facilities operated by the Class A or Class B.

In determining whether to grant and allow the continued possession of a gaming license, the Commission considers the following factors, among others: (i) the integrity of the applicant; (ii) the types and variety of games the applicant may offer; (iii) the quality of the physical facility, together with improvements and equipment; (iv) the financial ability of the applicant to develop and operate the facility successfully; (v) the status of governmental actions required by the facility; (vi) the management ability of the applicant; (vii) compliance with applicable statutes, rules, charters and ordinances; (viii) the economic, ecological and social impact of the facility as well as the cost of public improvements; (ix) the extent of public support or opposition; (x) the plan adopted by the home dock city or county; and (xi) effects on competition.

A licensee is subject to the imposition of penalties, suspension or revocation of its license for any act that is injurious to the public health, safety, morals, good order and general welfare of the people of the State of Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the State of Missouri, including without limitation: (i) failing to comply with or make provision for compliance with the legislation, the rules promulgated thereunder or any federal, state or local law or regulation; (ii) failing to comply with any rules, order or ruling of the Commission or its agents pertaining to gaming; (iii) receiving goods or services from a person or business entity who does not hold a supplier's license but who is required to hold such license by the legislation or the rules; (iv) being suspended or ruled ineligible or having a license revoked or suspended in any state or gaming jurisdiction; (v) associating with, either socially or in business affairs, or employing persons of notorious or unsavory reputation or who have extensive police records, or who have failed to cooperate with any officially constituted investigatory or administrative body and would adversely affect public confidence and trust in gaming; (vi) employing in any Missouri gaming operation any person known to have been found guilty of cheating or using any improper device in connection with any gambling game; (vii) use of fraud, deception, misrepresentation or bribery in securing any license or permit issued pursuant to the legislation; (viii) obtaining any fee, charge or other compensation by fraud, deception or misrepresentation; and (ix) incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties regulated by the Missouri Riverboat Gambling Act.

Any transfer or issuance of ownership interests in a publicly held gaming licensee or its holding company that results in an entity or group of entities acting in concert owning, directly or indirectly, an aggregate ownership interest of 5% or more in the gaming licensee must be reported to the Commission within seven days. Further, any pledge or hypothecation of, or grant of a security interest in, 5% or more of the ownership interest in a publicly held gaming licensee or its holding company must be reported to the Commission within seven days. The Commission will impose certain licensing requirements upon a holder of an aggregate ownership interest of 5% or more in a publicly-traded Missouri Class A or Class B licensee, unless such holder applies for and obtains an institutional investor exemption in accordance with the Missouri gaming regulations. The Executive Director of the Commission may grant a waiver to an institutional investor that holds up to 10% of the outstanding equity of the Missouri licensee. The Commission itself may grant a waiver to an institutional investor that holds up to 20% of the outstanding equity of the Missouri licensee. No investor may increase holdings above 25% without triggering a change in control that requires prior approval by the Commission. The Commission may grant a petition to approve a change in control if the petitioner proves that (i) the transfer is in the best interest of the state of Missouri and would have no potential to affect suitability of the gaming operation; (ii) the transfer is not injurious to the public health, safety, morals, good order, or general welfare of the state; (iii) it would have no material negative competitive impact; and (iv) it would not potentially result in any significant negative changes in the financial condition of the licensee. In addition, any sale, transfer or lease of the Class B's real estate (outside of the normal course of business) shall trigger a change in control that requires prior approval by the Commission. The petition to approve a change in control in such an instance will be considered by the Commission using the same criteria set forth above for an ownership interest change in control.

Every employee participating in a riverboat gaming operation must hold an occupational license. In addition, the Commission issues supplier's licenses, which authorize the supplier licensee to sell or lease gaming equipment and supplies to any licensee involved in the operation of gaming activities. Class A and Class B licensees may not be licensed as suppliers.

Riverboat gaming activities may only be conducted on, or within 1,000 feet of the nearest edge of the main channel of, the Missouri River or Mississippi River. Minimum and maximum wagers on games are set by the licensee, and wagering may be conducted only with a cashless wagering system, whereby money is converted to tokens, electronic cards or chips that can only be used for wagering. No person under the age of 21 is permitted to wager, and wagers may only be taken from a person present on a licensed excursion gambling boat.

The Missouri Riverboat Gambling Act imposes a 21% wagering tax on adjusted gross receipts (generally defined as gross receipts less winnings paid to wagerers) from gambling games. The tax imposed is to be paid by the licensee to the Commission on the day after the day when the wagers were made. Of the proceeds of the wagering tax, 10% of such proceeds go to the local government where the home dock is located, and the remainder goes to the State of Missouri.

The Missouri Riverboat Gambling Act also requires that licensees pay a two dollar admission tax to the Commission for each person admitted to each two hour synthetic gaming excursion; no Missouri casinos actually offer excursions currently. One dollar of the admission fee goes to the State of Missouri, and one dollar goes to the home dock city in which the licensee operates. The licensee is required to maintain public books and records clearly showing amounts received from admission fees, the total amount of gross receipts and the total amount of adjusted gross receipts. In addition, all local income, earnings, use, property and sales taxes are applicable to licensees.

