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# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION

**WASHINGTON, D.C. 20549**

# FORM 10-K

**(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, 2023**
**OR**

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

**Commission file number: 1-12882**

BOYDGAMING

# BOYD GAMING CORPORATION

**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Nevada**<br>**(State or other jurisdiction of incorporation or organization)** | **88-0242733**<br>**(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:**

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| 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 ☐

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 | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| | | Emerging growth company | ☐ |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the 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, 2023, 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 $ 4.9 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 19, 2024 |
|---|---|
| **Common stock, $0.01 par value** | **96,053,191** |

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the definitive Proxy Statement for the registrant's 2024 Annual Meeting of Stockholders to be filed pursuant to Regulation 14A within 120 days after the registrant's fiscal year end of December 31, 2023 are incorporated by reference into Part III of this Form 10-K.

**BOYD GAMING CORPORATION**
**ANNUAL REPORT ON FORM 10-K**
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**
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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 and Missouri where online sports-betting has not been legalized 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 and to act opportunistically to make strategic acquisitions.

***Properties***

We view each of our 28 gaming entertainment properties as an operating segment. For financial reporting purposes, we aggregate these properties 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 approximately 880 gaming units in approximately 160 locations across the state of Illinois as of December 31, 2023.

For financial information related to our segments as of and for the three years in the period ended December 31, 2023, see Note 14, *Segment Information,* to our consolidated financial statements presented in Part II, Item 8 .

As of December 31, 2023, we operate 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 1,711,201 square feet of casino space, 28,917 slot machines, 617 table games and 10,405 hotel rooms. We derive the majority of our revenues from gaming at our gaming entertainment properties and Lattner, which generated approximately 70% and 75% of our revenues in 2023 and 2022, respectively. Online revenues from Boyd Interactive and third-party 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 11% and 7% of our revenues in 2023 and 2022, respectively. Food & beverage revenues, room revenues, management fee revenues and other revenues separately contributed 8% or less of revenues in each of 2023 and 2022.

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, 2023:

| | | Location | Year Opened or Acquired | Casino Space (Sq. ft.) | Slot Machines | Table Games | Hotel Rooms | Hotel Occupancy | Average Daily Rate |
|---|---|---|---|---|---|---|---|---|---|
| **Las Vegas Locals** | | | | | | | | | |
| Gold Coast Hotel and Casino | | Las Vegas, NV | 2004 | 88,915 | 1,461 | 41 | 712 | 52% | $ 67 |
| The Orleans Hotel and Casino | | Las Vegas, NV | 2004 | 135,460 | 1,831 | 57 | 1,885 | 66% | $ 75 |
| Sam's Town Hotel and Gambling Hall | | Las Vegas, NV | 1979 | 120,681 | 1,422 | 14 | 645 | 51% | $ 81 |
| Suncoast Hotel and Casino | | Las Vegas, NV | 2004 | 95,898 | 1,394 | 25 | 427 | 73% | $ 101 |
| Eastside Cannery Casino and Hotel | | Las Vegas, NV | 2016 | •• | •• | •• | •• | •• | •• |
| Aliante Casino + Hotel + Spa | | North Las Vegas, NV | 2016 | 125,000 | 1,455 | 21 | 202 | 86% | $ 118 |
| Cannery Casino Hotel | | North Las Vegas, NV | 2016 | 86,000 | 1,208 | 20 | 200 | 75% | $ 96 |
| Jokers Wild | | Henderson, NV | 1993 | 23,698 | 344 | N/A | N/A | N/A | N/A |
| **Downtown Las Vegas** | | | | | | | | | |
| California Hotel and Casino | | Las Vegas, NV | 1975 | 34,403 | 826 | 20 | 779 | 77% | $ 54 |
| Fremont Hotel & Casino | • | Las Vegas, NV | 1985 | 43,414 | 832 | 21 | 447 | 62% | $ 64 |
| Main Street Station Hotel and Casino | | Las Vegas, NV | 1993 | 26,918 | 591 | 8 | 406 | 43% | $ 62 |
| **Midwest & South** | | | | | | | | | |
| Par-A-Dice Casino | • | East Peoria, IL | 1996 | 26,116 | 553 | 18 | 202 | 53% | $ 89 |
| Belterra Casino Resort ••• | • | Florence, IN | 2018 | 70,232 | 830 | 25 | 662 | 40% | $ 93 |
| Blue Chip Casino Hotel Spa | • | Michigan City, IN | 1999 | 65,000 | 1,374 | 22 | 486 | 47% | $ 98 |
| Diamond Jo Casino | • | Dubuque, IA | 2012 | 41,408 | 705 | 18 | N/A | N/A | N/A |
| Diamond Jo Worth | • | Northwood, IA | 2012 | 34,820 | 828 | 22 | N/A | N/A | N/A |
| Kansas Star Casino | • | Mulvane, KS | 2012 | 70,010 | 1,264 | 42 | N/A | N/A | N/A |
| Amelia Belle Casino | • | Amelia, LA | 2012 | 27,484 | 668 | 11 | N/A | N/A | N/A |
| Delta Downs Racetrack Hotel & Casino | • | Vinton, LA | 2001 | 15,000 | 1,497 | N/A | 370 | 46% | $ 79 |
| Evangeline Downs Racetrack & Casino | • | Opelousas, LA | 2012 | 39,208 | 1,118 | N/A | N/A | N/A | N/A |
| Sam's Town Shreveport | • | Shreveport, LA | 2004 | 29,285 | 760 | 17 | 514 | 36% | $ 83 |
| Treasure Chest Casino | • | Kenner, LA | 1997 | 23,668 | 900 | 25 | N/A | N/A | N/A |
| IP Casino Resort Spa | • | Biloxi, MS | 2011 | 81,700 | 1,135 | 45 | 1,088 | 65% | $ 83 |
| Sam's Town Hotel and Gambling Hall Tunica | • | Tunica, MS | 1994 | 44,020 | 591 | 7 | 354 | 35% | $ 60 |
| Ameristar Casino * Hotel Kansas City ••• | | Kansas City, MO | 2018 | 140,000 | 1,641 | 42 | 184 | 77% | $ 97 |
| Ameristar Casino * Resort * Spa St. Charles ••• | | St. Charles, MO | 2018 | 130,000 | 1,763 | 46 | 397 | 78% | $ 100 |
| Belterra Park ••• | • | Cincinnati, OH | 2018 | 56,863 | 1,076 | N/A | N/A | N/A | N/A |
| Valley Forge Casino Resort | • | King of Prussia, PA | 2018 | 36,000 | 850 | 50 | 445 | 31% | $ 109 |
| **Total** | | | | 1,711,201 | 28,917 | 617 | 10,405 | | |

**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 and a captive insurance company that underwrites travel-related insurance, each located in Hawaii. Financial results for these operations are included in our Downtown Las Vegas segment, as our Downtown Las Vegas properties focus marketing efforts on gaming customers from Hawaii.

**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.

*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. The primary target market for Gold Coast consists of local customers who actively gamble. Gold Coast's amenities include 712 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 target markets for The Orleans are local residents and visitors to the Las Vegas area. 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. Its informal, friendly atmosphere appeals to both local residents and out-of-town visitors alike. 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. The primary target market for Suncoast consists of local customers who gamble frequently. Suncoast features 427 hotel rooms, multiple restaurant options, banquet and meeting facilities, 16 stadium-seating movie theaters, a showroom, and a 64-lane bowling center.

*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. The primary target market for Aliante consists of local customers who gamble frequently. 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 primary target market for Cannery consists of local customers who gamble frequently. 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.

**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, 2023, patrons from Hawaii comprised approximately 73% of the occupied room nights at the Cal, 41% of the occupied room nights at Fremont, and 54% 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 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 four land-based casinos, six 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. Each of 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 minutes from downtown Cincinnati, Ohio, 70 minutes from Louisville, Kentucky, and 90 minutes from Lexington, Kentucky and features 662 hotel rooms, a FanDuel branded sportsbook and an 18-hole championship golf course. Belterra Resort is also approximately two and one-half hours from Indianapolis, Indiana. 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 five casinos in northern Indiana and southern Michigan and, to a lesser extent, with casinos in the Chicago area and racinos located near Indianapolis. The property features 486 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.

*Diamond Jo Worth*
Diamond Jo Worth is a land-based casino situated on a 46-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 an event center, several dining options and a FanDuel branded sportsbook. A 102-room Country Inn & Suites hotel connected to the casino and a 60-room Holiday Inn Express hotel adjacent to the casino, are owned and operated by third parties.

*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 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") is a dockside riverboat casino that features a FanDuel branded sportsbook and is located on Lake Pontchartrain in the western suburbs of New Orleans, Louisiana. The portside building located adjacent to the riverboat houses two restaurants. Located approximately five miles from the New Orleans International Airport, Treasure Chest primarily serves residents of suburban New Orleans.

A $100 million project is underway to construct a new land-based casino facility to replace the existing riverboat casino. The single-level facility will feature a 47,000-square-foot casino, several new restaurants and bars, nearly 10,000 square feet of convention and meeting space, a FanDuel branded sportsbook, and parking directly adjacent to the casino entrance. The project is expected to be complete by mid-year 2024.

*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.

*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 354 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. Beginning in January 2024, we also offer 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.

*Online Sports Betting*
Through our strategic partnership with FanDuel and other third-party market access partners, we offer online sports wagering in Illinois, Indiana, Iowa, Kansas, Lousisana, 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 17 food and beverage options and live entertainment.

***Competition***

Our properties generally operate in highly competitive environments. We compete against other gaming companies as well as 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 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. 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 and online gaming. 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. The ability to use a smartphone to play is in the early stages of rollout and will be expanded further pending regulatory approval.

*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 state jurisdictions, 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.

***Human Capital and Labor Relations***

As of December 31, 2023, we had 16,129 Team Members, including 15,308 Team Members at our properties and 821 Team Members in our corporate function. We have collective bargaining agreements with three unions covering 1,107 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. Additionally, in 2023, we completed our efforts to increase the hourly minimum rate to $15 per hour for all non-tipped, non-represented positions.

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.

We are committed to the diversity, equity and inclusion of our workforce. Currently, 51% of our workforce are women and 53% are minority Team Members. As a Company, we work hard to promote and increase the diversity of our workforce. Our goals include attracting, retaining and growing individuals that reflect the diversity of the communities where we do business, developing policies and practices that help our Team Members realize their potential, and creating goodwill with our Team Members and customers. We seek feedback from our Team Members through an annual Team Member Opinion Survey to measure the culture and to improve our work environment for Team Members. The annual survey regularly achieves over 80% participation. Through our most recent annual Team Member Opinion Survey, 85% of Team Members reported high levels of satisfaction in regard to being treated with respect regardless of race, ethnicity, gender, age or any other aspect of team member identity. In January 2023, we received a five-star rating in Newsweek magazine's annual listing of America's Greatest Workplaces for Diversity. We are proud that we were the only gaming company to receive a perfect rating in this listing, which was compiled through anonymous employee surveys nationwide.

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 high average tenure of 8.6 years. In our most recent survey, 76% of Team Members reported high levels of job satisfaction.

**Corporate Social Responsibility ("CSR")**
We believe our focus on CSR issues is consistent with our values and an integral part of our success as a Company. Dating back to our Company's founding nearly 50 years ago, 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, contributing millions of dollars 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 diversity and inclusion, where Team Members of every background have the ability to realize their full potential and build a rewarding career with us. We have established the Boyd Gaming Diversity Council, as well as 17 property-level diversity committees across seven states. These committees are tasked with promoting diversity and inclusion across our workplaces nationwide, as well as the successful execution of our Company's diversity goals. Our commitment to being an employer of choice has been recognized by Newsweek magazine, which awarded Boyd Gaming a perfect five-star rating in America's Greatest Workplaces for Diversity in 2023. Boyd was also recognized by Newsweek as one of America's Greatest Workplaces for Women in 2023, as well as one of America's Best Large Employers by Forbes magazine for 2023. Our commitment to diversity and inclusion extends beyond our workforce to our communities as we prioritize leveraging our supply chain to create opportunities for diverse and underrepresented businesses in our communities.

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 financial 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. Additionally, we circulate communications throughout the year to Team Members regarding key responsible gaming practices. 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 incorporated in Nevada in June 1988. Our principal executive offices are located at 6465 South Rainbow Boulevard, Las Vegas, NV 89118, and our main telephone number is (702) 792-7200. Our website is 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, NV 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 each of our properties are located;
- the factors that contribute to our ongoing success and our ability to be successful in the future;
- 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, the impact of competition on our operations, our ability to respond to such competition, and our expectations regarding continued competition in the markets in which we compete;
- our expectation regarding the trends that will affect the gaming industry over the next few years and the impact of these trends on growth of the gaming industry, future development opportunities and merger and acquisition activity in general;
- our intention to pursue expansion opportunities, including acquisitions, that are a good fit for our business, deliver a solid return for stockholders, and are available at the right price;
- our compliance with government regulations, including our ability to receive and maintain necessary approvals for our projects;
- that our credit agreement and our cash flows from operating activities will be sufficient to meet our respective 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 expectations regarding the expansion of sports betting and online wagering;
- 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;
- that estimates and assumptions made in the preparation of financial statements in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") may differ from actual results; and
- our estimates as to the effect of any changes in our Consolidated EBITDA on our ability to remain in compliance with certain covenants in the credit agreement.

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 the risks and uncertainties associated with them. 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 from time to time with the SEC.

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.

**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 as a result of inflation and downturns in the economy.***

Consumer demand for entertainment and other amenities at casino hotel properties such as ours are 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 as a result of inflation and the COVID-19 pandemic may be similarly altered for an extended period of time. We cannot say when, if ever, or to what extent, customer behavior in our various markets will fully revert to prior trends. 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.

***The COVID-19 pandemic, the public response to it and related economic consequences have had and could continue to have an adverse effect on our business, operations, financial condition and results.***

As a result of the COVID-19 global pandemic and related measures to prevent its spread, all of our gaming facilities were closed in mid-March 2020 in response to orders from public officials and government regulations. As of December 31, 2023, 27 of our 28 gaming entertainment properties are open and operating, while one property in Las Vegas remains closed as a result of business demand and cost containment measures. We cannot predict whether we will be required to temporarily close some or all of our properties in the future. Our business, operations, financial condition and results have been, and could again be, negatively affected as a result of the COVID-19 pandemic.

During 2020 and 2021 we were required to reduce or eliminate the offering of certain amenities and otherwise limit the availability of certain offerings to align with public health and safety recommendations and customer preferences as a result of the COVID-19 pandemic, such as deactivating a substantial number of gaming devices to maintain social distancing and limiting restaurant seating, as well as substantially limiting the number of customers we were permitted to admit at any time. Such measures necessarily impact business volume and may impact customer behavior and business demand. Our business, operations, financial condition and results may be materially, negatively affected to the extent demand for our casinos and customer preference and behavior is altered as a result of the COVID-19 pandemic. We cannot predict the extent to which the global pandemic and public response may negatively affect business operating results in the future.

Uncertainties related to the magnitude, duration, and persistent effects of the COVID-19 pandemic may significantly adversely affect our business and results of operations. These uncertainties include, among other things: the duration, impact and severity of the COVID-19 pandemic in the locations where our properties are located; additional closures or other actions as mandated or otherwise made necessary by governmental authorities; disruptions in the supply chain and logistics constraints; the duration of the volatility and disruption in the capital markets from the COVID-19 pandemic and its impact on the global economy; and an increasingly competitive labor market due to a sustained labor shortage or increased turnover caused by the COVID-19 pandemic.

The foregoing has also impacted our workforce, suppliers, contractors and other partners. We cannot predict the extent to which the above factors will cause our costs to increase or may lead to business failures or our inability to provide services or products for our partners.

***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 data, manage 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, transmission, and storage 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 a privacy law, known as 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 these changing and increasingly burdensome and sometimes conflicting 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, result in 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.

While we maintain cyber insurance coverage to protect against these risks to the Company, such insurance is unlikely to fully mitigate the impact of any information breach.

***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 cyber-attacks and protect our systems will be sufficient to ensure uninterrupted operation of our digital platform and provide absolute security. We may in the future experience, 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 or difficult for our users to interact with. 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, which could harm our brand perception, cause our users to stop utilizing our product.

If our systems are damaged, breached, attacked, interrupted, or otherwise cease to function properly, we may have to make a significant investment 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 casinos and hotel casinos of varying quality and size in market areas where our properties are located. 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 further competition for us. The casino entertainment business is characterized by competitors that vary considerably in their size, quality and type of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, amenities, management talent and geographic diversity. In most markets, we compete directly with other casino facilities operating in the immediate and surrounding market areas. In some markets, 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. It is possible that 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. Because we are highly leveraged, after satisfying our obligations under our outstanding indebtedness, 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.

***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 $107.8 million, $40.8 million and $8.2 million were recorded as a result of our 2023, 2022 and 2021 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, as well as 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 and 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, in addition to regulations applicable to businesses generally, including regulation with respect to alcoholic beverages, smoking, currency transactions, taxation, zoning and building codes, anti-money laundering laws and regulations 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 a significant 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.

To date, we have obtained all governmental licenses, findings of suitability, registrations, permits and approvals necessary for the operation of our properties. However, 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 or will not be revoked. 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 of the United States 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, and such taxes and fees are subject to increase at any time and such increases may be retroactive to prior years.

If there is any material increase in state and local taxes and fees, our business, financial condition and results of operations could 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.

***We own facilities located in areas that experience extreme weather conditions.***

Extreme weather conditions may interrupt our operations, damage our properties and reduce the number of customers who visit our facilities in the affected areas.

For example, certain of the properties we operate have been forced to close for extended periods due to floods and hurricanes.

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

In the past, 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. 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.

While we maintain insurance coverage that covers certain of the costs and loss of revenue that we incur as a result of some extreme weather conditions, our coverage is subject to deductibles and limits on maximum benefits. There can be no assurance that we will be able to fully collect, if at all, on any claims resulting from extreme weather conditions. If any of our properties are damaged or if their operations are disrupted because of extreme weather in the future, or if extreme weather adversely impacts general economic or other conditions in the areas in which our properties are located or from which they draw their 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 Las Vegas properties also draw a substantial number of customers from specific geographic areas, including the Southern California, Arizona and Las Vegas local markets. Due to our significant concentration of properties in Nevada, any man-made or natural disasters and public health outbreaks in or around Nevada, or the areas from which we draw customers to our Las Vegas properties, could have a significant adverse effect on our business, financial condition and results of operations. In recent years, our Las Vegas business was materially impacted as a result of the COVID-19 pandemic and experienced reduction in visitation from customers in these geographic areas. Each of our properties located outside of Nevada depends primarily on visitors from their respective surrounding regions and is subject to comparable risk.

***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 Treasure Chest, 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.

***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 parcels of land on which our hotels and gaming facilities are located. As a ground lessee, we have the right to use the leased land; however, we do not retain fee ownership in the underlying land. Accordingly, with respect to the leased land, we will have no interest in the land or improvements thereon at the expiration of the ground leases. Moreover, since we do not completely control the land underlying the 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 leased land 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 land and any improvements on the land, including the 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 $2.9 billion of long-term debt on a consolidated basis as of December 31, 2023 (of which approximately $1.0 billion was outstanding under the Credit Facility) and which includes approximately $44.3 million of current maturities of long-term debt and excludes approximately $13.4 million in aggregate outstanding letters of credit. In addition, an aggregate amount of approximately $1,193.3 million was available for borrowing under the Revolving Credit Facility as of December 31, 2023.

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. Beginning with the fiscal quarter ended September 30, 2023, the maximum CTNL Ratio must be no higher than 4.50 to 1.00 and prior to that was 5.00 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.

***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, or our subsidiaries', current debt levels, the related risks that we or they now 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 $108.4 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.