The State of Missouri has seen an increase in illegal and "gray" market gaming which can have an impact on our casino operations there. There has been significant expansion in "No Chance Game" devices or NCGs which resemble slot machines but purport to fall outside of Missouri's definition of illegal gaming. There have been lawsuits in various municipalities in Missouri to determine the illegality of NCGs. A Franklin County lawsuit determined that NCGs were illegal gaming yet various similar lawsuits brought by other prosecutors have been dismissed. No definitive state-wide law or court precedent has developed to clarify the illegality of NCGs. As the Missouri Gaming Commission only maintains jurisdiction over legal gaming, there have been issues across the state with inconsistent enforcement of the state statute on illegal gaming allowing for both NCGs and clearly illegal games to spread. The Missouri Gaming Association along with various general assembly members have proposed and supported bills to allow for greater clarity and enforcement of NCGs and illegal games. For the past four years, these bills have not passed, in part due to opposition to various groups pushing for video lottery terminals or other forms of distributed gaming in Missouri.

In addition to the bills regarding illegal gaming, from time to time, there have been several proposed bills pending before the Missouri General Assembly or through initiative petition which, individually or in combination, if adopted, would (1) authorize sports wagering, (2) adjust the amount of wagering tax imposed on adjusted gross receipts of licensees (3) allow for a ballot measure to amend the Missouri Constitution to allow additional riverboat gaming facilities with a focus on additional casinos at or near the Lake of the Ozarks and/or (4) establish the Missouri Video Lottery Control Act which would authorize video gaming terminals in bars, restaurants, veterans/fraternal halls and truck stops similar to the Illinois Video Gaming Act. Currently, there are numerous bills pending before the Missouri General Assembly for the expansion of gaming in the state. There are also separate proposed ballot initiatives to authorize a new casino license near Lake of the Ozarks and to authorize sports wagering that could be approved or defeated through a statewide referendum in November 2024 if the requisite signatures are collected.

#### **Iowa**

Our Diamond Jo and Diamond Jo Worth operations are subject to Chapters 99D and 99F of the Iowa Code and the regulations promulgated under those Chapters, and the licensing and regulatory control of the Iowa Racing and Gaming Commission ("IRGC" or "Commission"). Our licenses held by Diamond Jo, LLC ("DJL") and Diamond Jo Worth, LLC, ("DJW") are subject to annual renewal and are further dependent upon successful annual license renewal of our respective "qualified sponsoring organizations," Dubuque Racing Association, Ltd. ("DRA") and Worth County Development Authority ("WCDA").

The legislation permitting gambling in Iowa authorizes the granting of licenses to conduct gambling games to "qualified sponsoring organizations." A "qualified sponsoring organization" is defined as a nonprofit corporation organized under Iowa law, whether or not exempt from federal taxation, or a person or association that can show to the satisfaction of the Commission that the person or association is eligible for exemption from federal income taxation under Sections 501(c)(3), (4), (5), (6), (7), (8), (10) or (19) of the Internal Revenue Code. Such nonprofit corporation may operate the excursion gambling boat or gambling structure itself, or it may enter into an agreement with another operator to operate the boat or structure on its behalf. An operator must be approved and licensed by the Commission.

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*Diamond Jo, LLC & Dubuque Racing Association, Ltd.*

DRA, a nonprofit corporation originally organized for the purpose of operating a pari-mutuel greyhound racing facility in Dubuque, Iowa, first received an excursion gambling boat license in 1990 and has been licensed as the "qualified sponsoring organization" of the Diamond Jo Casino since March 18, 1993. DRA entered into an operating agreement (the "DRA Operating Agreement") with Greater Dubuque Riverboat Entertainment Company, L.C., the previous owner and operator of the Diamond Jo Casino, authorizing Greater Dubuque Riverboat Entertainment Company, L.C. to operate excursion gambling boat gaming operations in Dubuque. The Commission approved the DRA Operating Agreement on March 18, 1993. Our licensed operator DJL assumed the rights and obligations of Greater Dubuque Riverboat Entertainment Company, L.C. under the DRA Operating Agreement.

During 2005, the DRA Operating Agreement was amended to provide for, among other things, the extension of the agreement through December 31, 2018. The Agreement also authorized the DRA to operate up to 1,500 gaming positions at Mystique, a greyhound racetrack that DRA operates under a separate license. On November 13, 2014, the Commission approved a request by DRA to conduct gambling games at a gambling structure instead of a racetrack enclosure effective January 1, 2015. This change was in response to a 2014 statutory amendment allowing DRA to maintain a license to conduct gambling games at Mystique without the requirement of scheduling performances of live dog races. DJL pays the DRA 4.5% of DJL's adjusted gross receipts (the gross receipts less winnings paid to wagerers) from gaming operations of DJL. In 2017, the DRA and DJL executed an Amended and Restated Operating Agreement, effective January 1, 2019, that extends the term through December 31, 2030.