The Master Leases include additional provisions that restrict our ability to freely operate and could have an adverse effect on our business and financial condition, including the following:

- Escalations in Rent - We are obligated to pay base rent under the Master Leases, and base rent is composed of building base rent and land base rent. Every year of a Master Lease's term, building base rent is subject to an annual escalation of up to 2% and we may be required to pay the escalated building base rent regardless of our revenues, profit or general financial condition.
- Variable Rent - We are obligated to pay percentage rent under the Master Leases, which is re-calculated every two years. Such percentage rent shall equal 4% of the change between (i) the average net revenues for the trailing two-year period and (ii) 50% of the trailing 12 months net revenues as of the month ending immediately prior to the execution of the Master Leases. We may be required to pay an increase in percentage rent based on increases in net revenues without a corresponding increase in our profits.
- Pooled Lease - One of our Master Leases is a pooled lease arrangement, which prohibits us from divesting any individual OpCo without GLPI's prior consent. Any divestiture of all of the OpCos also requires GLPI's prior consent, except for limited circumstances where the purchaser meets various financial and gaming operations experience requirements. These limitations on transfer could adversely impact our ability to manage our business.
- Guaranties - One of our Master Lease Agreements is guaranteed by certain subsidiaries of the tenant (the "Lease Guarantors"). A default under any of such Master Lease guaranties that is not cured within the applicable grace period will constitute an event of default under the Master Lease.
- Effect of End of Term or Not Renewing the Master Leases - If we do not renew the Master Leases at the stipulated renewals or we do not enter into new master leases at the end of the applicable terms, we will be required to sell the business of the relevant tenant. If we cannot agree on acceptable terms of sale with a qualified successor tenant, GLPI will select a successor tenant to purchase our business through a competitive auction. If this occurs, we will be required to transfer our business to the highest bidder at the auction, subject to regulatory approvals.

**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 Chair of the Board of Directors and Exectuvie Vice President, together with her immediate family, beneficially owned approximately 28% of the Company's outstanding shares of common stock as of December 31, 2023. 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 enterprise risk management ("ERM") approach, 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, security 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 overall ERM policies and practices, our cybersecurity program focuses on the following areas:

- **Vigilance:** 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 maintain a comprehensive, 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 periodic 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 additionally 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 a cybersecurity incident and the 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, risk management, 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, threat modeling, vulnerability testing, and other exercises focused on evaluating the effectiveness of our cybersecurity measures. We regularly engage third parties to perform assessments on our cybersecurity measures, 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 by the assessments, audits and reviews.

*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. The 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. The 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 each year, the Board discusses the Company's approach to cybersecurity risk management with our Chief Information Security Officer.

Our Chief Information Security Officer is the member of our management team that is principally responsible for overseeing our cybersecurity risk management program, in partnership with other business leaders across the Company. The Company's Chief Information Security Officer has served in various roles in information technology and information security for over 25 years. The Chief Information Security Officer holds an undergraduate degree in Business Administration with a major in Accounting and Finance and a graduate degree in International Management. The Chief Information Security Officer also holds advanced certifications as a Certified Information Systems Security Professional and as a Qualified Technology Executive granted by Digital Directors Network. The Chief Information Security Officer works in coordination with the other members of management, which includes, but is not limited to, the Company's President and Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Digital Officer, Chief Information Officer, and General Counsel. The Company's Chief Information Officer has served in various roles in information technology and information security for over 29 years. The Chief Information Officer holds an undergraduate degree in Electronic Engineering from DeVry University and graduate degree in Technology Management. The Company's 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 Chief Digital Officer has served in various roles in information technology and information security for over 25 years. The Chief Digital Officer holds a degree in political science with a minor in accounting from Belmont University. 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 have years of experience with managing risks at the Company and in environments similar to the Company's, including risks arising from cybersecurity threats.

Our Chief Information Security Officer 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 Chief Information Security Officer 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 its business strategy, results of operations, or financial condition. We believe with the cybersecurity and governance program we have in place that we have implemented 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.

**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, 2023, 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 19, 2024, the closing sales price of our common stock on the NYSE was $63.37 per share. On that date, we had approximately 490 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 June 1, 2022, and $500.0 million on May 4, 2023. We repurchased 6.5 million shares during the year ended December 31, 2023. As of December 31, 2023, $326.3 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, 2023.

| 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, 2023 through October 31, 2023 | 555,075 | $ 59.07 | 555,075 | $ 393,519,592 |
| November 1, 2023 through November 30, 2023 | 596,625 | 57.70 | 596,625 | 359,093,193 |
| December 1, 2023 through December 31, 2023 | 538,815 | 60.85 | 538,815 | 326,306,473 |
| **Totals** | 1,690,515 | $ 59.15 | 1,690,515 | $ 326,306,473 |

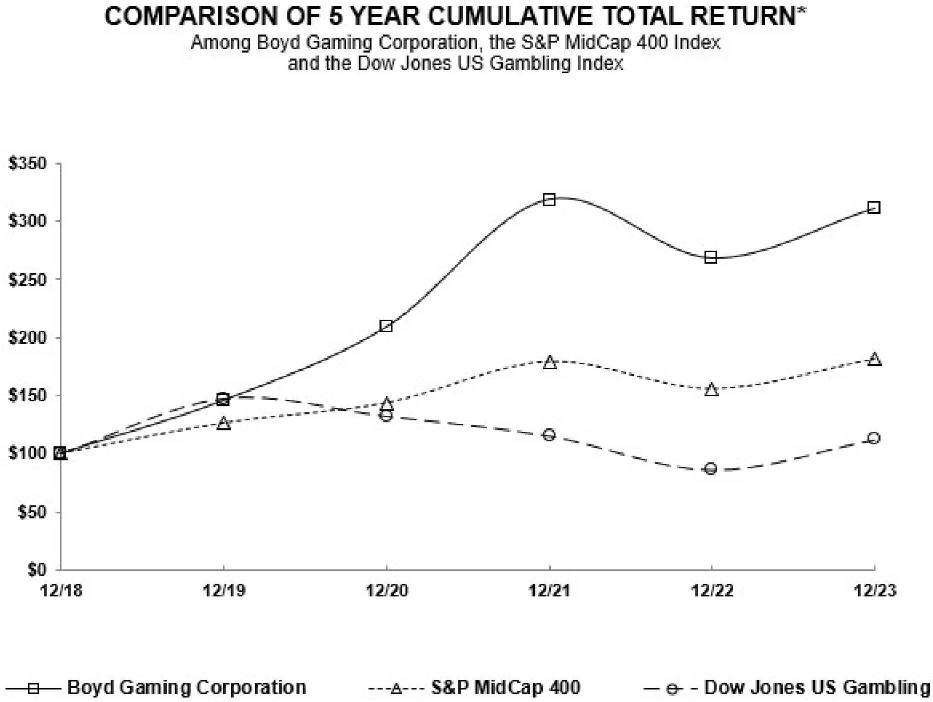
Subject to applicable corporate securities laws, repurchases under the Share Repurchase Program may be made at such times and in such amounts as we deem appropriate. We are subject to certain limitations regarding the repurchase of common stock, such as restricted payment limitations contained in our 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 2024 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.*

***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 400") and to the Dow Jones U.S. Gambling Index ("Dow Jones GI"). The performance graph assumes that $100 was invested on December 31, 2018 in each of the Company's common stock, the S&P 400 and Dow Jones GI, 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.




*$100 invested on 12/31/18 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.



| | Indexed Returns | | |
|---|---|---|---|
| | Boyd Gaming Corp. | S&P 400 | Dow Jones GI |
| December 2019 | 145.52 | 126.20 | 147.56 |
| December 2020 | 208.60 | 143.44 | 132.30 |
| December 2021 | 318.69 | 178.95 | 115.34 |
| December 2022 | 267.99 | 155.58 | 86.00 |
| December 2023 | 310.79 | 181.15 | 112.08 |

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, 2021, and changes from the year ended December 31, 2021 to the year ended December 31, 2022, 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, 2022. Given the segment recast, as discussed below, and the separation of online revenue and management fee revenue from other revenue in the first quarter of 2023, the Company has provided changes, from the year ended December 31, 2021 to the year ended December 31, 2022, for those segments, including the Midwest & South segment, Online segment and Managed & Other category, and revenue sources, including online revenue, management fee revenue, and other revenue, that were impacted by the recast. The changes to the reportable segments had no impact to the Company's consolidated financial statements and the separation of online revenue and management fee revenue from other revenue on the statement of operations had no impact to the Company's total revenues, net income or earnings per share as previously reported. 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 commitments to create a workplace environment that embraces diversity and inclusion and 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 are a good 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, 2023, we have 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. During the first quarter of 2023, the Company evaluated its reportable segments and changed them from three reportable segments consisting of: (i) Las Vegas Locals; (ii) Downtown Las Vegas; and (iii) Midwest & South, to the following four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online, (collectively "Reportable Segments"). This change reflects the growth of the Company beyond its traditional wholly owned gaming entertainment properties and the increasing importance to the Company of other growth sources. 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 recent acquisition of Pala Interactive and Pala Canada (individually and collectively rebranded, "Boyd Interactive") on November 1, 2022, and such operating results were previously included with the Midwest & South segment. 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. These nonreportable operating segments were previously aggregated with our Midwest & South segment.

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 remains closed since it was closed on March 18, 2020, 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.

We also own a travel agency and a captive insurance company that underwrites travel-related insurance, each located in Hawaii. Financial results for these operations 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 hotel, dining, 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 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 the players' cashless wallet "BoydPay", subject to 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, fund acquisitions, provide excess cash for future development, repay debt financing and associated interest costs, repurchase our debt or equity securities, and pay income taxes and dividends.

**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 and a focus on maximizing gaming revenues while operating as efficiently as possible.

***Balance Sheet Strength***
We are committed to maintaining the strength of our balance sheet and finding opportunities to diversify and increase our cash flow. We intend to take a balanced approach to 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, development of 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 and a 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 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 have established a culture that promotes 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 wallet "BoydPay", deposited in table games drop boxes, plus the sum of markers issued at all table games, are measures of volume and/or market share. *Slot win* and *table game hold*, which mean the difference between customer wagers and customer winnings on slot machines and table games, respectively, represent the amount of wagers retained by us and recorded as gaming revenues. Slot win percentage and table game hold percentage, which are not fully controllable by us, 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.

**RESULTS OF OPERATIONS**
**Overview**

| *(In millions)* | Year Ended December 31, 2023 | 2022 |
|---|---|---|
| Total revenues | $ 3,738.5 | $ 3,555.4 |
| Operating income | 901.8 | 981.2 |
| Net income | 620.0 | 639.4 |

***Total Revenues***

Total revenues increased $183.1 million, or 5.2%, for 2023 as compared to 2022 due primarily to an increase in our online revenues of $168.3 million, including an increase of $120.1 million over the prior year of revenues from reimbursements of gaming taxes and other expenses paid on behalf of our online partners. Online revenues increased year over year due primarily to: (i) the launch of online gaming in Ohio in January 2023; (ii) the increase in revenues from reimbursements of gaming taxes and other expenses, as discussed above; (iii) organic growth in Pennsylvania as the online market continues to mature; and (iv) the acquisition of Boyd Interactive on November 1, 2022, which accounted for an increase of $28.6 million. Additionally, during the year ended December 31, 2023, we earned $76.9 million in management fees related to our management agreement with Wilton Rancheria. As Sky River Casino opened on August 15, 2022, there was only $26.9 million of revenue associated with this management agreement in 2022. Offsetting the increase in online revenue and Sky River Casino management fee income, is a decline of $61.4 million in gaming revenue for the year ended December 31, 2023, as compared to the prior year comparable period. The decline in gaming revenue is primarily due to an approximate 4% decline in retail play throughout our Las Vegas Locals and Midwest & South segments that became more prominent starting in the fourth quarter of the prior year as the retail player is generally more sensitive to changes in the economy. Our Downtown Las Vegas segment did not experience a decline in retail play like our other two gaming entertainment property segments as both the Las Vegs Locals and Midwest & South segments cater to local customers whereas Downtown Las Vegas is more heavily reliant on tourism. Nevada tourism remained strong in 2023 with an approximate 5% growth in visitation over the prior year. In addition, the gaming revenue decline in the current year is compounded by a strong prior year, particularly in the Las Vegas Locals segment, as Las Vegas benefited from the lifting of mask mandates and COVID restrictions during the prior year second quarter, which was the first full quarter without restrictions since the COVID closures in 2020.

***Operating Income***

In 2023, our operating income decreased $79.4 million, or 8.1%, as compared to 2022. While revenues grew by $183.1 million, $120.1 million of the 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 of the reimbursement is also recorded as expense. In 2023, operating income was unfavorably impacted by $107.8 million in impairment of assets, of which $21.3 million related to gaming license rights in our Midwest & South segment, $82.0 million related to goodwill in our Online segment and $4.5 million related to goodwill in our Managed & Other category. Additionally in 2022, operating income was favorably impacted by a $12.7 million gain on the sale of land and a $12.6 million gain from insurance proceeds received for business interruption and lost profits related to Hurricane Laura and unfavorably impacted by $40.8 million in impairment of assets related to our Midwest & South segment. Operating income was further unfavorably impacted in 2023 by inflationary impacts and increases in costs including wages, utilities and property insurance that were most prevalent in our gaming entertainment property segments and contributed to a 150-basis point decline in overall margins in the three segments combined.

***Net Income***

For the year ended December 31, 2023, net income was $620.0 million, compared with net income of $639.4 million for the prior year. This decrease was primarily attributable to the $79.4 million decrease in operating income, as discussed above, and a $20.0 million interest expense increase due to a 110-basis point increase in the weighted average interest rate offset by a $42.8 million decline in the weighted average debt balance. Net income was favorably impacted by a $19.8 million decrease in loss on early extinguishments and modifications of debt due primarily to the retirement of $300.0 million aggregate principal amount of our 8.625% Senior Notes due 2025 ("8.625% Senior Notes") in June 2022 and a decrease in the income tax provision of $56.5 million driven by the release of state tax valuation allowances of $35.9 million in 2023 combined with operational performance declines and thus lower resulting taxes.

**Operating Revenues**

We derive the majority of our revenues from our gaming operations, which generated approximately 70% and 75% of our revenues in 2023 and 2022, 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 11% and 7% of revenues in 2023 and 2022, respectively. Food & beverage revenues, room revenues, management fee revenues and other revenues separately contributed less than 8% of revenues in each of 2023 and 2022.

| | Year Ended December 31, | | |
|---|---|---|---|
| *(In millions)* | 2023 | 2022 | 2021 |
| **REVENUES** | | | |
| Gaming | $ 2,613.3 | $ 2,674.7 | $ 2,705.5 |
| Food & beverage | 288.5 | 276.0 | 230.0 |
| Room | 199.1 | 189.1 | 154.2 |
| Online | 422.2 | 253.9 | 172.5 |
| Management fee | 76.9 | 26.9 | — |
| Other | 138.5 | 134.8 | 107.6 |
| **Total revenues** | $ 3,738.5 | $ 3,555.4 | $ 3,369.8 |
| **DEPARTMENTAL OPERATING EXPENSES** | | | |
| Gaming | $ 1,000.2 | $ 1,005.8 | $ 999.5 |
| Food & beverage | 240.9 | 231.4 | 192.3 |
| Room | 73.5 | 68.4 | 57.6 |
| Online | 359.0 | 213.9 | 148.3 |
| Other | 46.3 | 45.6 | 34.7 |
| **Total departmental operating expenses** | $ 1,719.9 | $ 1,565.1 | $ 1,432.4 |
| **MARGINS** | | | |
| Gaming | 61.7% | 62.4% | 63.1% |
| Food & beverage | 16.5% | 16.2% | 16.4% |
| Room | 63.1% | 63.8% | 62.6% |
| Online | 15.0% | 15.8% | 14.0% |
| Other | 66.6% | 66.2% | 67.8% |

***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 $61.4 million, or 2.3%, decrease in gaming revenues during 2023 as compared to the prior year, was primarily due to declines in table game hold, table game drop and slot handle of 5.5%, 3.6% and 2.7%, respectively. While core customer play was up year over year in all three gaming entertainment property segments, softness in our retail customer in the Las Vegas Locals and Midwest & South segments, as discussed above, drove gaming revenue declines year over year.

***Food & Beverage***

Food & beverage revenues increased $12.4 million, or 4.5%, during 2023 as compared to prior year, primarily due to an increase in average guest check of 5.4%. During 2023, we opened eight new restaurants and bars across our portfolio, which helped contribute to the year over year food & beverage revenue growth. Food & beverage margins remained consistent year over year.

***Room***

Room revenues increased $10.0 million, or 5.3%, in 2023 compared to 2022 due primarily to a 1.5% increase in average daily rate. Room margins remained consistent year over year.

***Online***

Online revenues increased $168.3 million in 2023 compared to 2022 primarily driven by the launch of online gaming in Ohio in January 2023, organic growth in Pennsylvania and results from Boyd Interactive, which was acquired in the fourth quarter of 2022, all as discussed above. Online revenues include reimbursements of gaming taxes and other expenses paid on behalf of our online partners which represented $120.1 million of the increase for 2023 compared to 2022.

Online revenues increased $81.4 million in 2022 compared to 2021 primarily driven by an increase in reimbursements of gaming taxes and other expenses paid on behalf of our online partners of $61.2 million as online expanded into Louisiana and Kansas in 2022. Operating results in 2022 were also impacted by $4.3 million in online revenues related to the acquisition of Boyd Interactive on November 1, 2022.

***Management Fee***

Management fee revenues of $76.9 million and $26.9 million in 2023 and 2022, respectively, relate to our management agreement with Wilton Rancheria to manage the Sky River Casino in northern California. The Sky River Casino opened on August 15, 2022, and thus we earned a full year of management fees in 2023 versus less than five months in the prior year. There were no management fees earned during 2021.

***Other***

Other revenues relate to patronage visits at the other amenities at our properties, including entertainment and retail revenue, and other revenues related to our properties, such as ATM commissions. Other revenues increased by $3.7 million, or 2.8%, during 2023 as compared to the prior year. The increase is primarily driven by all three gaming entertainment property segments as entertainment and convention business continued to grow, particularly in Las Vegas after the lifting of mask mandates and COVID restrictions in February 2022.

Other revenues increased by $27.3 million, or 25.3%, during 2022 as compared to 2021. The revenue growth is from other amenities, such as entertainment and group business, returning after the COVID-related closures and lifting of large group restrictions. Corresponding period-over-period increases in other expenses reflect primarily the corresponding costs of entertainment and group business.

**Revenues and Adjusted EBITDAR by Reportable Segment**

We determine profitability based upon Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Rent ("Adjusted EBITDAR"), which represents earnings before interest expense, 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 and captive insurance company in Hawaii. Results for our nonreportable operating segments, including Lattner 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. 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.

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

| | Year Ended December 31, | | |
|---|---|---|---|
| ***(In millions)*** | **2023** | **2022** | **2021** |
| **Total revenues** | | | |
| Las Vegas Locals | $ 928.1 | $ 930.7 | $ 886.1 |
| Downtown Las Vegas | 222.4 | 215.3 | 155.8 |
| Midwest & South | 2,042.0 | 2,076.1 | 2,105.8 |
| Online | 422.2 | 253.9 | 172.5 |
| Managed & Other | 123.8 | 79.4 | 49.6 |
| **Total revenues** | $ 3,738.5 | $ 3,555.4 | $ 3,369.8 |
| **Adjusted EBITDAR (1)** | | | |
| Las Vegas Locals | $ 471.0 | $ 481.6 | $ 473.2 |
| Downtown Las Vegas | 85.5 | 86.1 | 51.3 |
| Midwest & South | 781.7 | 830.8 | 892.1 |
| Online | 62.3 | 39.7 | 23.6 |
| Managed & Other | 84.5 | 41.0 | 11.3 |
| Corporate expense | (90.2) | (88.7) | (85.5) |
| **Adjusted EBITDAR** | $ 1,394.8 | $ 1,390.5 | $ 1,366.0 |

(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 $2.6 million, or 0.3%, during 2023 as compared to the prior year, due primarily to a $15.6 million decline in gaming revenues. The decrease in gaming revenues was attributable to declines in table game hold of 7.7%, table game drop of 6.3%, slot handle of 4.1% and slot win of 2.8% over the prior year. While core guest play grew year over year, softness in play from retail customers drove declines year over year. Offsetting the decline in gaming revenues were increases in the following: (i) room revenues of $8.4 million, which was driven by increases in average daily rate of 3.0% and hotel occupancy rate of 1.7% from the prior year; (ii) other revenues of $2.6 million, which was primarily driven by increased entertainment, bowling and spa services over the prior year with the lifting of COVID restrictions in February 2022; and (iii) food & beverage revenues of $2.0 million, which was primarily due to an increase in average guest check of 7.0% from the prior year.

Adjusted EBITDAR decreased $10.7 million, or 2.2%, during 2023 as compared to the prior year, due primarily to the revenue decline discussed above and inflationary pressures and cost increases, including wages, utilities and property insurance costs.

***Downtown Las Vegas***

Total revenues increased $7.1 million, or 3.3%, during 2023 as compared to the prior year, reflecting revenue increases in all departmental categories. Total revenues in 2023, particularly during the first quarter of 2023, were favorably impacted by Fremont's new food hall, expanded slot offering and FanDuel sportsbook, which all debuted in December 2022. After the debut of these new amenities in December 2022, we began work on a renovation of the Fremont's gaming floor. Despite this construction disruption, Fremont grew revenues year over year with its refreshed product and increased visitation to Las Vegas, however this growth was offset by a decline in revenue at Main Street Station, which underwent a hotel remodel that began in the second quarter of 2023 and resulted in only approximately 50% of Main Street Station's rooms being available during the third and fourth quarters of 2023.

Adjusted EBITDAR decreased $0.5 million during 2023 as compared to the prior year. Despite the revenue growth in 2023, Adjusted EBITDAR declined primarily due to the construction disruption combined with inflationary pressures and increased costs that impacted our Las Vegas Locals segment also, as discussed above.

***Midwest & South***

Total revenues decreased $34.1 million, or 1.6%, in 2023 as compared to 2022, due primarily to a $47.4 million decline in gaming revenues. The decrease in gaming revenues was attributable to declines in table game hold of 5.4%, table game drop of 2.0%, slot handle of 2.1% and slot win of 1.4% over the prior year. The gaming revenues decline is driven primarily by our properties in Louisiana and Mississippi and softness in those overall markets, particularly in the first half of the year as year over year declines improved during the year, as well as overall softness in the retail customer throughout the segment. Offsetting the gaming revenues decline was an increase in food & beverage revenues of $9.8 million, which was primarily driven by a 4.6% increase in average guest check.

Total revenues decreased $29.7 million, or 1.4%, in 2022 as compared to 2021, due primarily to a gaming revenue decline of $66.8 million, as compared to the prior year. Slot win decreased 6.5% driven primarily by government stimulus payments to our customers in the second quarter of 2021, limited competing entertainment options during the year ended December 31, 2021, hurricane construction recovery in 2021 that contributed to the incremental play at our Mississippi and Louisiana properties and a winter storm in December 2022 that impacted the entire segment. The decline in gaming revenue is offset by an increase in food & beverage revenue of $19.1 million, as compared to the prior year, due primarily to a 3.8% increase in average guest check as food covers were flat to prior year. In addition, room revenue increased by $8.8 million, as compared to the prior year, as average daily rate increased 1.4% with occupancy flat to prior year.

Adjusted EBITDAR decreased $49.1 million, or 5.9%, in 2023 as compared to 2022, due primarily to the gaming revenue declines, as discussed above, as well as inflationary pressures and increased wages, utilities and property insurance costs, as noted above as impacting both Las Vegas segments.

Adjusted EBITDAR decreased by $61.3 million, or 6.9%, in 2022 as compared to 2021, due primarily to the 6.5% decrease in slot win, as discussed above, and the return of lower margin amenities after the lifting of COVID restrictions throughout 2021 in many of our markets in the Midwest & South segment.

***Online***

Online revenues increased $168.3 million, or 66.3%, in 2023 as compared to 2022, primarily driven by the launch of online gaming in Ohio in January 2023, organic growth in Pennsylvania and results from Boyd Interactive, which was acquired in the fourth quarter of 2022, all as discussed above. Online revenues include reimbursements of gaming taxes and other expenses paid on behalf of our online partners and represented $120.1 million of the online revenues increase for 2023 as compared to 2022.

Online revenues increased $81.4 million in 2022 compared to 2021 primarily driven by an increase in reimbursements of gaming taxes and other expenses paid on behalf of our online partners of $61.2 million as online expanded into Louisiana and Kansas in 2022. Operating results in 2022 were also impacted by $4.3 million in online revenues related to the acquisition of Boyd Interactive on November 1, 2022.

Adjusted EBITDAR increased by $22.6 million, or 56.7%, in 2023 as compared to 2022, due primarily to the increase in revenue, excluding reimbursements of gaming taxes and other expenses paid on behalf of our online partners, as discussed above.

Adjusted EBITDAR increased by $16.2 million, or 68.7%, in 2022 as compared to 2021, due primarily to the increase in revenue, excluding reimbursements of gaming taxes and other expenses paid on behalf of our online partners, as discussed above.

***Managed & Other***

In 2023, total revenues increased by $44.5 million and Adjusted EBITDAR increased by $43.5 million, as compared to 2022, due primarily to a $50.0 million increase in Sky River Casino management fees during 2023 over the prior year. The Sky River Casino opened on August 15, 2022, and thus management fees earned under this agreement for 2022, represented less than five months of fees earned in the prior year. There were no management fees earned during 2021.

In 2022, total revenues increased by $29.7 million over 2021 and Adjusted EBITDAR increased by $29.7 million in 2022 as compared to 2021, due primarily to the opening of Sky River Casino in August 2022 and the $26.9 million in management fees earned in 2022 upon the property opening.

**Other Operating Costs and Expenses**

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

| | Year Ended December 31, | |
|---|---|---|
| ***(In millions)*** | **2023** | **2022** |
| Selling, general and administrative | $ 389.9 | $ 374.0 |
| Master lease rent expense | 108.4 | 106.6 |
| Maintenance and utilities | 151.0 | 143.5 |
| Depreciation and amortization | 256.8 | 258.2 |
| Corporate expense | 116.0 | 117.0 |
| Project development, preopening and writedowns | (8.9) | (18.9) |
| Impairment of assets | 107.8 | 40.8 |
| Other operating items, net | (4.2) | (12.2) |

***Selling, General and Administrative***

Selling, general and administrative expenses include marketing, technology, compliance and risk, surveillance and security. These costs, as a percentage of total revenues, were generally consistent at 10.4% and 10.5% for 2023 and 2022, respectively. We continue to focus on our disciplined operating model and targeted marketing approach.

***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 $108.4 million and $106.6 million during 2023 and 2022, respectively.

***Maintenance and Utilities***

Maintenance and utilities expenses, as a percentage of total revenues, remained consistent at 4.0% for both 2023 and 2022.

***Depreciation and Amortization***

Depreciation and amortization expense remained generally consistent at $256.8 million and $258.2 million in 2023 and 2022, respectively.

***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 3.1% and 3.3% of total revenues for 2023 and 2022, 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 non-recurring in nature and vary from period to period as the volume of underlying activities fluctuate. During 2023, the Company benefited from a $20.1 million reduction of the allowance on a note receivable with Wilton Rancheria (the "Wilton Note") for development advances over the last 10 years offset by preopening costs of $10.0 million. The project development, preopening and writedowns expense in 2022, primarily related to the following: (i) a $20.4 million reduction of the allowance on the Wilton Note for development advances over the last 10 years; (ii) a $12.7 million gain on sale of land; offset by (iii) an $8.3 million non-cash asset writedown; and (iv) preopening costs of $5.5 million related to the acquisition of Boyd Interactive.

***Impairment of Assets***
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.

Impairment of assets in 2022 includes non-cash impairment charges of $9.2 million for trademarks and $31.6 million for goodwill in our Midwest & South segment due primarily to an increase in the discount rate over the prior year.

***Other Operating Items, Net***
Other operating items, net, is generally comprised of miscellaneous non-recurring operating charges, including severance payments to separated employees, natural disasters and severe weather impacts, including hurricane and flood expenses, and subsequent recoveries of such costs, as applicable. The $4.2 million of other operating items, net in 2023, was primarily driven by a one-time settlement payment received. During 2022, $12.6 million of other operating items, net, related to a gain from the settlement of our insurance claim for business interruption and lost profits from the closure of Delta Downs for approximately three weeks in August and September 2020 due to Hurricane Laura.

**Other Expense (Income)**
***Interest Expense, Net***

| | Year Ended December 31, | |
|---|---|---|
| ***(In millions)*** | **2023** | **2022** |
| Interest Expense, Net of Capitalized Interest and Interest Income | $ 147.4 | $ 129.7 |
| Average Long-Term Debt Balance (1) | 2,945.2 | 2,988.0 |
| Loss on Early Extinguishments and Modifications of Debt | — | 19.8 |
| Weighted Average Interest Rates | 5.4% | 4.3% |
| | | |
| **Mix of Debt at Year End** | | |
| Fixed rate debt | 64.5% | 61.5% |
| Variable rate debt | 35.5% | 38.5% |

(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 $17.7 million, or 13.6%, from 2022 to 2023. The increase was attributable to a 110-basis point increase in the weighted average interest rate offset by a $42.8 million decline in the weighted average debt balance, which was primarily driven by the retirement of the remaining $300.0 million outstanding balance of the 8.625% Senior Notes in June 2022 and the incremental borrowings under the Credit Facility on November 1, 2022, to fund the $175.2 million purchase of Boyd Interactive.

***Loss on Early Extinguishments and Modifications of Debt***
During 2022, the Company incurred $16.5 million in loss on early extinguishments and modifications of debt due to the redemption of $300.0 million aggregate principal amount of our 8.625% Senior Notes, of which $12.9 million related to premium fees paid and $3.6 million related to the write-off of unamortized deferred finance charges. In addition, during 2022, the Company incurred $3.3 million in loss on early extinguishments and modifications of debt as a result of entering into a new credit agreement (the "Credit Facility") that replaced the then existing credit agreement. The $3.3 million incurred related to the write-off of unamortized deferred finance charges associated with the portion accounted for as a debt extinguishment.

***Income Taxes***
The effective tax rate on income from continuing operations during 2023 and 2022 was 17.6% and 22.9%, respectively. Our effective tax rate for 2023 was favorably impacted by a second quarter 2023 release of state valuation allowances and the inclusion of excess tax benefits related to equity compensation, as a component of the provision for income taxes, which were partially offset by the unfavorable impact of certain nondeductible expenses, including nondeductible compensation and employee benefits. Our effective tax rate for 2022 was unfavorably impacted by state taxes and certain nondeductible expenses, including non-deductible compensation and employee benefits which were partially offset by the inclusion of excess tax benefits related to equity compensation, as a component of the provision for income taxes.

**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 $304.3 million and $283.5 million at December 31, 2023 and 2022, respectively. In addition, we held restricted cash balances of $3.7 million and $11.6 million at December 31, 2023 and 2022, respectively. Our working capital deficit at December 31, 2023 and 2022 was $67.0 million and $107.9 million, respectively.

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, | |
|---|---|---|
| ***(In millions)*** | **2023** | **2022** |
| **Net cash provided by operating activities** | $ 914.5 | $ 976.1 |
| | | |
| **Cash flows from investing activities** | | |
| Capital expenditures | (374.0) | (269.2) |
| Cash paid for acquisitions, net of cash received | — | (167.9) |
| Payments received on note receivable | 113.6 | — |
| Insurance proceeds received from hurricane losses | — | 0.6 |
| Proceeds received from disposition of assets | — | 22.0 |
| Other investing activities | (3.9) | (7.8) |
| **Net cash used in investing activities** | (264.3) | (422.3) |
| | | |
| **Cash flows from financing activities** | | |
| Net borrowings (payments) under credit facilities | (141.5) | 319.9 |
| Retirements of senior notes | — | (300.0) |
| Premium fees | — | (12.9) |
| Debt financing costs | — | (16.7) |
| Shares repurchased and retired | (412.7) | (541.6) |
| Dividends paid | (63.6) | (48.2) |
| Share-based compensation activities, net | (19.3) | (15.1) |
| Other financing activities | (0.1) | (1.3) |
| **Net cash used in financing activities** | (637.2) | (615.9) |
| **Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash** | (0.1) | — |
| **Increase (decrease) in cash, cash equivalents and restricted cash** | $ 12.9 | $ (62.1) |

***Cash Flows from Operating Activities***
During 2023 and 2022, we generated net operating cash flow of $914.5 million and $976.1 million, respectively. Operating cash flows for 2023 declined due to $12.6 million in business interruption insurance proceeds received related to Hurricane Laura during 2022. Additionally, cash flows decreased over the prior year due primarily to a $23.6 million increase in income taxes paid and a $22.7 million increase in interest expense paid offset by a $12.0 million increase in interest income received.

***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 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.

During 2022, we incurred net cash outflows for investing activities of $422.3 million comprised of capital expenditures of $269.2 million, primarily related to a casino expansion at our Fremont property, inclusive of incremental slot capacity, a FanDuel branded sportsbook and contemporary food hall, as well as new slot machines for all our properties, guest room remodels, IT equipment and various furniture and equipment purchases and building projects at our properties. Investing cash outflow was also impacted by net cash paid of $167.9 million related to the acquisition of Boyd Interactive, offset by $22.0 million in proceeds from the disposition of excess land.

***Cash Flows from Financing Activities***
We rely upon our financing cash flows to provide funding for investment opportunities, repayments of obligations and ongoing operations.

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.

The net cash outflows of $615.9 million for financing activities in 2022 is primarily driven by $541.6 million in share repurchases and $48.2 million in dividends paid. Other significant financing activities during 2022 include the retirement of the remaining $300.0 million 8.625% Senior Notes and related premium fees, offset by $319.9 million in net borrowings as we borrowed on our Revolving Credit Facility (see "*Indebtedness*") to finance the acquisition of Boyd Interactive and to support share repurchase activity.

**Indebtedness**

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

| *(In millions)* | December 31, 2023 | December 31, 2022 | Decrease |
|---|---|---|---|
| Credit Facility | $ 1,046.3 | $ 1,187.8 | (141.5) |
| 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 | 0.7 | (0.2) |
| **Total long-term debt** | 2,946.8 | 3,088.5 | (141.7) |
| Less current maturities | 44.3 | 44.3 | — |
| **Long-term debt, net of current maturities** | $ 2,902.5 | $ 3,044.2 | $ (141.7) |

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:

| *(In millions)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Revolving Credit Facility | $ 180.0 | $ 285.0 |
| Term A Loan | 803.0 | 847.0 |
| Swing Loan | 63.3 | 55.8 |
| **Total outstanding principal amounts** | $ 1,046.3 | $ 1,187.8 |

With a total revolving credit commitment of $1,450.0 million available under the Credit Facility, $180.0 million and $63.3 million in borrowings outstanding on the Revolving Credit Facility and the Swing Loan, respectively, and $13.4 million allocated to support various letters of credit, there is a remaining contractual availability under the Credit Facility of $1,193.3 million as of December 31, 2023.

*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 7.2% and 6.2% at December 31, 2023 and December 31, 2022, 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.

***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. In addition, at any time prior to June 15, 2024, we may redeem up to 40% of the aggregate principal amount of the 4.750% Senior Notes due 2031 at a redemption price (expressed as percentages of the principal amount) equal to 104.750%, plus accrued and unpaid interest and Additional Interest.

*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 its 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, 2023, the available borrowing capacity under our Credit Facility was $1,193.3 million.

***Covenant Compliance***

As of December 31, 2023, 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,*** | |
| 2024 | $ 44.3 |
| 2025 | 44.2 |
| 2026 | 44.0 |
| 2027 | 1,914.3 |
| 2028 | — |
| Thereafter | 900.0 |
| **Total outstanding principal of long-term debt** | $ 2,946.8 |

**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:

| | December 31, | |
|---|---|---|
| *(In millions)* | 2023 | 2022 |
| Current assets | $ 496.0 | $ 443.7 |
| Noncurrent assets | 9,588.6 | 8,767.9 |
| Current liabilities | 550.6 | 534.2 |
| Noncurrent liabilities | 3,944.6 | 4,136.8 |

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

| *(In millions)* | Year Ended December 31, 2023 |
|---|---|
| Revenues | $ 3,768.7 |
| Operating income | 1,741.4 |
| Income before income taxes | 1,570.9 |
| Net income | 1,419.4 |

**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 |

**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.

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 June 1, 2022, and $500.0 million on May 4, 2023. 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 6.5 million shares and 9.4 million shares during the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, we are authorized to repurchase up to an additional $326.3 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 2024 for hotel room renovation projects at four 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 2024, we expect to spend an additional $100 million in growth projects, which includes the completion of the new land-based facility at Treasure Chest.

**CONTRACTUAL OBLIGATIONS**
The following summarizes our undiscounted contractual obligations as of December 31, 2023:

| | Year Ending December 31, | | | | | | |
|---|---|---|---|---|---|---|---|
| *(In millions)* | Total | 2024 | 2025 | 2026 | 2027 | 2028 | Thereafter |
| **CONTRACTUAL OBLIGATIONS** | | | | | | | |
| **Long-Term Debt** | | | | | | | |
| Credit Facility | $ 1,046.3 | $ 44.0 | $ 44.0 | $ 44.0 | $ 914.3 | $ — | $ — |
| 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 | 0.3 | 0.2 | — | — | — | — |
| **Total long-term debt** | 2,946.8 | 44.3 | 44.2 | 44.0 | 1,914.3 | — | 900.0 |
| **Interest on Fixed Rate Debt (1)** | 505.0 | 90.3 | 90.3 | 90.3 | 86.3 | 42.8 | 105.0 |
| **Interest on Variable Rate Debt (1)** | 223.0 | 73.8 | 70.6 | 67.5 | 11.1 | — | — |
| **Operating Leases - Master Leases** | 245.0 | 108.9 | 108.9 | 27.2 | — | — | — |
| **Operating Leases - Other** | 386.9 | 22.7 | 20.1 | 18.5 | 17.2 | 16.8 | 291.6 |
| **Purchase Obligations (2)** | 141.9 | 85.7 | 22.1 | 10.1 | 4.5 | 2.8 | 16.7 |
| **TOTAL CONTRACTUAL OBLIGATIONS** | $ 4,448.6 | $ 425.7 | $ 356.2 | $ 257.6 | $ 2,033.4 | $ 62.4 | $ 1,313.3 |

(1) Estimated interest payments are based on principal amounts and scheduled maturities of debt outstanding at December 31, 2023. Estimated interest payments for variable-rate debt are based on rates at December 31, 2023.
(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.

**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, 2023, we had outstanding letters of credit totaling $13.4 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 $3.5 billion at December 31, 2023, or 56.2% 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 2023 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, 2023, resulted in a gaming license right impairment charge of $13.1 million .

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 fourth quarter 2023 triggering event review, we recorded gaming license right impairment charges of $8.2 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, 2023, the Company recorded $21.3 million of gaming license right impairments, as noted above, related to two gaming license rights in the Midwest & South segment that had estimated fair values that did not exceed their respective carrying values. 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.

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, 2023, resulted in goodwill impairment charges of $82.0 million. We evaluate quarterly whether any triggering events or changes in circumstances have occurred that would indicate an impairment condition more than likely would not 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 been a triggering event or change in circumstances that indicated an impairment condition existed during the first quarter of 2023, and we recorded goodwill impairment charges of $4.5 million as part of our first quarter 2023 impairment review.

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 $947.3 million. For the year ended December 31, 2023, the Company recorded $82.0 million of goodwill impairments related to the Online segment and a $4.5 million goodwill impairment related to the Managed & Other category. Additionally, 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 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. For the year ended December 31, 2023, the Company recorded a $35.9 million release of state tax valuation allowances that favorably impacted the income tax provision for 2023. 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 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.

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. While we believe our uncertain tax benefits, if any, 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.

**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, as described in Note 2, *Acquisition*, to our consolidated financial statements presented in Part II, Item 8, for an aggregate purchase price of approximately $175.2 million. 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, 2023 and 2022, and the results of its operations and cash flows are reported in our consolidated statements of operations and cash flows, respectively, from the November 1, 2022 date of acquisition through December 31, 2023.

**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 increases have slowed in 2023 with the Federal Reserve only increasing the federal funds rate by 100-basis points, in 2022 the 400-basis point federal funds rate increase demonstrates significant changes can occur in a short time period 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:

| | Scheduled Maturity Date | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Year Ending December 31, | | | | | | | |
| ***(In millions)*** | **2024** | **2025** | **2026** | **2027** | **2028** | **Thereafter** | **Total** | **Fair Value** |
| *Long-term debt (including current portion):* | | | | | | | | |
| Fixed-rate | $ 0.3 | $ 0.2 | $ — | $ 1,000.0 | $ — | $ 900.0 | $ 1,900.5 | $ 1,777.0 |
| Average interest rate | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | 4.8% | |
| Variable-rate | $ 44.0 | $ 44.0 | $ 44.0 | $ 914.3 | $ — | $ — | $ 1,046.3 | $ 1,021.2 |
| Average interest rate | 7.2% | 7.2% | 7.2% | 7.2% | —% | —% | 7.2% | |

As of December 31, 2023, our long-term variable-rate borrowings represented approximately 35.5% of total long-term debt. Based on December 31, 2023 debt levels, a 100-basis-point change in the interest rate would cause our annual interest costs to change by approximately $10.5 million.