In 2007, DJL entered into an Amended and Restated Port of Dubuque Public Parking Facility Development Agreement with the City of Dubuque, Iowa ("the City"). Pursuant to that agreement, DJL agreed to and has now completed construction of a land-based casino of not less than one hundred forty thousand (140,000) square feet of floor space. DJL is obligated to pay the full property taxes on the casino development and valuation of the property is subject to a minimum assessment agreement. DJL further agreed to escrow funds for the City to construct a parking facility. The parking garage has been completed and DJL is obligated to pay the reasonable and necessary actual operating costs incurred by the City for the operation, security, repair and maintenance of that Public Parking Facility and to contribute \$80 per parking space (adjusted by the Consumer Price Index) annually to a Sinking Fund from which certain of those expenses are withdrawn. As part of that agreement, the City agreed to make the parking garage available for public use 24 hours/day and 7 days/week subject to certain emergency situations. The parking garage was largely funded through tax increment financing over a 30-year period and the parking agreement between the City and DJL continues for the life of the Public Parking Facility. The development agreement was amended June 11, 2009 to provide parking privileges in the public parking facility for DJL's customer valet parking and for certain management personnel. The amended agreement terminates June 18, 2029.

*Diamond Jo Worth, LLC & Worth County Development Authority*

The WCDA, a nonprofit corporation, was organized on July 14, 2003 for the purpose of serving as a "qualified sponsoring organization" for an excursion gambling boat licensed in Worth County, Iowa. Pursuant to an operating agreement with the WCDA (the "WCDA Operating Agreement"), DJW is entitled to own and operate a gambling facility in Worth County, Iowa. As the "qualified sponsoring organization" for DJW, WCDA receives 5.76% of DJW's adjusted gross receipts from gaming operations. An Amendment to the WCDA Operating Agreement was entered into on October 7, 2014 and was approved by the Commission on November 13, 2014. This First Amendment to Amended and Restated Operator's Agreement provides for a continuation of the operating agreement until March 31, 2025 with DJW's right to renew for succeeding ten year periods thereafter subject to the following conditions:

- Gaming is allowed in Worth County pursuant to Iowa Code Chapter 99F;
- DJW has substantially complied with the WCDA Operating Agreement; and
- DJW's and WCDA's gaming licenses are successfully renewed and/or remain in effect.

Under Iowa law, a license to conduct gaming may be issued in a county only if the county electorate has approved the gaming. The electorate of Dubuque County, Iowa, which includes the City of Dubuque, approved gaming on May 17, 1994, by referendum, with 80% of the electorate voting in favor of gaming conducted by DJL. The electorate of Worth County, Iowa, approved gaming on June 24, 2003, by referendum, including gaming conducted by DJW, with 75% of the electorate voting in favor. In 2011, the legislature amended the law to remove the requirement for referendums to be conducted every eight years if a proposition to operate gambling games is approved by a majority of the county electorate voting on the proposition in two successive elections. Because both Dubuque County and Worth County have had two successive referendums approving the proposition allowing for the operation of gambling games, no further referendums approving a proposition to operate gambling games are required for DJL and DJW.

Under Iowa law, the legal age for gaming is 21 years of age, and wagering on a "gambling game" is legal when conducted by a licensee on the gaming floor of an "excursion gambling boat" or a "gambling structure." An "excursion gambling boat" is an excursion boat or moored barge and a "gambling structure" is any man-made stationary structure that does not contain a race track and is approved by the Commission. A "gambling game" is any game of chance authorized by the Iowa Racing and Gaming Commission.

In July 1995, legislation was enacted requiring the Commission to cooperate with the gambler's self-exclusion program and to incorporate information regarding the program and its toll-free telephone number in printed materials distributed by the Commission. It also provided that, as a condition of licensing, the Commission could require licensees to have information on the program available in a conspicuous place.

Legislation enacted in May 2004, and subsequently amended in 2017, required licensees to establish a voluntarily exclusion program, whereby persons may voluntarily ban themselves from the gaming floor of all licensed facilities under Iowa Code Chapter 99F for an initial period of five years or life and that person can then make subsequent requests to be excluded from the gaming floor for five years or life. This process also requires the licensee to disseminate information regarding persons voluntarily excluded to all other licensees. The 2004 legislation also prohibited cash and credit devices in the wagering area or on the gaming floor and required that the CPA conducting the annual audit be selected by the board of supervisors of the licensee's county and required that new operating agreements between a qualified sponsoring organization and an operator provide for a minimum distribution for charitable purposes to average at least three percent of the adjusted gross receipts for each license year.

A substantial amount of all resources and goods used in the operation of an excursion gambling boat must emanate from and be made in Iowa. Also, as a condition of granting a license, the licensee must make every effort to ensure a substantial number of staff and entertainers are Iowa residents and reserve a section for promotion and sale of arts, crafts, and gifts native to and made in Iowa.

Substantially all of DJL's and DJW's material transactions are subject to review and approval by the Commission. All contracts or business arrangements, verbal or written, with any related party or in which the term exceeds three years or the total value of the contract exceeds \$100,000 in a calendar year are agreements that qualify for submission to and approval by the Commission subject to certain limited exceptions. The agreement must be submitted within 30 days of execution and approval must be obtained prior to implementation unless the agreement contains a written clause stating that the agreement is subject to Commission approval. Additionally, contracts negotiated between DJL or DJW and a related party must be accompanied by economic and qualitative justification.

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We must submit detailed financial, operating and other reports to the Commission. We must file weekly gaming reports indicating adjusted gross receipts received from gambling games. Additionally, we and our qualified sponsoring organizations must file annual audited financial statements covering all financial activities related to our operations for each fiscal year. We must also keep detailed records regarding our equity structure and owners.

Iowa has a graduated wagering tax on excursion gambling boat and gambling structure gaming equal to 5% of the first one million dollars of adjusted gross receipts, 10% on the next two million dollars of adjusted gross receipts and 22% on adjusted gross receipts of more than three million dollars. In addition, Iowa excursion gambling boats and gambling structures share equally in costs of the Commission and related entities to administer gaming in Iowa.

Proposals to amend or supplement Iowa's gaming statutes are frequently introduced in the Iowa state legislature. In addition, the state legislature sometimes considers proposals to amend or repeal Iowa law and regulations, which could effectively prohibit gaming in gambling structures and excursion gambling boats in the State of Iowa, limit the expansion of existing operations or otherwise affect our operations. Although we do not believe that a prohibition of gaming in Iowa is likely, we can give no assurance that changes in Iowa gaming laws will not occur or that the changes will not have a material adverse effect on our business. Similarly, there could be changes in laws governing prohibition of smoking at our facilities or other laws that would impact our business.

On May 13, 2019, Governor Kim Reynolds approved Senate File 617, thereby legalizing sports wagering and fantasy sports contests in the state of Iowa. Under the law, licensed facilities seeking an additional sports wagering license are required to complete a separate application procedure and pay an initial fee of \$45,000. Successful applicants are further subject to annual renewal requirements regarding their sports wagering license, including a renewal fee of \$10,000.

In a special meeting session held on July 30, 2019, the Commission approved the final set of regulatory rules intended to enact and govern the administration of authorized sports wagering and fantasy sports contests. Additionally, the Commission reviewed and approved several applications for sports wagering licenses, including those submitted by DJL and DJW. The Commission also approved both DJL and DJW's request for contract approval with out of state vendor Betfair Interactive US Limited Liability Company/FanDuel. These contracts set forth the operations for Advanced Deposit Sports Wagering at both DJL and DJW. Retail and online sports wagering launched in August 2019.

If the Commission decides that a gaming law or regulation has been violated, the Commission has the power to assess fines, revoke, or suspend licenses or to take any other action as may be reasonable or appropriate to enforce the gaming rules and regulations. In addition, annual license renewal is subject to, among other things, continued satisfaction of suitability requirements.

We are required to notify the Commission as to the identity of, and may be required to submit background information regarding, each director, corporate officer and owner, partner, joint venture, trustee or any other person who has a beneficial interest, direct or indirect, in DJL or DJW. The Commission may also request that we provide them with a list of persons holding beneficial ownership interests in DJL or DJW. For purposes of these rules, "beneficial interest" includes all direct and indirect forms of ownership or control, voting power or investment power held through any contract, lien, lease, partnership, stockholding, syndication, joint venture, understanding, relationship, present or reversionary right, title or interest, or otherwise. The Commission may limit, condition, suspend or revoke the license of a licensee in which a director, corporate officer or holder of a beneficial interest is found to be ineligible as a result of want of character, moral fitness, financial responsibility, or professional qualifications or due to failure to meet other criteria employed by the Commission.

If the Commission were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us or DJL or DJW, all relationships with such person would have to be severed. If any gaming authority, including the Commission, requires any person, including a holder of record or beneficial owner of securities or holder of a "beneficial interest", to be licensed, qualified or found suitable, the person must apply for a license, qualification or finding of suitability within the time period specified by the Commission. The person would be required to pay all costs of obtaining the license, qualification or finding of suitability. If a holder of record or holder of a "beneficial interest" in the licensee is required to be licensed, qualified or found suitable and is not licensed, qualified or found suitable by the Commission within the applicable time period, membership interests or "beneficial interests" as the case may be, must be redeemed or transferred to a person or entity that is licensed, qualified or found suitable or the gaming license could be adversely affected, including revocation.

#### **Kansas Gaming Regulation**

On January 14, 2011, the State of Kansas gave its final approval to develop, construct and manage a casino in the South Central Gaming Zone. On December 17, 2011, the Kansas Racing and Gaming Commission ("KRGC") gave its Final Certification to open the Kansas Star Casino, which then opened to the public on December 20, 2011. On October 15, 2012, the Kansas Lottery consented to and approved the assignment/transfer of the ownership and control of the Lottery Gaming Management Facility Contract ("Management Contract") and the Kansas Star Casino to Boyd Gaming Corporation. On November 16, 2012, the KRGC issued its certification and approved Boyd Gaming Corporation as the Gaming Manager for the South Central Zone. Pursuant to the terms of the Management Contract, the State retains 22%-26% of gross gaming revenue, based on a tiered revenue structure. In addition, 3% is paid to the City of Mulvane and Sumner County and 2% is paid to the Problem Gaming and Addiction Grant Fund. Kansas Star Casino and the Kansas Lottery Commission entered into an agreement in July 2023 to revise and renew the Management Contract for an additional 15-year term commencing December 20, 2026. Kansas Star Casino receives the balance of gross gaming revenue, as well as all non-gaming revenue. Kansas Star Casino is contractually committed to providing \$1.5 million annually to a county fund to support education in the region and \$100.00 to each Sumner County student grades K-12 for school supplies plus \$1,000.00 to each Sumner County student pursuing post-secondary endeavors.