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

| | December 31, 2023 | | |
|---|---|---|---|
| ***(In millions)*** | **Outstanding Face Amount** | **Carrying Value** | **Estimated Fair Value** |
| Credit Facility | $ 1,046.3 | $ 1,032.9 | $ 1,021.2 |
| 4.750% senior notes due 2027 | 1,000.0 | 992.2 | 957.5 |
| 4.750% senior notes due 2031 | 900.0 | 889.9 | 819.0 |
| Other | 0.5 | 0.5 | 0.5 |
| **Total long-term debt** | $ 2,946.8 | $ 2,915.5 | $ 2,798.2 |

The estimated fair value of our Credit Facility is based on a relative value analysis performed on or about December 31, 2023. The estimated fair values of our Senior Notes are based on quoted market prices as of December 31, 2023. The other debt is fixed-rate debt and the fair value for this obligation has been estimated to equal its carrying value as there are no observable market inputs. See also "Liquidity and Capital Resources" above.

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

The following consolidated financial statements for the three years in the period ended December 31, 2023 are filed as part of this Report:



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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, 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, 2023, 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 26, 2024, expressed an adverse opinion on the Company's internal control over financial reporting because of a material weakness.

**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, 2023, the carrying value of goodwill and gaming license rights indefinite-lived intangible assets was $947.3 million and $1,100.6 million, respectively. For the year ended December 31, 2023, the Company recorded $86.5 million of goodwill impairments, of which $82.0 million related to the Company’s Online segment and $4.5 million related to Managed & Other, the Company’s aggregated other nonreportable operating segments category. For the year ended December 31, 2023, the Company also recorded impairments of $21.3 million for gaming license rights indefinite-lived intangible assets related to the Company’s Midwest & South segment. Additionally, another reporting unit and a gaming license right indefinite-lived intangible asset in the Company’s Midwest & South segment had estimated fair values that did not significantly exceed their respective carrying values. 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.

*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 the Board of Directors, 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 26, 2024

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

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

| *(In thousands, except share data)* | December 31, 2023 | 2022 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 304,271 | $ 283,472 |
| Restricted cash | 3,659 | 11,593 |
| Accounts receivable, net | 137,892 | 109,053 |
| Inventories | 20,692 | 22,173 |
| Prepaid expenses and other current assets | 59,293 | 49,379 |
| Income taxes receivable | 3,508 | 2,558 |
| **Total current assets** | 529,315 | 478,228 |
| Property and equipment, net | 2,542,512 | 2,394,236 |
| Operating lease right-of-use assets | 793,335 | 830,345 |
| Other assets, net | 67,779 | 147,439 |
| Intangible assets, net | 1,392,844 | 1,427,135 |
| Goodwill, net | 947,341 | 1,033,744 |
| **Total assets** | $ 6,273,126 | $ 6,311,127 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **Current liabilities** | | |
| Accounts payable | $ 124,668 | $ 129,946 |
| Current maturities of long-term debt | 44,275 | 44,275 |
| Accrued liabilities | 427,379 | 411,913 |
| **Total current liabilities** | 596,322 | 586,134 |
| Long-term debt, net of current maturities and debt issuance costs | 2,871,223 | 3,005,134 |
| Operating lease liabilities, net of current portion | 711,387 | 758,440 |
| Deferred income taxes | 288,826 | 318,609 |
| Other liabilities | 61,266 | 52,185 |
| **Commitments and contingencies (Note 9)** | | |
| **Stockholders' equity** | | |
| Preferred stock, $0.01 par value, 5,000,000 shares authorized | — | — |
| Common stock, $0.01 par value, 200,000,000 shares authorized; 96,832,453 and 102,816,110 shares outstanding | 968 | 1,028 |
| Additional paid-in capital | — | 305,152 |
| Retained earnings | 1,744,232 | 1,285,827 |
| Accumulated other comprehensive loss | (1,098) | (1,382) |
| **Total stockholders' equity** | 1,744,102 | 1,590,625 |
| **Total liabilities and stockholders' equity** | $ 6,273,126 | $ 6,311,127 |

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

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

| *(In thousands, except per share data)* | Year Ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|
| **Revenues** | | | |
| Gaming | $ 2,613,288 | $ 2,674,730 | $ 2,705,523 |
| Food & beverage | 288,417 | 275,979 | 230,045 |
| Room | 199,117 | 189,071 | 154,180 |
| Online | 422,211 | 253,898 | 172,518 |
| Management fee | 76,921 | 26,905 | — |
| Other | 138,538 | 134,794 | 107,544 |
| **Total revenues** | 3,738,492 | 3,555,377 | 3,369,810 |
| **Operating costs and expenses** | | | |
| Gaming | 1,000,240 | 1,005,830 | 999,528 |
| Food & beverage | 240,879 | 231,447 | 192,334 |
| Room | 73,490 | 68,383 | 57,627 |
| Online | 358,988 | 213,918 | 148,273 |
| Other | 46,323 | 45,626 | 34,718 |
| Selling, general and administrative | 389,891 | 373,964 | 366,156 |
| Master lease rent expense | 108,398 | 106,616 | 104,702 |
| Maintenance and utilities | 151,014 | 143,527 | 126,115 |
| Depreciation and amortization | 256,780 | 258,179 | 267,787 |
| Corporate expense | 115,963 | 117,007 | 117,675 |
| Project development, preopening and writedowns | (8,935) | (18,936) | 31,815 |
| Impairment of assets | 107,837 | 40,775 | 8,200 |
| Other operating items, net | (4,207) | (12,183) | 14,776 |
| **Total operating costs and expenses** | 2,836,661 | 2,574,153 | 2,469,706 |
| **Operating income** | 901,831 | 981,224 | 900,104 |
| **Other expense (income)** | | | |
| Interest income | (23,886) | (21,530) | (1,819) |
| Interest expense, net of amounts capitalized | 171,247 | 151,249 | 199,442 |
| Loss on early extinguishments and modifications of debt | — | 19,815 | 95,155 |
| Other, net | 1,563 | 2,884 | 3,387 |
| **Total other expense, net** | 148,924 | 152,418 | 296,165 |
| **Income before income taxes** | 752,907 | 828,806 | 603,939 |
| Income tax provision | (132,884) | (189,429) | (140,093) |
| **Net income** | $ 620,023 | $ 639,377 | $ 463,846 |
| | | | |
| **Basic net income per common share** | $ 6.12 | $ 5.87 | $ 4.07 |
| Weighted average basic shares outstanding | 101,325 | 108,885 | 113,866 |
| | | | |
| **Diluted net income per common share** | $ 6.12 | $ 5.87 | $ 4.07 |
| Weighted average diluted shares outstanding | 101,373 | 109,004 | 114,103 |

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

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

| *(In thousands)* | Year Ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|
| **Net income** | $ 620,023 | $ 639,377 | $ 463,846 |
| Other comprehensive income (loss), net of tax: | | | |
| Fair value adjustments to available-for-sale securities | 123 | ( 1,258) | ( 330) |
| Foreign currency translation adjustments | 161 | 56 | — |
| **Comprehensive income** | $ 620,307 | $ 638,175 | $ 463,516 |

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

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

| *(In thousands, except share data)* | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Total |
|---|---|---|---|---|---|---|
| **Balances, January 1, 2021** | 111,830,857 | $ 1,118 | $ 876,433 | $ 246,242 | $ 150 | $ 1,123,943 |
| Net income | — | — | — | 463,846 | — | 463,846 |
| Comprehensive loss, net of tax | — | — | — | — | (330) | (330) |
| Stock options exercised | 371,016 | 4 | 4,405 | — | — | 4,409 |
| Release of restricted stock units, net of tax | 349,231 | 3 | (8,209) | — | — | (8,206) |
| Release of performance stock units, net of tax | 61,983 | 1 | (1,908) | — | — | (1,907) |
| Shares repurchased and retired | (1,309,947) | (13) | (80,769) | — | — | (80,782) |
| Share-based compensation costs | — | — | 37,773 | — | — | 37,773 |
| **Balances, December 31, 2021** | 111,303,140 | 1,113 | 827,725 | 710,088 | (180) | 1,538,746 |
| Net income | — | — | — | 639,377 | — | 639,377 |
| Comprehensive loss, net of tax | — | — | — | — | (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 |
| **Balances, December 31, 2022** | 102,816,110 | 1,028 | 305,152 | 1,285,827 | (1,382) | 1,590,625 |
| Net income | — | — | — | 620,023 | — | 620,023 |
| Comprehensive income, net of tax | — | — | — | — | 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 |
| **Balances, December 31, 2023** | 96,832,453 | $ 968 | $ — | $ 1,744,232 | $ (1,098) | $ 1,744,102 |

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

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

| *(In thousands)* | Year Ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| **Net income** | $ 620,023 | $ 639,377 | $ 463,846 |
| **Adjustments to reconcile net income to net cash provided by operating activities:** | | | |
| Depreciation and amortization | 256,780 | 258,179 | 267,787 |
| Amortization of debt financing costs and discounts on debt | 7,761 | 8,551 | 11,172 |
| Non-cash operating lease expense | 78,811 | 65,204 | 45,599 |
| Non-cash expected credit loss (income) on note receivable | (34,371) | (35,100) | — |
| Share-based compensation expense | 32,379 | 34,066 | 37,773 |
| Deferred income taxes | (29,842) | 51,030 | 133,860 |
| Non-cash impairment of assets | 107,837 | 40,775 | 8,200 |
| Gain on sale of assets | — | (13,407) | — |
| Loss on early extinguishments and modifications of debt | — | 19,815 | 95,155 |
| Other operating activities | 1,665 | 9,517 | 10,356 |
| **Changes in operating assets and liabilities, excluding the impact of acquisitions:** | | | |
| Accounts receivable, net | (28,810) | (16,761) | (36,027) |
| Inventories | 1,481 | (2,083) | 2,526 |
| Prepaid expenses and other current assets | (10,369) | (8,476) | (2,088) |
| Income taxes (receivable) payable, net | (950) | (2,951) | 401 |
| Other assets, net | 1,307 | (7,857) | (5,727) |
| Accounts payable and accrued liabilities | (10,345) | 891 | 14,819 |
| Operating lease liabilities | (78,811) | (65,204) | (45,599) |
| Other liabilities | (30) | 545 | 8,358 |
| **Net cash provided by operating activities** | 914,516 | 976,111 | 1,010,411 |
| **Cash Flows from Investing Activities** | | | |
| Capital expenditures | (373,950) | (269,155) | (199,452) |
| Cash paid for acquisitions, net of cash received | — | (167,862) | — |
| Payments received on note receivable | 113,555 | — | — |
| Insurance proceeds received from hurricane losses | — | 586 | 63,200 |
| Proceeds received from disposition of assets | — | 21,953 | — |
| Other investing activities | (3,935) | (7,834) | 6,672 |
| **Net cash used in investing activities** | (264,330) | (422,312) | (129,580) |

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

| | Year Ended December 31, | | |
|---|---|---|---|
| *(In thousands)* | 2023 | 2022 | 2021 |
| **Cash Flows from Financing Activities** | | | |
| Borrowings under credit facilities | 1,505,800 | 2,122,100 | — |
| Payments under credit facilities | ( 1,647,300) | ( 1,802,197) | ( 28,288) |
| Proceeds from issuance of senior notes | — | — | 900,000 |
| Retirements of senior notes | — | ( 300,000) | ( 1,750,000) |
| Premium fees | — | ( 12,939) | ( 77,736) |
| Debt financing costs | — | ( 16,682) | ( 14,457) |
| Share-based compensation activities | ( 19,312) | ( 15,082) | ( 5,704) |
| Shares repurchased and retired | ( 412,655) | ( 541,642) | ( 80,782) |
| Dividends paid | ( 63,609) | ( 48,162) | — |
| Other financing activities | ( 172) | ( 1,248) | ( 1,735) |
| **Net cash used in financing activities** | ( 637,248) | ( 615,852) | ( 1,058,702) |
| **Effect of foreign currency exchange rates on cash, cash equivalents and restricted cash** | ( 73) | ( 10) | — |
| **Change in cash, cash equivalents and restricted cash** | 12,865 | ( 62,063) | ( 177,871) |
| **Cash, cash equivalents and restricted cash, beginning of year** | 295,065 | 357,128 | 534,999 |
| **Cash, cash equivalents and restricted cash, end of year** | $ 307,930 | $ 295,065 | $ 357,128 |
| **Supplemental Disclosure of Cash Flow Information** | | | |
| Cash paid for interest, net of amounts capitalized | $ 166,682 | $ 144,020 | $ 205,241 |
| Cash received for interest | 11,999 | — | — |
| Cash paid for income taxes | 164,482 | 140,924 | 5,721 |
| **Supplemental Schedule of Non-cash Investing and Financing Activities** | | | |
| Payables incurred for capital expenditures | $ 23,509 | $ 7,348 | $ 4,826 |
| Dividends declared not yet paid | 15,508 | 15,476 | — |
| Operating lease right-of-use asset and liability remeasurements | — | ( 11,224) | 3,349 |
| Expected credit loss (income) on note receivable | ( 34,371) | ( 35,100) | — |

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

## 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, 2023, 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.

During the first quarter of 2023, the Company evaluated its reportable segments and changed them from three reportable segments consisting of: (i) Las Vegas Locals; (ii) Downtown Las Vegas; and (iii) Midwest & South, to the following four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online, (collectively "Reportable Segments"). This change reflects the growth of the Company beyond its traditional wholly owned gaming entertainment properties and the increasing importance to the Company of other growth sources. 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 recent acquisition of Pala Interactive, LLC ("Pala Interactive") and its subsidiaries, including its Canadian subsidiary Pala Interactive Canada Inc. ("Pala Canada") (individually and collectively, rebranded "Boyd Interactive") on November 1, 2022, and such operating results were previously included with the Midwest & South segment. 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 ("Lattner"), our Illinois distributed gaming operator. These nonreportable operating segments were previously aggregated with our Midwest & South segment. 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 remains closed since it was closed on March 18, 2020, 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.

In addition to these properties, we own a travel agency and a captive insurance company that underwrites travel-related insurance, each located in Hawaii. Financial results for our travel agency and our captive insurance company 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 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.

***Recasted Consolidated Statements of Operations***
In the first quarter of 2023, the Company separated out online revenue and management fee revenue from other revenue. This change was a result of increased contributions to the Company in these two areas and related update to our reportable segments, as previously discussed. Revenue for the years ended December 31, 2022 and 2021 has been recast to conform to this presentation. The disaggregation of online revenue and management fee revenue from other revenue did not impact the Company's total revenues, net income or earnings per share as previously reported for the years ended December 31, 2022 and 2021.

***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.

| *(In thousands)* | December 31, 2023 | December 31, 2022 | December 31, 2021 | December 31, 2020 |
|---|---|---|---|---|
| Cash and cash equivalents | $ 304,271 | $ 283,472 | $ 344,557 | $ 519,182 |
| Restricted cash | 3,659 | 11,593 | 12,571 | 15,817 |
| **Total cash, cash equivalents and restricted cash** | $ 307,930 | $ 295,065 | $ 357,128 | $ 534,999 |

***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. An estimated allowance for doubtful accounts 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:

| | Year Ended December 31, | | |
|---|---|---|---|
| ***(In thousands)*** | **2023** | **2022** | **2021** |
| **Beginning balance, January 1,** | $ 2,595 | $ 3,338 | $ 4,106 |
| Additions | 984 | 1,557 | 171 |
| Deductions | (851) | (2,300) | (939) |
| **Ending balance, December 31,** | $ 2,728 | $ 2,595 | $ 3,338 |

***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 and market indicators of terminal year free cash flow multiples. 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 $ 3.2 million for the year ended December 31, 2023. There was immaterial capitalized interest for the year ended December 31, 2022 and $ 0.1 million for the year ended December 31, 2021.

***Investment in Available for Sale Securities***

We have an investment in a single municipal bond issuance of $ 17.1 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, 2023 and 2022 was $ 13.3 million and $ 13.7 million, respectively. At both December 31, 2023 and 2022, $ 0.7 million is included in prepaid expenses and other current assets and at December 31, 2023 and 2022, $ 12.6 million and $ 13.0 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,*** | | |
|---|---|---|
| 2024 | $ | 730 |
| 2025 | | 785 |
| 2026 | | 845 |
| 2027 | | 910 |
| 2028 | | 975 |
| Thereafter | | 12,835 |
| **Total** | $ | 17,080 |

***Intangible Assets***

Intangible assets include customer relationships, host agreements, development agreements, developed technology, B2B relationships, B2C relationships, 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.

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 and market indicators of terminal year free cash flow multiples.

*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.

For indefinte-lived 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 and market indicators of terminal year free cash flow multiples.

***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.

We evaluate goodwill for impairment at the reporting until 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 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. During the third and fourth quarters of 2023, we determined that there were not any adjustments necessary to our valuation allowance.

***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.

***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:

| | Year Ended December 31, | | |
|---|---|---|---|
| ***(In thousands)*** | **2023** | **2022** | **2021** |
| **Beginning balance, January 1,** | $ 37,492 | $ 42,563 | $ 45,436 |
| Additions | | | |
| Charged to costs and expenses | 68,981 | 81,249 | 88,806 |
| Payments made | (72,616) | (86,320) | (91,679) |
| **Ending balance, December 31,** | $ 33,857 | $ 37,492 | $ 42,563 |

***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, 2023, 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.

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:

| | Year Ended December 31, | | |
|---|---|---|---|
| ***(In thousands)*** | **2023** | **2022** | **2021** |
| Food & beverage | $ 119,202 | $ 116,364 | $ 104,309 |
| Rooms | 62,521 | 65,485 | 60,536 |
| Other | 8,679 | 8,818 | 6,599 |

***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 $ 512.0 million, $ 523.2 million and $ 536.3 million for the years ended December 31, 2023, 2022 and 2021, respectively. Gaming taxes recorded as online expense, excluding taxes paid under collaborative arrangements (see *Collaborative Arrangements* below for further discussion), totaled $ 6.2 million and $ 0.4 million for the years ended December 31, 2023 and 2022, respectively. There was not any gaming tax recorded as online expense for the year ended December 31, 2021.

***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 $ 22.4 million, $ 18.7 million and $ 16.1 million for the years ended December 31, 2023, 2022 and 2021, 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).

***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, we receive a revenue share from the third-party operator 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 $ 328.0 million, $ 207.9 million and $ 146.7 million for the years ended December 31, 2023, 2022 and 2021, 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.

***Recently Adopted Accounting Pronouncements***

*Accounting Standards Update ("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.

*ASU 2020-01, Investments - Equity Securities, Topic 321, Investments - Equity Method and Joint Ventures, Topic 323, and Derivative and Hedging, Topic 815 ("Update 2020-01")*

In January 2020, the FASB issued Update 2020-01 to clarify guidance in accounting for certain equity securities under Topic 321, the guidance to account for investments under the equity method of accounting in Topic 323, and the guidance in Topic 815, which could change how an entity accounts for an equity security under the measurement alternative. Update 2020-01 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. The Company adopted Update 2020-01 during first quarter 2021 and the impact of the adoption to its consolidated financial statements was not material.

*ASU 2019-12, Income Taxes, Topic 740, Simplifying the Accounting for Income Taxes ("Update 2019-12")*

In December 2019, the FASB issued Update 2019-12 to simplify the accounting for income taxes by removing certain exceptions and clarifying the guidance in certain areas of Topic 740. Update 2019-12 is effective for financial statements issued for annual periods and interim periods beginning after December 15, 2020. The Company adopted Update 2019-12 on January 1, 2021 and the impact of the adoption to its consolidated financial statements was not material.

***Recently Issued Accounting Pronouncements***

*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.

*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 is evaluating the impact of the adoption of Update 2023-07 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. ACQUISITION

***Pala Interactive***

On November 1, 2022, Boyd Interactive Gaming Inc. ("Boyd Interactive Inc."), a wholly owned subsidiary of the Company, completed its previously announced 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.

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. 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:

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

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

| *(In thousands)* | Useful Lives (in years) | As Recorded |
|---|---|---|
| Buildings and improvements | 5 | $ 22 |
| Furniture and equipment | 2 - 5 | 423 |
| **Property and equipment acquired** | | $ 445 |

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

| *(In thousands)* | Useful Lives (in years) | As Recorded |
|---|---|---|
| Developed technology | 10 | $ 36,000 |
| B2B relationships | 7 - 10 | 28,000 |
| B2C relationships | 12 | 13,000 |
| **Total intangible assets acquired** | | $ 77,000 |

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. 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, 2023 | December 31, 2022 |
|---|---|---|
| Land | $ 338,469 | $ 334,368 |
| Buildings and improvements | 3,237,863 | 3,172,676 |
| Furniture and equipment | 1,742,666 | 1,707,212 |
| Riverboats and barges | 241,826 | 241,898 |
| Construction in progress | 182,710 | 87,612 |
| **Total property and equipment** | 5,743,534 | 5,543,766 |
| Less accumulated depreciation | ( 3,201,022) | ( 3,149,530) |
| **Property and equipment, net** | $ 2,542,512 | $ 2,394,236 |

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, 2023, 2022 and 2021 was $ 240.0 million, $ 248.4 million and $ 255.2 million, respectively.