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The state gaming regulations in Kansas provide for four (4) designated gaming zones, with a single state sanctioned casino to be located in each such zone. Kansas regulations authorize gaming operations through the execution of management contracts between the State of Kansas and commercial gaming managers. The Management Contract confers the exclusive right to manage a lottery gaming business in a designated gaming zone for a period of 15 years from commencement of operations. It provides the Lottery Gaming Facility Manager (the "Gaming Manager") the right to own and develop all of the assets of the casino and related amenities (except for lottery facility games, including slot machines and table games) and manage the Lottery Gaming Facility on behalf of the State of Kansas. Subject to the approval of the Executive Director of the Kansas Lottery, the Gaming Manager purchases the lottery facility games on behalf of the State of Kansas and title to the lottery facility games is placed in the name of the State of Kansas for the duration of the Management Contract. If this Management Contract were to eventually expire, title to these games would be transferred to the Gaming Manager, if legally permitted, or the games would be sold and the State of Kansas would convey the residual value of such games to the Gaming Manager. The Management Contract also provides the Gaming Manager and the Kansas Lottery with discretion to renew the Management Contract or to negotiate a new Management Contract provided the new Management Contract contains substantially the same terms as contained in the existing Management Contract and compels the parties to negotiate in good faith. Kansas law additionally allows for the development of racetrack gaming facilities in three of the gaming zones, the Northeast Zone, the South Central Zone and the Southeast Zone. These facilities would be allowed to place up to 2,200 slot machines between the three tracks, provided the public in each Gaming Zone approved the expansion of gaming into racetrack facilities. On August 7, 2007, voters in Sedgwick County, Kansas rejected the expansion of gaming to the Wichita Greyhound Park in Park City, Kansas. The Wichita Greyhound Park is located in the South Central zone. Given the relatively high tax rate and race requirements for racetrack gaming facilities in Kansas, no proposals to establish slots at either of the other gaming zones have been received and the other two racetracks (the Woodlands in Kansas City, Kansas and Camptown in Frontenac, Kansas) have been closed for many years.

The Gaming Manager is subject to regulation by both the Kansas Lottery Commission and the KRGC. These regulations require the Gaming Manager to comply with strict operating, accounting and audit procedures. Additionally, pursuant to the Management Contract, the Executive Director of the Kansas Lottery has approval rights over certain operational areas such as advertising, promotions and marketing materials as well as the purchase, lease, sale or transfer of lottery facility games. Pursuant to the Expanded Lottery Gaming Act, the Gaming Manager, together with all officers, directors, key employees and persons owning directly or indirectly 0.5% or greater interest in a Gaming Manager are required to be certified by the KRGC. Such certification requires the Gaming Manager, entities and individuals to submit to a background investigation, and includes compliance with such security, fitness and background investigations and standards as the Executive Director of the KRGC deems necessary to determine whether such person's reputation, habits or associations pose a threat to the public interest of the state or to the reputation of or effective regulation and control of the Lottery Gaming Facility or Racetrack Gaming Facility. The KRGC has the power to assess fines, revoke or suspend licenses or to take any other action it deems necessary to comply with Kansas laws, rules and regulations. The KRGC from time to time adopts regulations it considers necessary and appropriate.

In May of 2018, the Legislature passed and Governor Colyer signed into law, the Substitute for House Bill No. 2194. The Legislature originally passed this measure in 2017 as House Bill No. 2313, but it was vetoed by then-Governor Brownback. Sub. for HB 2194 became effective on May 24, 2018 and amends the Kansas Lottery Act to extend the sunset for the Kansas lottery from July 1, 2022 to July 1, 2037, to allow the use of lottery ticket vending machines and instant bingo vending machines, and to permit underage purchases of lottery tickets as part of authorized law enforcement investigations. Sub. for HB 2194 also amends various provisions of Kansas law concerning the State Debt Setoff Program to direct the Secretary of Administration to enter into agreements with lottery gaming facility managers to check prize winners for whom an IRS Form W-2G must be completed against the Kansas Debt Recovery database and to withhold the amount of any reported debt from any qualifying prize. Lottery facility managers and the Department of Administration have implemented a system whereby prize winners that require the issuance of a W-2 are checked against a debt setoff database as required under this law.

Senate Bill 84 legalizing sports wagering and authorizing a Historical Horse Racing (HHR) machine facility to be developed in Sedgwick County was signed into law on May 12, 2022. The enacted legislation authorizes retail and online wagering through commercial casinos pursuant to operating contracts with the Kansas Lottery Commission. Each casino can have up to three online skins, enter into up to 50 retailer partnerships, and can request an additional skin for a partnership with a professional sports team. Retail and online sports betting launched on September 1, 2022. Senate Bill 84 also amended the Kansas Parimutuel Racing Act to authorize a 1,000-unit HHR machine facility to be permitted in Sedgwick County, a key part of Kansas Star Casino's gaming market in south central Kansas.

The Company and Kansas Star Casino filed suit subsequent to the enactment of SB 84 under contractual rights and remedies included in its Lottery Facility Management Contract and the Kansas Expanded Lottery Act (KELA) related to exclusivity for commercial gaming in the South Central zone. The State of Kansas, the Company and Boyd Gaming settled claims related to the matter in July 2023.

The Kansas Racing & Gaming Commission solicited applications for the HHR facility with a due date of February 28, 2023, and the Company submitted an application for its proposed Diamond Jo HHR facility in Park City, Kansas. The Kansas Racing & Gaming Commission determined in July 2023 that the Company was ineligible to be awarded the HHR permit since it is located in the same gaming zone as our Kansas Star Casino and awarded the permit to another applicant. That facility will be located in Park City, Kansas, at the site of the former Wichita Greyhound Park and is expected to open in early 2025.

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## **Ohio Gaming Regulation**

Ohio has eleven (11) gaming facilities. Four of these gaming facilities are casinos and subject to the Ohio Casino Control Commission. Casino gaming was authorized in Ohio on November 3, 2009 through a voter approved Constitutional Amendment (Issue 3). The other seven (7) gaming facilities conduct video lottery terminal sales and pari-mutuel wagering as described below.

Boyd Gaming Corporation, or its subsidiaries, does not conduct casino gaming in Ohio. Instead, Boyd, through a subsidiary, owns and operates Belterra Park Gaming. Belterra Park operates and conducts video lottery terminals ("VLTs") sales, and also conducts pari-mutuel wagering on horse racing. Belterra Park also sells traditional lottery games.

### *Video Lottery Terminals*

VLT sales were authorized by House Bill 1 (effective 07/17/09) (the "Lottery Act"). The Governor at this time also issued an executive order authorizing VLTs at the seven (7) commercial racetracks (issued 08/18/09). Two of the VLT facilities are in Cuyahoga County with one of the facilities sharing a border with an adjoining county. Finally, one VLT facility is in each of the following counties: Franklin, Hamilton Mahoning, Montgomery, and Warren. The Lottery Act was subsequently amended by House Bill 386 (effective 06/11/12). The Lottery Act authorized Lottery to implement VLT sales and regulation through administrative code regulations which were originally effective on 08/18/09 (the "Lottery Regulations"). The Lottery Regulations have been amended numerous times since original enactment and can be found in Ohio Administrative Code Section 3770:2.

Currently, video lottery sales can only be conducted at a commercial horse racing facility that has been issued a permit by the Ohio State Racing Commission. The Ohio Lottery Commission ("Lottery") licenses and regulates VLTs at seven (7) facilities in the state including Belterra Park. Lottery regulation restricts the number of authorized video lottery licenses to seven (7) for ten years from the issuance of the first video lottery sales agent license. The first VLT facility opened on June 1, 2012.

To conduct VLT sales, an applicant must be issued a video lottery license as a video lottery sales agent. An applicant must pay applicable application and license fees. Each initial licensed video lottery licensee was required to invest \$150 Million in the VLT and racing facilities.

A video lottery license is valid for three (3) years and Belterra Park's license expires on April 28, 2023. Annual disclosures are required. A license may be renewed by the Lottery. Video lottery licenses are not transferable for five years from the initial issuance of an operating license unless the Director permits a license transfer to protect the public interest and trust.

A video lottery sales agent receives 66.5% commission of video lottery terminal income through Lottery regulation. Up to 1% can be dedicated to support problem gaming also through Lottery Regulation.

Video lottery sales agent employees are required to be licensed prior to being involved in gaming activity. The Lottery has the following license categories for such employees: key gaming employees, gaming employees and non-gaming employees. Key gaming employees may be provided temporary licenses if approved by the Director.

No person may own, directly or indirectly, more than five (5) percent in a video lottery applicant or licensee without notice and ultimate approval by Lottery unless such person is a qualifying institutional investor. An institutional investor who owns five (5) percent to fifteen (15) percent may be exempt from suitability review upon submitting to the director sufficient documentation and certifications. However, the Director of the Lottery may determine that any person affiliated with a video lottery applicant or video lottery sales agent must submit to background checks and suitability reviews.

Lottery has authority to audit and inspect video lottery sales agent facilities. Belterra Park is required to comply with all aspects of the Lottery Act including all rules, regulations, policies and directives of the Lottery, and all terms and conditions of the license. Failure to comply may subject the video lottery sales agent's video lottery license to suspension or revocation, or monetary penalties.

If Lottery were to find an officer, director, key employee or other licensee or applicant unsuitable for licensing or unsuitable to continue having a relationship with Belterra Park, Belterra Park would have to sever all relationships with such person. In addition, the Lottery may require Boyd Gaming or Belterra Park to terminate the employment of any person who refuses to file appropriate applications.

Video lottery sales agents may only have twenty-five hundred (2,500) VLTs unless otherwise approved by the Director. Video lottery participants must be twenty one (21) to wager on video lottery terminals. Projected average return to video lottery participants must be eighty five (85) percent or more. Video lottery sales agents receive a commission of sixty-six and one-half (66.5) percent of video lottery terminal sales, but a portion goes to support problem gaming. Lottery keeps the remainder to support education of the state.

### *Pari-mutuel wagering*

Pari-mutuel wagering on horse racing was first authorized in 1933 by the Ohio General Assembly. Commercial horse racing is permitted and regulated pursuant to Ohio Revised Code Chapter 3769 and Ohio Administrative Code Chapter 3769 (collectively the "Horse Racing Act"). The Horse Racing Act is dedicated to the protection, preservation and promotion of horse racing and its related industry.

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The Ohio State Racing Commission ("Racing Commission") permits and regulates horse racing at seven (7) commercial facilities in the state which currently are at the same facilities as the VLT facilities. The Horse Racing Act requires a racing permit only for a corporation that holds, conducts, assists, or aid and abets in holding or conducting any meetings, at which horse racing is permitted for any stake, purse, or award. The Racing Commission licenses all industry participants and regulated pari-mutuel wagering.