## NOTE 4. INTANGIBLE ASSETS

Intangible assets consist of the following:

| | December 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| *(In thousands)* | Weighted Useful Life Remaining (in years) | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Intangible Assets, Net |
| ***Amortizing intangibles*** | | | | | | |
| 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 |
| | | 195,404 | ( 71,109) | — | 277 | 124,572 |
| ***Indefinite lived intangible assets*** | | | | | | |
| Trademarks | Indefinite | 199,900 | — | ( 32,275) | — | 167,625 |
| Gaming license rights | Indefinite | 1,378,081 | ( 33,960) | ( 243,474) | — | 1,100,647 |
| | | 1,577,981 | ( 33,960) | ( 275,749) | — | 1,268,272 |
| **Balances, December 31, 2023** | | $ 1,773,385 | $ ( 105,069) | $ ( 275,749) | $ 277 | $ 1,392,844 |

| (In thousands) | Weighted Useful Life Remaining (in years) | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Intangible Assets, Net |
|---|---|---|---|---|---|---|
| | December 31, 2022 | | | | | |
| ***Amortizing intangibles*** | | | | | | |
| Customer relationships | 0.6 | $ 63,050 | $ (62,070) | $ — | $ — | $ 980 |
| Host agreements | 10.4 | 58,000 | (17,722) | — | — | 40,278 |
| Development agreement | 6.6 | 21,373 | (1,145) | — | — | 20,228 |
| Developed technology | 9.8 | 36,445 | (600) | — | 53 | 35,898 |
| B2B relationships | 7.0 | 28,000 | (652) | — | 12 | 27,360 |
| B2C relationships | 11.8 | 13,000 | (181) | — | — | 12,819 |
| | | 219,868 | (82,370) | — | 65 | 137,563 |
| ***Indefinite lived intangible assets*** | | | | | | |
| Trademarks | Indefinite | 204,000 | — | (36,375) | — | 167,625 |
| Gaming license rights | Indefinite | 1,378,081 | (33,960) | (222,174) | — | 1,121,947 |
| | | 1,582,081 | (33,960) | (258,549) | — | 1,289,572 |
| **Balances, December 31, 2022** | | $ 1,801,949 | $ (116,330) | $ (258,549) | $ 65 | $ 1,427,135 |

***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.

***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 and hotel activities; royalty rate; tax expense; terminal growth rate; discount rate; and the present value of tax benefit.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**
*as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021*

*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, 2023, 2022 and 2021***
The following table sets forth the changes in these intangible assets:

| *(In thousands)* | Customer Relationships | Host Agreements | Development Agreement | Developed Technology | B2B Relationships | B2C Relationships | Trademarks | Gaming License Rights | Intangible Assets, Net |
|---|---|---|---|---|---|---|---|---|---|
| **Balance, January 1, 2021** | $ 13,038 | $ 48,011 | $ 21,373 | $ — | $ — | $ — | $ 179,200 | $ 1,120,551 | $ 1,382,173 |
| Additions | — | — | — | — | — | — | — | 1,250 | 1,250 |
| Impairments | — | — | — | — | — | — | (2,400) | — | (2,400) |
| Amortization | (8,736) | (3,867) | — | — | — | — | — | — | (12,603) |
| **Balance, December 31, 2021** | 4,302 | 44,144 | 21,373 | — | — | — | 176,800 | 1,121,801 | 1,368,420 |
| Additions | — | — | — | 36,445 | 28,000 | 13,000 | — | 146 | 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 |
| **Balance, December 31, 2022** | 980 | 40,278 | 20,228 | 35,898 | 27,360 | 12,819 | 167,625 | 1,121,947 | 1,427,135 |
| 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 |
| **Balance, December 31, 2023** | $ 40 | $ 36,411 | $ 17,175 | $ 35,724 | $ 23,486 | $ 11,736 | $ 167,625 | $ 1,100,647 | $ 1,392,844 |

***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. Future amortization is as follows:

| *(In thousands)* | Customer Relationships | Host Agreements | Development Agreement | Developed Technology | B2B Relationships | B2C Relationships | Total |
|---|---|---|---|---|---|---|---|
| ***For the year ending December 31,*** | | | | | | | |
| 2024 | $ 40 | $ 3,867 | $ 3,053 | $ 4,555 | $ 3,966 | $ 1,083 | $ 16,564 |
| 2025 | — | 3,867 | 3,053 | 4,409 | 3,914 | 1,083 | 16,326 |
| 2026 | — | 3,867 | 3,053 | 4,409 | 3,914 | 1,083 | 16,326 |
| 2027 | — | 3,867 | 3,053 | 4,408 | 3,914 | 1,083 | 16,325 |
| 2028 | — | 3,867 | 3,053 | 4,143 | 3,914 | 1,083 | 16,060 |
| Thereafter | — | 17,076 | 1,910 | 13,800 | 3,864 | 6,321 | 42,971 |
| **Total future amortization** | $ 40 | $ 36,411 | $ 17,175 | $ 35,724 | $ 23,486 | $ 11,736 | $ 124,572 |

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 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.

As a result of our annual 2021 impairment test, the Company recorded impairment charges of $ 2.4 million for trademarks related to our Las Vegas Locals segment.

**NOTE 5. GOODWILL**

Goodwill consists of the following:

| | December 31, 2023 | | | | |
|---|---|---|---|---|---|
| *(In thousands)* | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Goodwill, Net |
| **Goodwill, net by Segment** | | | | | |
| 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) | — | — |
| **Balances, December 31, 2023** | $ 1,361,399 | $ (6,134) | $ (408,078) | $ 154 | $ 947,341 |

| | December 31, 2022 | | | | |
|---|---|---|---|---|---|
| *(In thousands)* | Gross Carrying Value | Accumulated Amortization | Accumulated Impairment Losses | Effect of Foreign Currency Exchange | Goodwill, Net |
| **Goodwill, net by Segment** | | | | | |
| 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 | — | — | 20 | 94,057 |
| Managed & Other | 30,529 | — | (25,992) | — | 4,537 |
| **Balances, December 31, 2022** | $ 1,361,399 | $ (6,134) | $ (321,541) | $ 20 | $ 1,033,744 |

Goodwill as of December 31, 2022 has been recast to reflect changes made in first quarter 2023 to the Company's segments. Goodwill in total as of December 31, 2022 did not change. See additional discussion in Note 14, *Segment Information*.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**
*as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021*

*Impairments and Other Charges*
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 Boyd Interactive, and impairment charges of $ 31.6 million related to our Midwest & South segment.

During the year ended December 31, 2021, there were no changes in goodwill.

The following table sets forth the changes in our goodwill, net, during the years ended December 31, 2023, 2022 and 2021.

| *(In thousands)* | Goodwill, Net |
|---|---|
| **Balance, January 1, 2021** | $ 971,287 |
| Account activity | — |
| **Balance, December 31, 2021** | 971,287 |
| Additions | 94,037 |
| Effect of foreign currency exchange | 20 |
| Impairments | ( 31,600) |
| **Balance, December 31, 2022** | 1,033,744 |
| Effect of foreign currency exchange | 134 |
| Impairments | ( 86,537) |
| **Balance, December 31, 2023** | $ 947,341 |

## NOTE 6. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

| *(In thousands)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Payroll and related | $ 82,327 | $ 73,619 |
| Interest | 17,841 | 17,864 |
| Gaming | 68,749 | 77,638 |
| Player loyalty program | 23,850 | 25,852 |
| Advance deposits | 15,511 | 20,792 |
| Outstanding chips | 8,164 | 7,704 |
| Dividends payable | 15,508 | 15,476 |
| Operating leases | 98,867 | 88,776 |
| Other | 96,562 | 84,192 |
| **Total accrued liabilities** | $ 427,379 | $ 411,913 |

## NOTE 7. LONG-TERM DEBT

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

| | December 31, 2023 | | | |
|---|---|---|---|---|
| *(In thousands)* | 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 |
| **Total long-term debt** | | 2,946,804 | ( 31,306) | 2,915,498 |
| Less current maturities | | 44,275 | — | 44,275 |
| **Long-term debt, net** | | $ 2,902,529 | $ ( 31,306) | $ 2,871,223 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| *(In thousands)* | Interest Rates at December 31, 2022 | Outstanding Principal | Unamortized Origination Fees and Costs | Long-Term Debt, Net |
| Credit facility | 6.166% | $ 1,187,800 | $ (17,865) | $ 1,169,935 |
| 4.750% senior notes due 2027 | 4.750% | 1,000,000 | (9,740) | 990,260 |
| 4.750% senior notes due 2031 | 4.750% | 900,000 | (11,460) | 888,540 |
| Other | 5.208% | 674 | — | 674 |
| **Total long-term debt** | | 3,088,474 | (39,065) | 3,049,409 |
| Less current maturities | | 44,275 | — | 44,275 |
| **Long-term debt, net** | | $ 3,044,199 | $ (39,065) | $ 3,005,134 |

***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.

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

| *(In thousands)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| Revolving Credit Facility | $ 180,000 | $ 285,000 |
| Term A Loan | 803,000 | 847,000 |
| Swing Loan | 63,300 | 55,800 |
| **Total outstanding principal amounts** | $ 1,046,300 | $ 1,187,800 |

The Revolving Credit Facility and the Term A Loan mature on March 2, 2027 (or earlier upon occurrence or non-occurrence of certain events).

With a total revolving credit commitment of $ 1,450.0 million available under the Credit Facility, $ 180.0 million and $ 63.3 million in borrowings outstanding on the Revolving Credit Facility and on the Swing Loan, respectively, and $ 13.4 million allocated to support various letters of credit, there is a remaining contractual availability under the Credit Facility of $ 1,193.3 million at December 31, 2023.

*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.

***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, 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. In addition, at any time prior to June 15, 2024, we may redeem up to 40% of the aggregate principal amount of the 4.750% Senior Notes due 2031 at a redemption price (expressed as percentages of the principal amount) equal to 104.750 %, plus accrued and unpaid interest and Additional Interest.

*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, 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.

*Redemption of 8.625% Senior Notes due June 2025*
On November 5, 2021, we redeemed $ 300.0 million of our 8.625 % Senior Notes due June 2025 ("8.625% Senior Notes") at a redemption price that was calculated pursuant to the formula set forth in the 8.625% Indenture governing the 8.625% Senior Notes. The redemption including the redemption premium, accrued and unpaid interest, fees, expenses and commissions related to this redemption, was funded with cash on hand. On June 1, 2022, we redeemed the remaining $ 300.0 million outstanding 8.625% Senior Notes at a redemption price of 104.313 % plus accrued and unpaid interest to the redemption date. The redemptions, including the redemption premium, accrued and unpaid interest, fees, expenses and commissions related to this redemption, was funded through a combination of cash on hand and borrowings under our Revolving Credit Facility.

*Redemption of 6.000% Senior Notes due August 2026*
On June 9, 2021, we redeemed all our $ 700.0 million aggregate principal amount of 6.000 % senior notes due 2026 ("6.000% Senior Notes") at a redemption price of 103.993 % plus accrued and unpaid interest to the redemption date. The redemption was funded through the issuance of the 4.750% Senior Notes due 2031 and cash on hand. The Company used operating cash to pay the redemption premium, accrued and unpaid interest, fees, expenses and commissions related to this redemption.

*Redemption of 6.375% Senior Notes due April 2026*
On June 9, 2021, we redeemed all our $ 750.0 million aggregate principal amount of 6.375 % senior notes due 2026 ("6.375% Senior Notes") at a redemption price of 103.188 % plus accrued and unpaid interest to the redemption date. The redemption was funded through the issuance of the 4.750% Senior Notes due 2031. The Company used operating cash to pay the redemption premium, accrued and unpaid interest, fees, expenses and commissions related to this redemption.

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

The components of the loss on early extinguishments and modifications of debt are as follows:

| | Year Ended December 31, | | |
|---|---|---|---|
| ***(In thousands)*** | **2023** | **2022** | **2021** |
| 6.375% Senior Notes premium fees paid | $ — | $ — | $ 23,910 |
| 6.375% Senior Notes deferred finance charges written off | — | — | 6,370 |
| 6.000% Senior Notes premium fees paid | — | — | 27,953 |
| 6.000% Senior Notes deferred finance charges written off | — | — | 7,240 |
| 8.625% Senior Notes premium fees paid | — | 12,939 | 25,873 |
| 8.625% Senior Notes deferred finance charges written off | — | 3,570 | 3,732 |
| Prior Credit Facility deferred finance charges written off | — | 3,306 | — |
| Prior Credit Facility debt modification fees paid | — | — | 77 |
| **Total loss on early extinguishments and modifications of debt** | $ — | $ 19,815 | $ 95,155 |

***Covenant Compliance***

As of December 31, 2023, 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, 2023, the available borrowing capacity under our Credit Facility was $ 1,193.3 million.

***Scheduled Maturities of Long-Term Debt***

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

| *(In thousands)* | Total |
|---|---|
| ***For the year ending December 31,*** | |
| 2024 | $ 44,275 |
| 2025 | 44,229 |
| 2026 | 44,000 |
| 2027 | 1,914,300 |
| 2028 | — |
| Thereafter | 900,000 |
| **Total outstanding principal of long-term debt** | $ 2,946,804 |

## 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:

| | December 31, | |
|---|---|---|
| *(In thousands)* | 2023 | 2022 |
| **Deferred income tax assets** | | |
| State net operating loss carryforwards | $ 47,020 | $ 53,889 |
| Operating lease liability | 170,351 | 178,014 |
| Share-based compensation | 14,301 | 13,119 |
| Other | 28,362 | 40,144 |
| **Gross deferred income tax assets** | 260,034 | 285,166 |
| Valuation allowance | ( 10,175) | ( 59,398) |
| **Deferred income tax assets, net of valuation allowance** | 249,859 | 225,768 |
| | | |
| **Deferred income tax liabilities** | | |
| Difference between book and tax basis of property and intangible assets | 334,772 | 328,062 |
| State tax liability | 25,066 | 32,720 |
| Right-of-use asset | 166,600 | 174,373 |
| Other | 12,247 | 9,222 |
| **Gross deferred income tax liabilities** | 538,685 | 544,377 |
| **Deferred income tax liabilities, net** | $ 288,826 | $ 318,609 |

At December 31, 2023, we have state income tax net operating loss carryforwards of approximately $ 809.1 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 2024 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, 2023 due to uncertainties related to our ability to realize the tax benefits associated with these assets. The balance of this valuation allowance is $ 10.2 million as of December 31, 2023. This is a decrease of $ 49.2 million from the prior year due to the release of our valuation allowance 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:

| | Year Ended December 31, | | |
|---|---|---|---|
| *(In thousands)* | 2023 | 2022 | 2021 |
| **Current** | | | |
| Federal | $ 148,726 | $ 129,424 | $ — |
| State | 14,937 | 10,843 | 6,100 |
| **Total current taxes provision** | 163,663 | 140,267 | 6,100 |
| **Deferred** | | | |
| Federal | 18,930 | 44,115 | 122,796 |
| State | ( 49,709) | 5,047 | 11,197 |
| **Total deferred taxes provision** | ( 30,779) | 49,162 | 133,993 |
| **Provision for income taxes** | $ 132,884 | $ 189,429 | $ 140,093 |

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, | | |
|---|---|---|---|
| *(In thousands)* | 2023 | 2022 | 2021 |
| **Tax at federal statutory rate** | 21.0% | 21.0% | 21.0% |
| State income taxes, net of federal benefit | ( 3.7)% | 1.5% | 2.3% |
| Compensation-based credits | ( 0.3)% | ( 0.3)% | ( 0.1)% |
| Nondeductible expenses | 0.2% | 0.2% | 0.1% |
| Tax exempt interest | —% | —% | ( 0.1)% |
| Company provided benefits | 0.4% | 0.4% | ( 0.1)% |
| Other, net | —% | 0.1% | 0.1% |
| **Effective tax rate** | 17.6% | 22.9% | 23.2% |

Our tax provision for the year ended December 31, 2023 was favorably impacted by a second quarter 2023 release of state valuation allowances and inclusion of excess tax benefits, which were partially offset by the unfavorable impact of state taxes and certain nondeductible expenses, as a component of the provision for income taxes.

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.

Our tax provision for the year ended December 31, 2021 was favorably impacted by benefits related to equity compensation and tax credits and unfavorably impacted by state taxes, nondeductible expenses including nondeductible compensation and employee benefit expenses.

***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, 2014. The statute of limitations will expire over the period October 2024 through November 2027.

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, 2023 and 2022 and during the years ended December 31, 2023, 2022 and 2021, 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, 2023 and 2022, 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, 2023 and 2022, $ 3.1 million, net of a $ 0.8 million discount, and $ 4.1 million, net of a $ 1.1 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.

Interest costs under the Minimum Assessment Agreement obligation are expensed as incurred. As of December 31, 2023 and 2022, 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 $ 11.2 million, net of a $ 1.7 million discount, and $ 11.7 million, net of a $ 1.8 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, $ 3.3 million and $ 3.5 million, during the years ended December 31, 2023, 2022 and 2021, respectively, related to its agreement. Diamond Jo Worth expensed $ 6.1 million, $ 5.9 million and $ 6.0 million during the years ended December 31, 2023, 2022 and 2021, 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, are 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 has received $ 113.6 million in principal payments and $ 12.0 million in interest due under the note receivable during the year ended December 31, 2023 and as of December 31, 2023, the principal and interest outstanding on the note receivable total $ 0.4 million.

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 $ 76.9 million and $ 26.9 million for our management services for the years ended December 31, 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.

*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 for each of the years ended December 31, 2023, 2022 and 2021.

**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 53 years, some of which include options to extend the leases for up to 62 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, 2023, 2022 and 2021 was $ 34.9 million, $ 22.4 million and $ 20.1 million, respectively.

As part of our annual 2021 impairment test, the Company recorded impairment charges of $ 5.8 million for operating lease right-of-use assets related to our Las Vegas Locals segment.

The components of lease expense were as follows:

| | Year Ended December 31, | |
|---|---|---|
| ***(In thousands)*** | **2023** | **2022** |
| Operating lease cost | $ 161,190 | $ 153,961 |
| Short-term lease cost | — | ( 685) |

Supplemental cash flow information related to leases was as follows:

| | Year Ended December 31, | |
|---|---|---|
| ***(In thousands)*** | **2023** | **2022** |
| **Cash paid for amounts included in the measurement of lease liabilities:** | | |
| Operating cash flows from operating leases | $ 158,785 | $ 155,085 |
| | | |
| **Right-of-use assets obtained in exchange for lease obligations:** | | |
| Operating leases | 41,840 | 32,080 |

Supplemental balance sheet information related to leases was as follows:

| | December 31, | |
|---|---|---|
| *(In thousands, except lease term and discount rate)* | 2023 | 2022 |
| **Operating Leases** | | |
| Operating lease right-of-use assets, including favorable lease rates asset | $ 793,335 | $ 830,345 |
| | | |
| Current lease liabilities (included in accrued liabilities) | $ 98,867 | $ 88,776 |
| Operating lease liabilities | 711,387 | 758,440 |
| Total operating lease liabilities | $ 810,254 | $ 847,216 |
| | | |
| **Weighted Average Remaining Lease Term** | | |
| Operating leases (in years) | 14.9 | 15.5 |
| | | |
| **Weighted Average Discount Rate** | | |
| Operating leases | 8.4% | 8.7% |

Maturities of lease liabilities are as follows:

| *(In thousands)* | Operating Leases |
|---|---|
| ***For the year ending December 31,*** | |
| 2024 | $ 157,839 |
| 2025 | 157,609 |
| 2026 | 121,211 |
| 2027 | 120,324 |
| 2028 | 119,623 |
| Thereafter | 790,691 |
| Total lease payments | 1,467,297 |
| Less imputed interest | ( 657,043) |
| Less current portion (included in accrued liabilities) | ( 98,867) |
| Long-term portion of operating lease liabilities | $ 711,387 |

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 |
|---|---|
| ***For the year ending December 31,*** | |
| 2024 | $ 2,733 |
| 2025 | 1,209 |
| 2026 | 544 |
| 2027 | 456 |
| 2028 | 371 |
| Thereafter | 665 |
| **Total** | $ 5,978 |

## 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 June 1, 2022, and $ 500.0 million on May 4, 2023. There were 6.5 million shares, 9.4 million shares and 1.3 million shares repurchased during the years ended December 31, 2023, 2022 and 2021, respectively. As of December 31, 2023, $ 326.3 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.