To conduct pari-mutuel wagering at horse racing facilities, an applicant must be issued a permit annually. An applicant must pay applicable permit fees and applications are due by August 15 of each year for the upcoming calendar year. A permit may be renewed by the Racing Commission. Racing permits are not transferable without approval of the Racing Commission.

Persons participating in racing are required to be licensed by the Racing Commission.

The Racing Commission has authority to audit and inspect the racing facilities. Belterra Park is required to comply with all aspects of the Horse Racing Act including all rules, regulations, policies and directives of the Racing Commission, and all terms and conditions of the license. Failure to comply may subject the video lottery sales agent's video lottery license to suspension or revocation, or monetary penalties.

Ohio has taxed pari-mutuel wagering on horse racing since 1933. In 1981, the horse racing tax was expanded to include "exotic" wagering - meaning all bets made on placements other than win, place or show.

An additional tax on pari-mutuel wagering is also levied for the municipal corporation or township in which racing takes place, intended as a reimbursement for expenses incurred due to racing meets.

- **Tax Base**- The base of the tax includes the:
  - Amount wagered each day on all pari-mutuel racing.
  - Amount wagered each day on exotic bets.
  - Total amount wagered at each horse racing meeting of a permit holder.
- **Rates**- Pari-mutuel wagering tax: The tax rates on daily pari-mutuel wagering are as follows:

<u>Amount wagered daily</u>	<u>Rates</u>
◦ First \$200,000	1.0%
◦ Next \$100,000	2.0%
◦ Next \$100,000	3.0%
◦ Over \$400,000	4.0%

In addition to the pari-mutuel tax, a special tax of 3.5% applies to daily wagering on results other than win, place or show. There is an additional pari-mutuel wagering tax as follows which is capped at \$15,000 per meet:

<u>Total wagering per meet</u>	<u>Rates</u>
◦ Less than \$5 million	0.10%
◦ 45 million or more	0.15%

#### *Sports Wagering*

Sports wagering was legalized in 2021 at commercial casinos and racinos, professional sports arenas, and at up to 19 other retail locations. Limited sports wagering can be offered via kiosks in licensed bars and restaurants. Statewide mobile sports wagering is authorized through casinos and racinos and professional sports franchises through partners. Sports wagering launched in Ohio on January 1, 2023.

#### *Liquor*

Belterra Park is also subject to the jurisdiction and regulation of the Ohio Division of Liquor Control ("Liquor Control") for the liquor sales conducted at the property. Liquor Control issues permits to Belterra Park to conduct liquor sales and regulates liquor sales along with the Ohio Liquor Control Commission and the Ohio Department of Public Safety.

Changes in such laws, regulations and procedures could have an adverse effect on our gaming operations and our business, financial condition and results of operations.

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## Pennsylvania

The ownership and operation of casinos in Pennsylvania - including the Valley Forge Casino Resort that is owned and operated by our wholly-owned subsidiary, Valley Forge Convention Center Partners, LLC (the "PA Subsidiary") - are subject to extensive state regulation under the Pennsylvania Race Horse Development and Gaming Act, as amended, (4 Pa. C.S. §§ 1101 *et seq.*) and the regulations set forth in Title 58, Part VII of the Pennsylvania Code, (collectively referred to herein as the "Pennsylvania Act"). The primary objective of the Pennsylvania Act is to protect the public through regulation and policing of all activities involving gaming. Secondary objectives of the Pennsylvania Act include the generation of license fees and tax revenue for state and local government, tourism promotion, economic development, and promotion of the horse racing industry.

The Pennsylvania Act vests the Pennsylvania Gaming Control Board ("PGCB") with general and sole regulatory authority over the conduct of casino gaming and related activities, which includes interactive gaming and sports wagering under the amendments to the Pennsylvania Act enacted in 2017. The PGCB was formed in 2004 and consists of seven voting members; three of whom are appointed by the governor and four of whom are appointed by the leadership of the Pennsylvania General Assembly. The PGCB grants various licenses, certificates, and other approvals, including, without limitation:

- Slot machine licenses that authorize a holder to make slot machines available to play in accordance with the Pennsylvania Act;
- Table games operation certificates that authorize a holder to make table games available to play in accordance with the Pennsylvania Act;
- Interactive gaming certificates that authorize a holder to conduct interactive gaming directly or through a licensed interactive gaming operator in accordance with the Pennsylvania Act; and
- Sports wagering certificates that authorize a holder to conduct sports wagering directly or through a licensed sports wagering operator in accordance with the Pennsylvania Act.

A slot machine license and the three other certificates listed above are required for casinos to offer slot machines, table games, interactive games and sports wagering. Each license or certificate has statutory and regulatory conditions that applicants must satisfy by clear and convincing evidence. In addition, persons with material relationships to, or material involvement with Boyd Gaming or the PA Subsidiary, including officers, directors and certain key employees, are required to apply to the PGCB for and maintain principal licenses and key employee licenses in accordance with the Pennsylvania Act. Any person with a beneficial ownership interest in Boyd Gaming of 5% or more must also apply for and obtain a principal license. Institutional investors, as defined in the Pennsylvania Act, that hold a beneficial ownership interest in Boyd Gaming of less than 20% which file and remain eligible to file a statement of beneficial ownership on Schedule 13G with the U.S. Securities and Exchange Commission may qualify for an institutional investor waiver in lieu of full licensure as a principal. If the PGCB were to find an officer, director, key employee or beneficial owner unsuitable for licensing or unsuitable to continue having a relationship with Boyd Gaming or the PA Subsidiary, Boyd Gaming and the PA Subsidiary would have to sever all relationships with such officer, director, key employee or beneficial owner.

All applicants to the PGCB must pay upfront fees for the issuance of the license or certificate and, for licenses and certain certificates, a periodic renewal fee. The PA Subsidiary has applied for, obtained and paid the requisite license fee for the license and certificates that authorize slot machines, table games, interactive games and sports wagering, each of which has been issued by the PGCB subject to customary regulatory conditions.

Pennsylvania has sixteen operating casinos throughout the state, with three additional licensed casinos under development and one additional application expected for an additional licensed casino in State College, Pennsylvania. Among the 18 potential casinos, six licenses have been issued to existing horse racetracks (Category 1), five licenses have been issued to stand-alone casinos (Category 2), two licenses have been issued to well-established hotel resorts (Category 3), four licenses have been issued to ancillary casinos (Category 4). The expected application for one additional license is for another Category 4 license. The Pennsylvania Act was amended on January 7, 2010, which amendment allowed the Category 1 and Category 2 casinos to offer up to 250 table games, while Category 3 casinos were limited to offer a maximum of 50 table games. The Pennsylvania Act was amended again on October 30, 2017, which amendment authorized ancillary casinos (Category 4) to operate between 300 and 750 slot machines and initially up to 30 table games (expandable to 40 table games after one year of operation), and further authorized Category 3 casinos to add up to 250 additional slot machines (over and above the previously authorized number of 600 machines) for a \$2.5 million fee and up to 15 table games (over and above the previously authorized number of 50 table games) for a \$1.0 million fee.

The PA Subsidiary holds a Category 3 license and paid the \$2.5 million fee in order to offer the additional 250 slot machines. Boyd Gaming and its applicable principals and key employees have been licensed by the PGCB for Boyd Gaming to own Valley Forge Casino Resort. All permits and licenses issued by the PGCB are subject to renewal every five years. An application for renewal should be submitted at least six months prior to the expiration of the permit or license. The renewal application shall include an update of the information contained in the initial and any prior renewal applications and the payment of any renewal fee required. The PA Subsidiary most recently applied for renewal of its Category 3 license on or about March 26, 2020 and the application remains pending. Under the Pennsylvania Act, a slot machine license for which a completed renewal application has been submitted continues in effect while the renewal application remains pending.

Boyd Gaming and the PA Subsidiary are required to submit detailed financial and operating reports to the PGCB on regular intervals and in advance of the occurrence of certain material financing transactions.

If it were determined that the Pennsylvania Act was violated by Boyd Gaming or the PA Subsidiary, the gaming licenses for Valley Forge Casino Resort could be limited, conditioned, suspended or revoked, subject to compliance with certain statutory and regulatory procedures. In addition, Boyd Gaming and the persons involved could be subject to substantial fines for each separate violation of the Pennsylvania Act. Furthermore, a trustee could be appointed by the PGCB to operate Valley Forge Casino Resort.

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All licenses under the Pennsylvania Act are grants of privilege to conduct business in the state and are nontransferable. If a slot machine licensee becomes aware of any proposed or contemplated change of ownership of the slot machine licensee, they must immediately notify the PGCB. A change of ownership includes:

- More than 5% of a slot machine licensee's securities or other ownership interests;
- More than 5% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensee;
- The sale - other than in the ordinary course of business - of a licensee's assets; or
- Any other transaction or occurrence deemed by the PGCB to be relevant to license qualifications.

Within the PGCB is the Bureau of Investigations and Enforcement ("BIE"), Bureau of Casino Compliance ("BCC") and the Office of Enforcement Counsel ("OEC"). BIE and OEC enforce the Pennsylvania Act and have pervasive investigative powers. BIE and OEC investigate and review all applicants and applications for a license, permit or registration. BCC and OEC also monitor gaming operations and can inspect and examine licensed facilities or online operations. A review may include the review of accounting, administrative and financial records, management control systems, procedures and other records utilized by a licensed entity. Licensees are obligated to comply with all investigations and the failure to do so may jeopardize the licensee's ability to continue its business.

The passage of Act 42 of 2017 was the largest expansion of gaming in Pennsylvania since 2004. The most significant change was the establishment of Category 4 licenses. The PGCB was initially given authorization to establish up to 10 locations, with licenses awarded via sealed bid auctions. However, no further auctions for Category 4 licenses are authorized presently which limit the number of Category 4 licenses to no more than five. In addition, Act 42 of 2017 authorized the operation of up to 5 video gaming terminals at truck stops. Further, sports wagering was authorized in anticipation of changes in applicable federal law, and Act 42 of 2017 gave the PGCB the authority to establish standards and procedures to govern sports wagering in the state. Finally, the Department of Revenue was given the authority to establish an iLottery program to sell existing products as well as internet instant games.

Retail sports wagering launched in November 2018 and online sports wagering launched in May 2019. Pennsylvania iLottery launched in May 2018. Interactive casino gaming activities launched in July 2019.