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

| *(In thousands, except per share data)* | For the Year Ended December 31, 2023 | 2022 | 2021 |
|---|---|---|---|
| Shares repurchased (2) | 6,537 | 9,424 | 1,310 |
| Total cost, including brokerage fees (3) | $ 412,655 | $ 541,642 | $ 80,782 |
| Average repurchase price per share (4) | $ 63.13 | $ 57.48 | $ 61.67 |

(1) Shares repurchased reflect repurchases settled during the twelve months ended December 31, 2023, 2022 and 2021. 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.

On February 3, 2022, the Company announced that its Board of Directors had authorized the reinstatement of the Company's cash dividend program, which had been suspended since March 25, 2020 to help mitigate the financial impact during the COVID-19 pandemic. The dividends declared by the Board of Directors under this program as of December 31, 2023 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 |

***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 6.7 million shares remain available for grant at December 31, 2023. The number of authorized but unissued shares of common stock under this 2020 Plan as of December 31, 2023 was approximately 9.0 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 2023, 2022 and 2021.

Summarized stock option plan activity is as follows:

| | Options | Weighted-Average Option Price | Weighted-Average Remaining Term *(In years)* | Aggregate Intrinsic Value *(In thousands)* |
|---|---|---|---|---|
| **Outstanding at January 1, 2021** | 645,348 | $ 14.07 | | |
| Granted | — | — | | |
| Canceled | — | — | | |
| Exercised | (371,016) | 11.88 | | |
| **Outstanding at December 31, 2021** | 274,332 | 17.02 | | |
| Granted | — | — | | |
| Canceled | — | — | | |
| Exercised | (165,951) | 18.61 | | |
| **Outstanding at December 31, 2022** | 108,381 | 14.58 | | |
| Granted | — | — | | |
| Canceled | — | — | | |
| Exercised | (32,000) | 9.86 | | |
| **Outstanding at December 31, 2023** | 76,381 | $ 16.56 | 1.9 | $ 3,517 |
| **Exercisable at December 31, 2022** | 108,381 | $ 14.58 | 2.3 | $ 4,329 |
| **Exercisable at December 31, 2023** | 76,381 | $ 16.56 | 1.9 | $ 3,517 |

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, 2023:

| | Options Outstanding | | | Options Exercisable | |
|---|---|---|---|---|---|
| Range of Exercise Prices | Number Outstanding | Weighted-Average Remaining Contractual Life (Years) | Weighted-Average Exercise Price | Number Exercisable | Weighted-Average Exercise Price |
| $11.57 | 23,431 | 0.9 | $ 11.57 | 23,431 | $ 11.57 |
| 17.75 | 28,708 | 2.9 | 17.75 | 28,708 | 17.75 |
| 19.98 | 24,242 | 1.8 | 19.98 | 24,242 | 19.98 |
| $11.57-$19.98 | 76,381 | 1.9 | 16.56 | 76,381 | 16.56 |

The total intrinsic value of in-the-money options exercised during the years ended December 31, 2023, 2022 and 2021 was $ 1.7 million, $ 6.8 million, and $ 17.9 million, respectively. No options vested during the years ended December 31, 2023, 2022 and 2021 and there were no unrecognized share-based compensation costs related to unvested stock options as of December 31, 2023.

***Restricted Stock Units***

Our 2020 Plan provides for the grant of Restricted Stock Units ("RSUs"). An 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. An 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 |
|---|---|---|
| **Outstanding at January 1, 2021** | 1,227,753 | |
| Granted | 456,492 | $ 52.59 |
| Canceled | (27,782) | |
| Awarded | (466,633) | |
| **Outstanding at December 31, 2021** | 1,189,830 | |
| Granted | 259,030 | $ 67.73 |
| Canceled | (29,273) | |
| Awarded | (501,339) | |
| **Outstanding at December 31, 2022** | 918,248 | |
| Granted | 304,361 | $ 65.36 |
| Canceled | (14,729) | |
| Awarded | (311,376) | |
| **Outstanding at December 31, 2023** | 896,504 | |

As of December 31, 2023, there was approximately $ 8.1 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 fourth quarter 2019, 2018 and 2017 vested during first quarter 2023, 2022 and 2021, respectively. Common shares under the 2019 and 2018 grants were issued based on the determination by the Compensation Committee of the Board of Directors of our actual achievement of net revenue growth and EBITDAR growth for the three-year performance period of the grant. Common shares under the 2017 grant were issued based on the determination by the Compensation Committee of the Board of Directors of our actual achievement of net revenue growth, EBITDA growth and customer service scores 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 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 year-end 2021; therefore, the vesting of the PSUs did not impact compensation costs in our 2022 consolidated statement of operations.

The PSU grant awarded in November 2017 resulted in a total of 90,444 shares being issued during first quarter 2021, representing approximately 0.33 shares per PSU. Of the 90,444 shares issued, a total of 30,129 were surrendered by the participants for payroll taxes, resulting in a net issuance of 60,315 shares due to the vesting of the 2017 grant. The actual achievement level under the award metrics equaled the estimated performance as of the year-end 2020; therefore, the vesting of the PSUs did not impact compensation costs in our 2021 consolidated statement of operations.

Summarized PSU activity is as follows:

| | Performance Stock Units | Weighted-Average Grant Date Fair Value |
|---|---|---|
| **Outstanding at January 1, 2021** | 796,245 | |
| Granted | 127,250 | $ 55.25 |
| Performance Adjustment | (180,861) | |
| Canceled | (2,071) | |
| Awarded | (92,774) | |
| **Outstanding at December 31, 2021** | 647,789 | |
| Granted | 128,003 | $ 68.41 |
| Performance Adjustment | 150,009 | |
| Canceled | (2,466) | |
| Awarded | (409,045) | |
| **Outstanding at December 31, 2022** | 514,290 | |
| Granted | 141,644 | $ 65.24 |
| Performance Adjustment | 259,891 | |
| Canceled | (1,265) | |
| Awarded | (519,782) | |
| **Outstanding at December 31, 2023** | 394,778 | |

As of December 31, 2023, there was approximately $ 1.6 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, 2023.

***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 tranched 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.

Summarized Career Shares activity is as follows:

| | Restricted Stock Units | Weighted-Average Grant Date Fair Value |
|---|---|---|
| **Outstanding at January 1, 2021** | 1,037,320 | |
| Granted | 36,123 | $ 42.12 |
| Canceled | (1,295) | |
| Awarded | (23,510) | |
| **Outstanding at December 31, 2021** | 1,048,638 | |
| Granted | 24,388 | $ 64.93 |
| Canceled | (2,251) | |
| Awarded | (138,954) | |
| **Outstanding at December 31, 2022** | 931,821 | |
| Granted | 30,409 | $ 54.39 |
| Canceled | (3,529) | |
| Awarded | — | |
| **Outstanding at December 31, 2023** | 958,701 | |

As of December 31, 2023, there was approximately $ 1.4 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:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| ***(In thousands)*** | **2023** | **2022** | **2021** |
| Restricted Stock Units | $ 17,821 | $ 16,210 | $ 21,599 |
| Performance Stock Units | 13,029 | 16,432 | 14,883 |
| Career Shares | 1,529 | 1,424 | 1,291 |
| **Total share-based compensation costs** | $ 32,379 | $ 34,066 | $ 37,773 |

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:

| | For the Year Ended December 31, | | |
|---|---|---|---|
| ***(In thousands)*** | **2023** | **2022** | **2021** |
| Gaming | $ 1,036 | $ 909 | $ 873 |
| Food & beverage | 198 | 174 | 167 |
| Room | 94 | 82 | 79 |
| Selling, general and administrative | 5,263 | 4,618 | 4,437 |
| Corporate expense | 25,788 | 28,283 | 32,217 |
| **Total share-based compensation expense** | $ 32,379 | $ 34,066 | $ 37,773 |

## 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:

| | December 31, 2023 | | | |
|---|---|---|---|---|
| ***(In thousands)*** | **Balance** | **Level 1** | **Level 2** | **Level 3** |
| **Assets** | | | | |
| Cash and cash equivalents | $ 304,271 | $ 304,271 | $ — | $ — |
| Restricted cash | 3,659 | 3,659 | — | — |
| Investment available for sale | 13,327 | — | — | 13,327 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| ***(In thousands)*** | **Balance** | **Level 1** | **Level 2** | **Level 3** |
| **Assets** | | | | |
| Cash and cash equivalents | $ 283,472 | $ 283,472 | $ — | $ — |
| Restricted cash | 11,593 | 11,593 | — | — |
| Investment available for sale | 13,670 | — | — | 13,670 |

*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, 2023 and 2022.

*Investment Available for Sale*

We have an investment in a single municipal bond issuance of $ 17.1 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, 2023 and 2022. 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 both December 31, 2023 and 2022 is a discount rate of 12.4 %. 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 both December 31, 2023 and 2022, $ 0.7 million 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, 2023 and 2022, $ 12.6 million and $ 13.0 million, respectively, is included in other assets, net on the consolidated balance sheets. The discount associated with this investment of $ 2.0 million and $ 2.2 million as of December 31, 2023 and 2022, 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 tables summarize the changes in fair value of the Company's Level 3 investment available for sale asset:

| | Year Ended December 31, | |
|---|---|---|
| ***(In thousands)*** | **2023** | **2022** |
| **Balance at beginning of reporting period** | $ 13,670 | $ 15,822 |
| Total gains (losses) (realized or unrealized): | | |
| Included in interest income | 172 | 167 |
| Included in other comprehensive income (loss) | 165 | ( 1,684) |
| Purchases, sales, issuances and settlements: | | |
| Settlements | ( 680) | ( 635) |
| **Balance at end of reporting period** | $ 13,327 | $ 13,670 |

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:

| | December 31, 2023 | | | |
|---|---|---|---|---|
| ***(In thousands)*** | **Outstanding Face Amount** | **Carrying Value** | **Estimated Fair Value** | **Fair Value Hierarchy** |
| **Asset** | | | | |
| Note receivable | $ 419 | $ 419 | $ 419 | Level 3 |
| **Liabilities** | | | | |
| Obligation under assessment arrangements | 20,199 | 17,752 | 23,282 | Level 3 |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| ***(In thousands)*** | **Outstanding Face Amount** | **Carrying Value** | **Estimated Fair Value** | **Fair Value Hierarchy** |
| **Asset** | | | | |
| Note receivable | $ 118,162 | $ 83,791 | $ 82,338 | Level 3 |
| **Liabilities** | | | | |
| Obligation under assessment arrangements | 22,293 | 19,304 | 25,738 | Level 3 |

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

| | December 31, 2023 | | | |
|---|---|---|---|---|
| ***(In thousands)*** | **Outstanding Face Amount** | **Carrying Value** | **Estimated Fair Value** | **Fair Value Hierarchy** |
| Credit Facility | $ 1,046,300 | $ 1,032,897 | $ 1,021,206 | Level 2 |
| 4.750% senior notes due 2027 | 1,000,000 | 992,208 | 957,500 | Level 1 |
| 4.750% senior notes due 2031 | 900,000 | 889,889 | 819,000 | Level 1 |
| Other | 504 | 504 | 504 | Level 3 |
| **Total debt** | $ 2,946,804 | $ 2,915,498 | $ 2,798,210 | |

| | December 31, 2022 | | | |
|---|---|---|---|---|
| ***(In thousands)*** | **Outstanding Face Amount** | **Carrying Value** | **Estimated Fair Value** | **Fair Value Hierarchy** |
| Credit Facility | $ 1,187,800 | $ 1,169,935 | $ 1,183,565 | Level 2 |
| 4.750% senior notes due 2027 | 1,000,000 | 990,260 | 928,750 | Level 1 |
| 4.750% senior notes due 2031 | 900,000 | 888,540 | 784,125 | Level 1 |
| Other | 674 | 674 | 674 | Level 3 |
| **Total debt** | $ 3,088,474 | $ 3,049,409 | $ 2,897,114 | |

The estimated fair values of our note receivable as of December 31, 2022 and our obligation under assessment arrangements as of December 31, 2023 and 2022 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 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, 2023 and 2022. The estimated fair values of our senior notes are based on quoted market prices as of December 31, 2023 and 2022. 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.

Other than the retirement of the 8.625% Senior Notes (Level 1) in June 2022, that was funded through a combination of cash on hand and borrowings under the Credit Facility (Level 2), there were no transfers between Level 1, Level 2 and Level 3 measurements during the years ended December 31, 2023 and 2022.

## 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, $ 1.2 million and $ 0.9 million for the years ended December 31, 2023, 2022 and 2021, 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, $ 5.1 million and $ 3.4 million for the years ended December 31, 2023, 2022 and 2021, respectively.

## NOTE 14. SEGMENT INFORMATION

During the first quarter of 2023, the Company evaluated its reportable segments and changed them from three reportable segments consisting of: (i) Las Vegas Locals; (ii) Downtown Las Vegas; and (iii) Midwest & South, to the following four reportable segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; (iii) Midwest & South; and (iv) Online (collectively "Reportable Segments"). This change reflects the growth of the Company beyond its traditional wholly owned gaming entertainment properties and the increasing importance to the Company of other growth sources. 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 recent acquisition of Boyd Interactive on November 1, 2022, and such operating results were previously included with the Midwest & South segment. 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. These nonreportable operating segments were previously aggregated with our Midwest & South segment. 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, 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 and captive insurance company 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.

**BOYD GAMING CORPORATION AND SUBSIDIARIES**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (Continued)**
*as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021*

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:

| | Year Ended December 31, 2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| *(In thousands)* | Gaming Revenue | Food & Beverage Revenue | Room Revenue | Online Revenue | Management Fee Revenue | Other Revenue | Total Revenue |
| **Revenues** | | | | | | | |
| Las Vegas Locals | $ 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 |
| **Total Revenues** | $ 2,613,288 | $ 288,417 | $ 199,117 | $ 422,211 | $ 76,921 | $ 138,538 | $ 3,738,492 |

| | Year Ended December 31, 2022 (1) | | | | | | |
|---|---|---|---|---|---|---|---|
| *(In thousands)* | Gaming Revenue | Food & Beverage Revenue | Room Revenue | Online Revenue | Management Fee Revenue | Other Revenue | Total Revenue |
| **Revenues** | | | | | | | |
| Las Vegas Locals | $ 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 |
| **Total Revenues** | $ 2,674,730 | $ 275,979 | $ 189,071 | $ 253,898 | $ 26,905 | $ 134,794 | $ 3,555,377 |

| | Year Ended December 31, 2021 (1) | | | | | | |
|---|---|---|---|---|---|---|---|
| *(In thousands)* | Gaming Revenue | Food & Beverage Revenue | Room Revenue | Online Revenue | Management Fee Revenue | Other Revenue | Total Revenue |
| **Revenues** | | | | | | | |
| Las Vegas Locals | $ 695,635 | $ 74,771 | $ 71,586 | $ — | $ — | $ 44,062 | $ 886,054 |
| Downtown Las Vegas | 105,539 | 28,149 | 15,042 | — | — | 7,076 | 155,806 |
| Midwest & South | 1,855,279 | 127,125 | 67,552 | — | — | 55,821 | 2,105,777 |
| Online | — | — | — | 172,518 | — | — | 172,518 |
| Managed & Other | 49,070 | — | — | — | — | 585 | 49,655 |
| **Total Revenues** | $ 2,705,523 | $ 230,045 | $ 154,180 | $ 172,518 | $ — | $ 107,544 | $ 3,369,810 |

(1) Revenues for the years ended December 31, 2022 and 2021 have been recast to reflect the breakout of online revenue and management fee revenue and the segment changes made during the first quarter of 2023.

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:

| | Year Ended December 31, | | |
|---|---|---|---|
| *(In thousands)* | 2023 | 2022 (1) | 2021 (1) |
| **Adjusted EBITDAR** | | | |
| Las Vegas Locals | $ 470,971 | $ 481,643 | $ 473,187 |
| Downtown Las Vegas | 85,507 | 86,049 | 51,300 |
| Midwest & South | 781,673 | 830,782 | 892,090 |
| Online | 62,337 | 39,778 | 23,583 |
| Managed & Other | 84,478 | 40,981 | 11,282 |
| Corporate expense | ( 90,175) | ( 88,724) | ( 85,457) |
| **Adjusted EBITDAR** | 1,394,791 | 1,390,509 | 1,365,985 |
| **Other operating costs and expenses** | | | |
| Deferred rent | 708 | 768 | 828 |
| Master lease rent expense | 108,398 | 106,616 | 104,702 |
| Depreciation and amortization | 256,780 | 258,179 | 267,787 |
| Share-based compensation expense | 32,379 | 34,066 | 37,773 |
| Project development, preopening and writedowns | ( 8,935) | ( 18,936) | 31,815 |
| Impairment of assets | 107,837 | 40,775 | 8,200 |
| Other operating items, net | ( 4,207) | ( 12,183) | 14,776 |
| **Total other operating costs and expenses** | 492,960 | 409,285 | 465,881 |
| **Operating income** | 901,831 | 981,224 | 900,104 |
| **Other expense (income)** | | | |
| Interest income | ( 23,886) | ( 21,530) | ( 1,819) |
| Interest expense, net of amounts capitalized | 171,247 | 151,249 | 199,442 |
| Loss on early extinguishments and modifications of debt | — | 19,815 | 95,155 |
| Other, net | 1,563 | 2,884 | 3,387 |
| **Total other expense, net** | 148,924 | 152,418 | 296,165 |
| **Income before income taxes** | 752,907 | 828,806 | 603,939 |
| Income tax provision | ( 132,884) | ( 189,429) | ( 140,093) |
| **Net income** | $ 620,023 | $ 639,377 | $ 463,846 |

(1) Adjusted EBITDAR for the years ended December 31, 2022 and 2021 has been recast to reflect the segment changes made during the first quarter of 2023.

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.

***Total Reportable Segment Assets***

The Company's assets by Reportable Segment and Managed & Other category consisted of the following amounts with assets as of December 31, 2022 recast to reflect the segment changes made during the first quarter of 2023:

| *(In thousands)* | December 31, 2023 | December 31, 2022 |
|---|---|---|
| **Assets** | | |
| Las Vegas Locals | $ 1,634,732 | $ 1,613,553 |
| Downtown Las Vegas | 295,494 | 265,876 |
| Midwest & South | 3,805,301 | 3,745,476 |
| Online | 155,356 | 226,800 |
| Managed & Other | 124,161 | 207,962 |
| Corporate | 258,082 | 251,460 |
| **Total Assets** | $ 6,273,126 | $ 6,311,127 |

***Capital Expenditures***

The Company's capital expenditures by Reportable Segment and Managed & Other category consisted of the following with capital expenditures for the years ended December 31, 2022 and 2021 recast to reflect the segment changes made in the first quarter of 2023:

| | Year Ended December 31, | | |
|---|---|---|---|
| ***(In thousands)*** | **2023** | **2022** | **2021** |
| **Capital Expenditures** | | | |
| Las Vegas Locals | $ 82,918 | $ 37,339 | $ 24,724 |
| Downtown Las Vegas | 42,233 | 52,423 | 36,954 |
| Midwest & South | 200,577 | 109,475 | 88,668 |
| Online | 224 | 462 | — |
| Managed & Other | 5,001 | 4,104 | 2,326 |
| Corporate | 55,776 | 67,874 | 49,953 |
| **Total Capital Expenditures** | 386,729 | 271,677 | 202,625 |
| Change in Accrued Capital Expenditure Additions | (12,779) | (2,522) | (3,173) |
| **Cash-Based Capital Expenditures** | $ 373,950 | $ 269,155 | $ 199,452 |

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 Chair of the Board of Directors and Executive Vice President, together with her immediate family, beneficially owned approximately 28 % of our outstanding shares of common stock as of December 31, 2023. 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, 2023, 2022 and 2021, 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, 2023. During this period, up to the filing date, 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.

## 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, 2023.

## ITEM 9A. Controls and Procedures

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

As of December 31, 2023, 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")). 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, due to the identification of the material weakness in our internal control over financial reporting as described below, our disclosure controls and procedures were not effective as of December 31, 2023. Notwithstanding the material weakness in our internal control over financial reporting, management believes the consolidated financial statements included in this Annual Report on Form 10-K fairly present, in all material respects, our financial position, results of operations and cash flows as of the dates presented, and for the periods ended on such dates, in conformity with accounting principles generally accepted in the United States of America.

***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, 2023, 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, our management concluded that we did not maintain effective internal control over financial reporting as of December 31, 2023.

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.

Management identified a material weakness related to the preparation and independent review of journal entries, which results in a lack of segregation of duties over the preparation, review, and recording of journal entries. The failure to maintain appropriate segregation of duties has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures.

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, 2023, which report follows below.

***Remediation Efforts to Address the Material Weakness***

We are committed to maintaining a strong internal control environment and will make remediation efforts to improve our internal controls. 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 has been developed and is being implemented. Specifically, the following remediation efforts are planned or ongoing to ensure there are 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.

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

Except for the identified material weakness, there were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2023, that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

**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, 2023, 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, because of the effect of the material weakness identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 26, 2024, expressed an unqualified opinion on those financial statements.

**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.

**Material Weakness**

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 the company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and included in management's assessment:

Management identified a material weakness related to the preparation and independent review of journal entries, which results in a lack of segregation of duties over the preparation, review, and recording of journal entries. The failure to maintain appropriate segregation of duties has a pervasive impact and consequently, this deficiency impacts control activities over all financial statement account balances, classes of transactions, and disclosures.

This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2023, of the Company, and this report does not affect our report on such financial statements.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
February 26, 2024

**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, 2023, 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 2024 Annual Meeting of Stockholders and is incorporated herein by reference.

The following table sets forth the non-director executive officers of Boyd Gaming Corp oration as of February 26, 20 24:

| Name | Age | Position |
|---|---|---|
| Josh Hirsberg | 62 | Chief Financial Officer and Treasurer (Principal Financial Officer) |
| Theodore A. Bogich | 69 | Chief Operating Officer |
| Uri Clinton | 51 | General Counsel and Corporate Secretary |
| Stephen S. Thompson | 64 | Chief Administrative Officer |
| Lori M. Nelson | 43 | 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. 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 2024 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 2024 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 2024 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 2024 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:



### 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

| Exhibit Number | Description of Exhibit | Method of Filing |
|---|---|---|
| 2.1† | Purchase Agreement and Plan of Merger, dated as of March 28, 2022, by and among Boyd Interactive, Boyd Phoenix Acquisition, LLC, Boyd Phoenix Canada Inc., Pala Interactive, Pala Canada Holdings, LLC and Shareholder Representative Services LLC as representative of the holders of the membership interests of Pala Interactive. | Incorporated by reference to Exhibit 2.1 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. |
| 3.1 | Amended and Restated Articles of Incorporation of the Registrant. | 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 | Amended and Restated By-Laws of Boyd Gaming Corporation, effective February 13, 2020. | 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 | Form of Indenture relating to senior debt securities | 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 | Form of Indenture relating to subordinated debt securities | Incorporated by reference to Exhibit 4.2 of the Registrant's Automatic Shelf Registration Statement on Form S-3ASR dated May 1, 2015. |

| Exhibit Number | Description of Exhibit | Method of Filing |
| --- | --- | --- |
| 4.3 | 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. | Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed December 3, 2019. |
| 4.4 | Form of 4.750% Senior Note due 2027. | Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed December 3, 2019. |
| 4.5 | Description of Registrant's Securities | 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 | 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. | Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed June 8, 2021. |
| 4.7 | Form of 4.750% Senior Note due 2031. | Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed June 8, 2021. |
| 4.8 | First Supplemental Indenture 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. | Filed electronically herewith. |
| 4.9 | First Supplemental Indenture 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. | Filed electronically herewith. |
| 10.1 | Ninety-Nine Year Lease dated June 30, 1954, by and among Fremont Hotel, Inc., and Charles L. Ronnow and J.L. Ronnow, and Alice Elizabeth Ronnow | Incorporated by reference to the Registration Statement on Form S-1, File No. 33-51672, of California Hotel and Casino and California Hotel Finance Corporation, which was declared effective on November 18, 1992. |
| 10.2 | Lease Agreement dated October 31, 1963, by and between Fremont Hotel, Inc. and Cora Edit Garehime | Incorporated by reference to the Registration Statement on Form S-1, File No. 33-51672, of California Hotel and Casino and California Hotel Finance Corporation, which was declared effective on November 18, 1992. |
| 10.3 | Lease Agreement dated December 31, 1963, by and among Fremont Hotel, Inc., Bank of Nevada and Leon H. Rockwell, Jr. | Incorporated by reference to the Registration Statement on Form S-1, File No. 33-51672, of California Hotel and Casino and California Hotel Finance Corporation, which was declared effective on November 18, 1992. |
| 10.4 | Lease Agreement dated June 7, 1971, by and among Anthony Antonacci, Margaret Fay Simon and Bank of Nevada, as Co-Trustees under Peter Albert Simon's Last Will and Testament, and related Assignment of Lease dated February 25, 1985 to Sam-Will, Inc. and Fremont Hotel, Inc. | Incorporated by reference to the Registration Statement on Form S-1, File No. 33-51672, of California Hotel and Casino and California Hotel Finance Corporation, which was declared effective on November 18, 1992. |
| 10.5 | Lease Agreement dated July 25, 1973, by and between CH&C and William Peccole, as Trustee of the Peter Peccole 1970 Trust | Incorporated by reference to the Registrant's Annual Report on Form 10-K for the year ended June 30, 1995. |

| Exhibit Number | Description of Exhibit | Method of Filing |
|---|---|---|
| 10.6 | Lease Agreement dated July 1, 1974, by and among Fremont Hotel, Inc. and Bank of Nevada, Leon H. Rockwell, Jr. and Margorie Rockwell Riley | Incorporated by reference to the Registration Statement on Form S-1, File No. 33-51672, of California Hotel and Casino and California Hotel Finance Corporation, which was declared effective on November 18, 1992. |
| 10.7 | Ninety-Nine Year Lease, dated December 1, 1978, by and between Matthew Paratore, and George W. Morgan and LaRue Morgan, and related Lease Assignment dated November 10, 1987, to Sam-Will, Inc., d.b.a. Fremont Hotel and Casino | Incorporated by reference to the Registration Statement on Form S-1, File No. 33-51672, of California Hotel and Casino and California Hotel Finance Corporation, which was declared effective on November 18, 1992. |
| 10.8 | Form of Indemnification Agreement | Incorporated by reference to the Registrant's Registration Statement on Form S-1, File No. 33-64006, which was declared effective on October 15, 1993. |
| 10.9 | 401(k) Profit Sharing Plan and Trust | Incorporated by reference to the Registration Statement on Form S-1, File No. 33-51672, of California Hotel and Casino and California Hotel Finance Corporation, which was declared effective on November 18, 1992. |
| 10.10* | Annual Incentive Plan | Incorporated by reference to Exhibit 10.29 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2002. |
| 10.11* | The Boyd Gaming Corporation Amended and Restated Deferred Compensation Plan for the Board of Directors and Key Employees | Incorporated by reference to Exhibit 10.39 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004. |
| 10.12* | Form of Stock Option Award Agreement pursuant to the 2002 Stock Incentive Plan | Incorporated by reference to Exhibit 10.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008. |
| 10.13* | Form of Restricted Stock Unit Agreement and Notice of Award pursuant to the 2002 Stock Incentive Plan | Incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2008. |
| 10.14* | Boyd Gaming Corporation's 2002 Stock Incentive Plan (as amended and restated on May 15, 2008) | Incorporated by reference to Appendix A of the Registrant's Definitive Proxy Statement filed with the SEC on April 2, 2008. |
| 10.15* | Amended and Restated 2002 Stock Incentive Plan | 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. |
| 10.16* | Form of Award Agreement for Restricted Stock Units under 2002 Stock Incentive Plan for Non-Employee Directors | Incorporated by reference to Exhibit 10.3 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006. |
| 10.17* | Form of Award Agreement for Restricted Stock Units under the 2002 Stock Incentive Plans | 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. |
| 10.18* | Form of Career Restricted Stock Unit Award Unit Agreement under the 2002 Stock Incentive Plan | 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. |
| 10.19* | Form of Restricted Stock Unit Agreement and Notice of Award Pursuant to the 2002 Stock Incentive Plan | Incorporated by reference to Exhibit 10.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007. |
| 10.20* | Form of Performance Share Unit Agreement and Notice of Award Pursuant to the 2002 Stock Incentive Plan | Incorporated by reference to Exhibit 10.49 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011. |

| Exhibit Number | Description of Exhibit | Method of Filing |
| --- | --- | --- |
| 10.21* | Amendment Number 1 to the Amended and Restated Deferred Compensation Plan | Incorporated by reference to Exhibit 10.40 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004. |
| 10.22* | Amendment Number 2 to the Amended and Restated Deferred Compensation Plan | Incorporated by reference to Exhibit 10.41 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004. |
| 10.23* | Amendment Number 3 to the Amended and Restated Deferred Compensation Plan | Incorporated by reference to Exhibit 10.42 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004. |
| 10.24* | Amendment Number 4 to the Amended and Restated Deferred Compensation Plan | Incorporated by reference to Exhibit 10.43 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2004. |
| 10.25* | Form of Stock Option Award Agreement Under the Registrant's Directors' Non-Qualified Stock Option Plan | Incorporated by reference to Exhibit 10.48 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005. |
| 10.26* | Amendment Number 5 to the Amended and Restated Deferred Compensation Plan | Incorporated by reference to Exhibit 10.35 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005. |
| 10.27* | Amended and Restated 2000 Executive Management Incentive Plan | 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. |
| 10.28* | Change in Control Severance Plan for Tier I, II and III Executives | Incorporated by reference to Exhibit 10.46 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2006. |
| 10.29 | Offer to Purchase Real Estate, Acceptance and Lease, dated September 27, 2006, between Diamond Jo, LLC and Dubuque County Historical Society | Incorporated by reference to Exhibit 10.1 of Peninsula Gaming, LLC's Quarterly Report on Form 10-Q filed November 14, 2006. |
| 10.30 | Closing Agreement, dated September 27, 2006, between Diamond Jo, LLC and Dubuque County Historical Society | Incorporated by reference to Exhibit 10.2 of Peninsula Gaming, LLC's Quarterly Report on Form 10-Q filed November 14, 2006. |
| 10.31 | Real Estate Ground Lease, dated September 27, 2006, between Diamond Jo, LLC and Dubuque County Historical Society | Incorporated by reference to Exhibit 10.3 of Peninsula Gaming, LLC's Quarterly Report on Form 10-Q filed November 14, 2006. |
| 10.32 | Minimum Assessment Agreement, dated October 1, 2007, among Diamond Jo, LLC, the City of Dubuque, Iowa and the City Assessor of the City of Dubuque, Iowa | Incorporated by reference to Exhibit 10.63 of Peninsula Gaming, LLC's Annual Report on Form 10-K filed March 28, 2008. |
| 10.33 | Amended and Restated Port of Dubuque Public Parking Facility Development Agreement, dated October 1, 2007, between the City of Dubuque, Iowa and Diamond Jo, LLC | Incorporated by reference to Exhibit 10.65 of Peninsula Gaming, LLC's Annual Report on Form 10-K filed March 28, 2008. |
| 10.34 | Lottery Gaming Facility Management Contract, dated October 19, 2010 | Incorporated by reference to Exhibit 10.2 of Peninsula Gaming, LLC's Current Report on Form 8-K filed February 4, 2011. |
| 10.35* | 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). | Incorporated by reference to Appendix A of the Registrant's Definitive Proxy Statement filed with the SEC on April 2, 2012. |

| Exhibit Number | Description of Exhibit | Method of Filing |
|---|---|---|
| 10.36† | Real Estate Ground Lease, dated September 22, 2006, as Amended between NP Land LLC and Nevada Palace, LLC | Incorporated by reference to Exhibit 10.40 of the Registrant's Current Report on Form 10-K filed with the SEC on February 21, 2017. |
| 10.37 | Master Lease, dated October 15, 2018, by and between Gold Merger Sub, LLC and Boyd TCIV, LLC. | Incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed October 18, 2018. |
| 10.38 | Master Lease, dated October 15, 2018, by and between Boyd (Ohio) PropCo, LLC and PNK (Ohio), LLC | 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. |
| 10.39* | 2020 Stock Incentive Plan | Incorporated by reference from the Registrant's Form S-8 filed September 29, 2020. |
| 10.40 | 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. | 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. |
| 10.41 | Insider Trading Policy | Filed electronically herewith. |
| 21.1 | Subsidiaries of the Registrant. | Filed electronically herewith. |
| 22 | List of Guarantor Subsidiaries of Boyd Gaming Corporation | Filed electronically herewith. |
| 23.1 | Consent of Deloitte & Touche LLP. | Filed electronically herewith. |
| 24 | Power of Attorney (included in Part IV to this Annual Report on Form 10-K). | Filed electronically herewith. |
| 31.1 | Certification of the Chief Executive Officer of the Registrant pursuant to Exchange Act Rule 13a-14(a). | Filed electronically herewith. |
| 31.2 | Certification of the Chief Financial Officer of the Registrant pursuant to Exchange Act Rule 13a-14(a). | Filed electronically herewith. |
| 32.1 | Certification of the Chief Executive Officer of the Registrant pursuant to Exchange Act Rule 13a - 14(b) and 18 U.S.C. § 1350. | Furnished electronically herewith. |
| 32.2 | Certification of the Chief Financial Officer of the Registrant pursuant to Exchange Act Rule 13a - 14(b) and 18 U.S.C. § 1350. | Furnished electronically herewith. |
| 97.1* | Compensation Recoupment Policy | Filed electronically herewith. |
| 99.1 | Governmental Gaming Regulations | Filed electronically herewith. |

| Exhibit Number | Description of Exhibit | Method of Filing |
| --- | --- | --- |
| 101 | The following materials from Boyd Gaming Corporation's Annual Report on Form 10-K for the year ended December 31, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of December 31, 2023 and December 31, 2022; (ii) Consolidated Statements of Operations for the years ended December 31, 2023, 2022 and 2021; (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2023, 2022 and 2021, (iv) Consolidated Statement of Changes in Stockholders' Equity for the years ended December 31, 2023, 2022 and 2021; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2023, 2022 and 2021; 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.

† Exhibits and schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any of the omitted schedules upon request by the SEC.

**ITEM 16. Form 10-K Summary**

None

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**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 26, 2024.

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.

| Signature | Title | Date |
|---|---|---|
| /s/ MARIANNE BOYD JOHNSON<br>**Marianne Boyd Johnson** | Executive Chair of the Board of Directors and Executive Vice President | February 26, 2024 |
| /s/ KEITH E. SMITH<br>**Keith E. Smith** | President, Chief Executive Officer and Director (Principal Executive Officer) | February 26, 2024 |
| /s/ JOSH HIRSBERG<br>**Josh Hirsberg** | Chief Financial Officer and Treasurer (Principal Financial Officer) | February 26, 2024 |
| /s/ WILLIAM R. BOYD<br>**William R. Boyd** | Vice President and Director | February 26, 2024 |
| /s/ JOHN R. BAILEY<br>**John R. Bailey** | Director | February 26, 2024 |
| /s/ CHRISTINE J. SPADAFOR<br>**Christine J. Spadafor** | Director | February 26, 2024 |
| /s/ A. RANDALL THOMAN<br>**A. Randall Thoman** | Director | February 26, 2024 |
| /s/ PETER M. THOMAS<br>**Peter M. Thomas** | Director | February 26, 2024 |
| /s/ PAUL W. WHETSELL<br>**Paul W. Whetsell** | Director | February 26, 2024 |
| /s/ LORI M. NELSON<br>**Lori M. Nelson** | Senior Vice President Financial Operations and Reporting and Chief Accounting Officer (Principal Accounting Officer) | February 26, 2024 |

**Exhibit 4.8**

FIRST SUPPLEMENTAL INDENTURE

Dated as of December 29, 2023

to

INDENTURE

Dated as of December 3, 2019

among

BOYD GAMING CORPORATION, as Issuer,

the Guarantors named therein, as Guarantors,

and

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

4.750% Senior Notes due 2027

FIRST SUPPLEMENTAL INDENTURE, dated as of December 29, 2023 (this "Supplemental Indenture"), among Boyd Gaming Corporation, a Nevada corporation (the "Issuer"), the Guarantors named on the signature pages hereto (the "Guarantors"), the Additional Guarantor named on the signature pages hereto (the "Additional Guarantor"), and Wilmington Trust, National Association, as trustee (the "Trustee").

WHEREAS, the Issuer and the Guarantors have heretofore executed and delivered to the Trustee an Indenture dated as of December 3, 2019 (the "Indenture"), providing for the issuance of the Company's 4.750% Senior Notes due 2027 (the "Notes"); and

WHEREAS, subsequent to the execution of the Indenture and the issuance of the Notes, the Additional Guarantor has become a guarantor under the Credit Agreement; and

WHEREAS, pursuant to and as contemplated by Sections 4.09 and 9.01 of the Indenture, the parties hereto desire to execute and deliver this Supplemental Indenture for the purpose of providing for the Additional Guarantor to expressly assume all the obligations of a Guarantor under the Notes and the Indenture;

NOW, THEREFORE, in consideration of the above premises, each party agrees, for the benefit of the other and for the equal and ratable benefit of the Holders of the Notes, as follows:

I. ASSUMPTION OF GUARANTEES

The Additional Guarantor, as provided by Section 4.09 of the Indenture hereby unconditionally expressly assumes all of the obligations of a Guarantor under the Notes and the Indenture to the fullest as set forth in Article 10 of the Indenture; and the Additional Guarantor may expressly exercise every right and power, and shall have every obligation, of a Guarantor under the Indenture with the same effect as if it had been named a Guarantor therein.

II. MISCELLANEOUS PROVISIONS

A. Terms Defined.

For all purposes of this Supplemental Indenture, except as otherwise defined or unless the context otherwise requires, terms used in capitalized form in this Supplemental Indenture and defined in the Indenture have the meanings specified in the Indenture.

B. Indenture.

Except as amended hereby, the Indenture and the Notes are in all respects ratified and confirmed and all the terms shall remain in full force and effect.

C. Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED ENTIRELY WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

D. Successors.

All agreements of the Company, the Guarantors and the Additional Guarantor in this Supplemental Indenture, the Notes and the Note Guarantees shall bind their respective successors. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

E. Duplicate Originals.

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.

F. Trustee Disclaimer.

The Trustee is not responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein.

[*signatures on following pages*]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first written above.

ISSUER:

BOYD GAMING CORPORATION
By: /s/ Josh Hirsberg
Name: Josh Hirsberg
Title: Chief Financial Officer

EXISTING GUARANTORS:

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
BLUE CHIP CASINO, LLC
BOYD ACQUISITION I, LLC
BOYD ACQUISITION II, LLC
BOYD ACQUISITION, LLC
BOYD BILOXI, LLC
BOYD GAMING CORPORATION
BOYD LOUISIANA RACING, L.L.C.
BOYD RACING, L.L.C.
BOYD TCIV, LLC
BOYD TUNICA, INC.
CALIFORNIA HOTEL AND CASINO
CALIFORNIA HOTEL FINANCE CORPORATION
COAST CASINOS, INC.
COAST HOTELS AND CASINOS, INC.
DIAMOND JO WORTH, LLC
DIAMOND JO, 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) II, LLC
PNK (OHIO) III, LLC
PNK (OHIO), 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

By: /s/ Josh Hirsberg
Name: Josh Hirsberg
Title: Secretary
of each Guarantor listed above

ADDITIONAL GUARANTOR:

BGM CO. INC.

By: /s/ Josh Hirsberg
Name: Josh Hirsberg
Title: Secretary

TRUSTEE:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: /s/ Latoya S. Elvin
Name: Latoya S. Elvin
Title: Vice President

**Exhibit 4.9**

FIRST SUPPLEMENTAL INDENTURE

Dated as of December 29, 2023

to

INDENTURE

Dated as of June 8, 2021

among

BOYD GAMING CORPORATION, as Issuer,

the Guarantors named therein, as Guarantors,

and

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

4.750% Senior Notes due 2031

FIRST SUPPLEMENTAL INDENTURE, dated as of December 29, 2023 (this "Supplemental Indenture"), among Boyd Gaming Corporation, a Nevada corporation (the "Issuer"), the Guarantors named on the signature pages hereto (the "Guarantors"), the Additional Guarantor named on the signature pages hereto (the "Additional Guarantor"), and Wilmington Trust, National Association, as trustee (the "Trustee").

WHEREAS, the Issuer and the Guarantors have heretofore executed and delivered to the Trustee an Indenture dated as of June 8, 2021 (the "Indenture"), providing for the issuance of the Company's 4.750% Senior Notes due 2031 (the "Notes"); and

WHEREAS, subsequent to the execution of the Indenture and the issuance of the Notes, the Additional Guarantor has become a guarantor under the Credit Agreement; and

WHEREAS, pursuant to and as contemplated by Sections 4.09 and 9.01 of the Indenture, the parties hereto desire to execute and deliver this Supplemental Indenture for the purpose of providing for the Additional Guarantor to expressly assume all the obligations of a Guarantor under the Notes and the Indenture;

NOW, THEREFORE, in consideration of the above premises, each party agrees, for the benefit of the other and for the equal and ratable benefit of the Holders of the Notes, as follows:

I. ASSUMPTION OF GUARANTEES

The Additional Guarantor, as provided by Section 4.09 of the Indenture hereby unconditionally expressly assumes all of the obligations of a Guarantor under the Notes and the Indenture to the fullest as set forth in Article 10 of the Indenture; and the Additional Guarantor may expressly exercise every right and power, and shall have every obligation, of a Guarantor under the Indenture with the same effect as if it had been named a Guarantor therein.

II. MISCELLANEOUS PROVISIONS

A. Terms Defined.

For all purposes of this Supplemental Indenture, except as otherwise defined or unless the context otherwise requires, terms used in capitalized form in this Supplemental Indenture and defined in the Indenture have the meanings specified in the Indenture.

B. Indenture.

Except as amended hereby, the Indenture and the Notes are in all respects ratified and confirmed and all the terms shall remain in full force and effect.

C. Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED ENTIRELY WITHIN THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

D. Successors.

All agreements of the Company, the Guarantors and the Additional Guarantor in this Supplemental Indenture, the Notes and the Note Guarantees shall bind their respective successors. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

E. Duplicate Originals.

The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together shall represent the same agreement.

F. Trustee Disclaimer.

The Trustee is not responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein.

[*signatures on following pages*]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first written above.

ISSUER:

BOYD GAMING CORPORATION

By: /s/ Josh Hirsberg
Name: Josh Hirsberg
Title: Chief Financial Officer

EXISTING GUARANTORS:

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
BLUE CHIP CASINO, LLC
BOYD ACQUISITION I, LLC
BOYD ACQUISITION II, LLC
BOYD ACQUISITION, LLC
BOYD BILOXI, LLC
BOYD GAMING CORPORATION
BOYD LOUISIANA RACING, L.L.C.
BOYD RACING, L.L.C.
BOYD TCIV, LLC
BOYD TUNICA, INC.
CALIFORNIA HOTEL AND CASINO
CALIFORNIA HOTEL FINANCE CORPORATION
COAST CASINOS, INC.
COAST HOTELS AND CASINOS, INC.
DIAMOND JO WORTH, LLC
DIAMOND JO, 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) II, LLC
PNK (OHIO) III, LLC
PNK (OHIO), 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

By:___/s/ Josh Hirsberg___________________
Name: Josh Hirsberg
Title: Secretary
of each Guarantor listed above

ADDITIONAL GUARANTOR:

BGM CO. INC.

By: ___/s/ Josh Hirsberg___________________
Name: Josh Hirsberg
Title: Secretary

TRUSTEE:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By:___/s/ Latoya S. Elvin_________________
Name: Latoya S. Elvin
Title: Vice President

**Exhibit 10.41**

# Boyd Gaming Corporation

## Insider Trading Policy

- *I. Purpose*

This Insider Trading Policy ("Policy") provides rules with respect to transactions in the securities of Boyd Gaming Corporation (the "Company") and the handling of confidential information about the Company and the companies with which it engages in transactions or does business. The Company's Board of Directors has adopted this Policy to promote compliance with U.S. federal, state and foreign securities laws that prohibit certain persons who are aware of material nonpublic information about a company from: (i) trading in securities of that company; or (ii) providing material nonpublic information to other persons who may trade on the basis of that information.

- *II. Persons Subject to the Policy*

This Policy applies to all members of the Company's Board of Directors, all officers of the Company and its subsidiaries, and employees of the Company and its subsidiaries. The Company may also determine that other persons should be subject to this Policy, such as contractors or consultants who have access to material nonpublic information. This Policy also applies to family members, other members of a person's household, and entities controlled by a person covered by this Policy, as described below.

- *III. Transactions Subject to the Policy*

This Policy applies to transactions in the Company's securities (collectively referred to in this Policy as "Company Securities"), including the Company's common stock, options to purchase common stock, or any other type of securities that the Company may issue, including (but not limited to) preferred stock, convertible debentures and warrants, as well as derivative securities that are not issued by the Company, such as exchange-traded put or call options or swaps relating to the Company's securities. **Transactions subject to this Policy include purchases, sales and gifts of Company Securities.**

- *IV. Individual Responsibility*

Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about the Company and to not engage in transactions in Company Securities while in possession of material nonpublic information. Persons subject to this policy must not engage in illegal trading and must avoid the appearance of improper trading. Each individual is responsible for making sure that he or she complies, or they comply, with this Policy, and that any family member, household member or entity whose transactions are subject to this Policy, as discussed below, also comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of material nonpublic information rests with that individual, and any action on the part of the Company, the General Counsel or any other employee or director pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by the Company for any conduct prohibited by this Policy or applicable securities laws, as described below in more detail under the heading "Consequences of Violations."

- *V. Statement of Policy*

It is the policy of the Company that no director, officer or other employee of the Company (or any other person designated by this Policy or by the General Counsel as subject to this Policy) who is aware of material nonpublic information relating to the Company may, directly, or indirectly through family members or other persons or entities:

1. Engage in transactions in Company Securities, except as otherwise specified in this Policy under the headings “Transactions Under Company Plans” and “Rule 10b5-1 Plans;”

2. Recommend that others engage in transactions in any Company Securities;

3. Disclose material nonpublic information to persons within the Company whose jobs do not require them to have that information, or outside of the Company to other persons, including, but not limited to, family, friends, business associates, investors and expert consulting firms, unless any such disclosure is made in accordance with the Company’s policies regarding the protection or authorized external disclosure of information regarding the Company; or

4. Assist anyone engaged in the above activities.

In addition, it is the policy of the Company that no director, officer or other employee of the Company (or any other person designated as subject to this Policy) who, in the course of working for the Company, learns of material nonpublic information about a company (1) with which the Company does business, such as the Company’s distributors, vendors, customers and suppliers, or (2) that is involved in a potential transaction or business relationship with the Company, may engage in transactions in Company Securities until the information becomes public or is no longer material.

It is also the policy of the Company that the Company will not engage in transactions in Company Securities while aware of material nonpublic information relating to the Company or Company Securities unless such transactions occur under a duly adopted Rule 10b5-1 trading plan.

There are no exceptions to this Policy, except as specifically noted herein. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure), or small transactions, are not excepted from this Policy. The securities laws do not recognize any mitigating circumstances, and, in any event, even the appearance of an improper transaction must be avoided to preserve the Company’s reputation for adhering to the highest standards of conduct.

- *VI. Definition of Material Nonpublic Information*

*Material Information*. Information is considered “material” if a reasonable investor would consider that information important in making a decision to buy, hold or sell securities. Any information that could be expected to affect a company’s stock price, whether it is positive or negative, should be considered material. There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all facts and circumstances and is often evaluated by enforcement authorities with the benefit of hindsight. While it is not possible to define all categories of material information, some examples of information that ordinarily would be regarded as material are:

- projections of future earnings or losses, or other earnings guidance;
- a change in dividend policy, the declaration of a stock split, or an offering of additional securities;
- a pending or proposed merger, acquisition or joint venture;
- a pending or proposed acquisition or disposition of a significant asset;
- the introduction of important products or services;
- significant related party transactions;
- establishment of a repurchase program for the Company's securities;
- the introduction of important products or services;
- significant contracts and technology licenses;
- changes in management;
- any substantial change in industry circumstances or competitive conditions which could significantly affect the Company's earnings or prospects for expansion;
- changes in auditors or notification that the auditor's reports may no longer be relied upon;
- pending or threatened significant litigation, or the resolution of such litigation
- financial liquidity problems;
- significant labor disputes;
- major marketing changes;
- unusual gains or losses in major operations; and
- a significant cybersecurity incident.

*When Information is Considered Public*. Information that has not been disclosed to the public is generally considered to be nonpublic information. To establish that the information has been disclosed to the public, it may be necessary to demonstrate that the information has been widely disseminated. Information generally is considered widely disseminated if it has been disclosed through the newswire services, a broadcast on widely-available radio or television programs, publication in a widely-available newspaper, magazine or news website, or public disclosure documents filed with the Securities and Exchange Commission ("SEC") that are available on the SEC's website. By contrast, information would likely not be considered widely disseminated if it is available only to the Company's employees, or if it is only available to a select group of analysts, brokers and institutional investors.

Once information is widely disseminated, it is still necessary to provide the investing public with sufficient time to absorb the information. **As a general rule, information should not be considered fully absorbed by the marketplace until after the first business day after the day on which the information is released.** If, for example, the Company were to make an announcement on a Monday, you should not trade in Company Securities until Wednesday. Depending on the particular circumstances, the Company may determine that a longer or shorter period should apply to the release of specific material nonpublic information.

- *VII. Transactions by Family Members and Others*

This Policy applies to your family members who reside with you (including a spouse, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone else who lives in your household, and any family members who do not live in your household but whose transactions in Company Securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Company Securities (collectively referred to as "Family Members"). You are responsible for the transactions of these persons and therefore should make them aware of the need to confer with you before they trade in Company Securities, and you should treat all such transactions for the purposes of this Policy and applicable securities laws as if the transactions were for your own account. This Policy does not, however, apply to personal securities transactions of Family Members where the purchase or sale decision is made by a third party not controlled by, influenced by or related to you or your Family Members.

VIII. *Transactions by Entities that You Influence or Control*

This Policy applies to any entities that you influence or control, including any corporations, partnerships, LLCs or trusts (collectively referred to as "Controlled Entities"), and transactions by these Controlled Entities should be treated for the purposes of this Policy and applicable securities laws as if they were for your own account.

- *IX. Transactions Under Company Plans*

This Policy does not apply in the case of the following transactions, except as specifically noted:

*Stock Option Exercises.* This Policy does not apply to the exercise of an employee stock option acquired pursuant to the Company's plans, or to the exercise of a tax withholding right pursuant to which a person has elected to have the Company withhold shares subject to an option to satisfy tax withholding requirements. This Policy does apply, however, to any sale of stock as part of a broker-assisted cashless exercise of an option, or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

*Restricted Stock Awards.* This Policy does not apply to the vesting of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. The Policy does apply, however, to any market sale of restricted stock.

*Other Similar Transactions.* Any other purchase of Company Securities from the Company or sales of Company Securities to the Company are not subject to this Policy.

X. *Special and Prohibited Transactions*

The Company has determined that there is a heightened legal risk and/or the appearance of improper or inappropriate conduct if the persons subject to this Policy engage in certain types of transactions. It therefore is the Company's policy that any persons covered by this Policy may not engage in any of the following transactions, or should otherwise consider the Company's preferences as described below:

*Short Sales.* Short sales of Company Securities ( *i.e.,* the sale of a security that the seller does not own) may evidence an expectation on the part of the seller that the securities will decline in value and therefore have the potential to signal to the market that the seller lacks confidence in the Company's prospects. In addition, short sales may reduce a seller's incentive to seek to improve the Company's performance. For these reasons, short sales of Company Securities are prohibited. In addition, Section

16(c) of the Securities Exchange Act of 1934, as amended (the " Exchange Act") prohibits officers and directors from engaging in short sales. (Short sales arising from certain types of hedging transactions are governed by the paragraph below captioned "Hedging Transactions.")

*Options and Other Derivative Transactions.* Given the relatively short term of publicly-traded options, transactions in options may create the appearance that a director, officer or employee is trading based on material nonpublic information and focus a director's, officer's or other employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, are prohibited by this Policy.

*Hedging Transactions.* Directors, officers and employees are prohibited from hedging or monetization transactions involving the Company's securities, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars, exchange funds or otherwise.

*Margin Accounts and Pledged Securities.* Securities held in a margin account as collateral for a margin loan may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company Securities, directors, officers and other employees must notify the General Counsel, and obtain pre-clearance, and must adhere to the following individual and aggregate limits on Company shares that are pledged:

- Company personnel may not pledge more than thirty percent (30%) of the total number of issued and outstanding shares of Company common stock that they own; and
- The total percentage of Company shares held by Company personnel and subject to pledges may not, at any time, exceed, in the aggregate, more than ten percent (10%) of the total number of Company shares outstanding.

*Standing and Limit Orders.* Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as described below) create heightened risks for insider trading violations similar to the use of margin accounts. There is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a director, officer or other employee is in possession of material nonpublic information. The Company therefore discourages placing standing or limit orders on Company Securities. If a person subject to this Policy determines that they must use a standing order or limit order, the order should be limited to short duration and should otherwise comply with the restrictions and procedures outlined below under the heading "Additional Procedures."

- *XI. Additional Procedures*

The Company has established additional procedures to assist the Company in the administration of this Policy, to facilitate compliance with laws prohibiting insider trading while in possession of material nonpublic information, and to avoid the appearance of any impropriety. These additional procedures are applicable only to those individuals described below.

*Pre-Clearance Procedures*. Directors, officers and other employees designated by the General

Counsel (collectively, “Insiders”), as well as the Family Members and Controlled Entities of Insiders, may not engage in any transaction in Company Securities without first obtaining pre-clearance of the transaction (including, but not limited to, a purchase or sale of Company Securities, a gift, a loan or pledge or hedge, a contribution to a trust, or any other transfer of Company Securities) from the General Counsel. A request for pre-clearance should be submitted to the General Counsel at least two business days in advance of the proposed transaction. The General Counsel is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction. If a person seeks pre-clearance and permission to engage in the transaction is denied, then he or she should refrain from initiating any transaction in Company Securities and should not inform any other person of the restriction. The General Counsel will make every effort to respond to requests for approval as quickly and expeditiously as possible.

When a request for pre-clearance is made, the requestor should carefully consider whether he or she may be aware of any material nonpublic information about the Company and should describe fully those circumstances to the General Counsel. **The requestor should also indicate whether he or she has affected any non-exempt** “**opposite-way**” **transactions within the past six months and should be prepared to report the proposed transaction on an appropriate Form 4 or Form 5. The requestor should also be prepared to comply with SEC Rule 144 and file a Form 144, if necessary, at the time of any sale.**

Insiders should refer to the Boyd Gaming Corporation Section 16 Compliance Guidelines for additional information and to obtain the form for submitting requests for pre-clearance.

*Quarterly Trading Restrictions.* Directors, officers and employees designated by the General Counsel as subject to this restriction, as well as their Family Members or Controlled Entities, may not conduct any transactions involving the Company’s Securities (other than as specified by this Policy), during a “Blackout Period” beginning on the close of business on the fifteenth (15th) day of the third month of the quarter and ending on the opening of the second (2nd) business day following the Company’s filing with the SEC of the Company’s quarterly or annual financial reports or public release of quarterly or annual financial information. If the person’s employment, or services as a director, terminates during a Blackout Period, the Insider may not transact in the Company’s securities until that Blackout Period has ended. The Company will inform persons subject to Blackout Periods of the anticipated date of public disclosure of each quarter’s financial results upon request.

*Event-Specific Blackout Periods.* From time to time, an event may occur that is material to the Company and is known by only a few directors, officers and/or employees. So long as the event remains material and nonpublic, the persons designated by the General Counsel may not engage in transactions in Company Securities. In addition, the Company’s financial results may be sufficiently material in a particular fiscal quarter that, in the judgment of the General Counsel, designated persons should refrain from engaging in transactions in Company Securities even sooner than the quarterly Blackout Period described above. In those situations, the General Counsel may notify these persons that they should not trade in the Company’s Securities without disclosing the reason for the restriction. The existence of an event-specific Blackout Period or the extension of a quarterly Blackout Period will not be announced to the Company as a whole and should not be communicated to any other person. Even if the General Counsel has not designated you as a person who should not engage in transactions in Company Securities due to an event-specific Blackout Period, you should not trade while aware of material nonpublic information. Exceptions will not be granted during an event-specific Blackout Period.

*Exceptions.* The quarterly trading restrictions and event-specific trading restrictions do not apply to those transactions to which this Policy does not apply, as described above under the heading "Transactions Under Company Plans." Further, the requirement for pre-clearance, the quarterly trading restrictions and event-specific trading restrictions do not apply to transactions conducted pursuant to approved Rule 10b5-1 plans, described under the heading "Rule 10b5-1 Plans."

- *XII. Rule 10b5-1 Plans*

Rule 10b5-1 under the Exchange Act provides a defense from insider trading liability under Rule 10b-5. To be eligible to rely on this defense, a person subject to this Policy must enter into a Rule 10b5-1 plan for transactions in Company Securities that meets certain conditions specified in the Rule (a "Rule 10b5-1 Plan"). If the plan meets the requirements of Rule 10b5-1, transactions in Company Securities may occur even when the person who has entered into the plan is aware of material nonpublic information.

To comply with the Policy, a Rule 10b5-1 Plan must be approved by the General Counsel and meet the requirements of Rule 10b5-1 and the Company's "Section 16 Compliance Guidelines," which may be obtained from the General Counsel. **The ability of directors and officers to adopt Rule 10b5-1 Plans may be limited by the Compensation Committee of the Board of Directors.**

In general, a Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information. Once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party. The plan must include a cooling-off period before trading can commence that, for directors or officers, ends on the later of 90 days after the adoption of the Rule 10b5-1 Plan or two business days following the disclosure of the Company's financial results in an SEC periodic report for the fiscal quarter in which the plan was adopted (but in any event, the required cooling-off period is subject to a maximum of 120 days after adoption of the plan), and for persons other than directors or officers, 30 days following the adoption or modification of a Rule 10b5-1 Plan. A person may not enter into overlapping Rule 10b5-1 Plans (subject to certain exceptions) and may only enter into one single-trade Rule 10b5-1 Plan during any 12-month period. Directors and officers must include a representation in their Rule 10b5-1 Plan certifying that: (i) they are not aware of any material nonpublic information; and (ii) they are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions in Rule 10b-5. All persons entering into a Rule 10b5-1 Plan must act in good faith with respect to that plan.

Any Rule 10b5-1 Plan must be submitted for approval five days prior to the entry into the Rule 10b5- 1 Plan. No further pre-approval of transactions conducted pursuant to the Rule 10b5-1 Plan will be required.

XIII. *Post-Termination Transactions*

This Policy continues to apply to transactions in Company Securities even after termination of service to the Company. If an individual is in possession of material nonpublic information when his or her service terminates, that individual may not engage in transactions in Company Securities until that information has become public or is no longer material. The pre-clearance procedures specified under the heading "Additional Procedures" above, however, will cease to apply to transactions in Company Securities upon the expiration of any Blackout Period or other Company-imposed trading restrictions applicable at the time of the termination of service.

XIV. *Consequences of Violations*

The purchase or sale of securities while aware of material nonpublic information, or the disclosure of material nonpublic information to others who then engage in transactions in Company Securities, is prohibited by federal and state laws. Insider trading violations are pursued vigorously by the SEC, U.S. Attorneys and state enforcement authorities, as well as enforcement authorities in foreign jurisdictions. Punishment for insider trading violations is severe and could include significant fines and imprisonment. While regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other "controlling persons" if they fail to take reasonable steps to prevent insider trading by company personnel.

In addition, an individual's failure to comply with this Policy may subject the individual to Company-imposed sanctions, including dismissal for cause, whether or not the employee's failure to comply results in a violation of law. A violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person's reputation and irreparably damage a career.

XV. *Administration*

The Board of Directors (the "Board") has designated 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 Board's scope of authority shall not be included in this Policy's scope of enforcement or otherwise overseen by the General Counsel unless so directed by the Board. Any violations of this Policy shall be reported to the General Counsel and Compliance Officer.

* * *

**EXHIBIT 21.1**

**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 |
| 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 |
| 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 |

EXHIBIT 22

**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

**Exhibit 23.1**

**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 26, 2024, 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, 2023.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada

February 26, 2024

**Exhibit 31.1**

**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 26, 2024

By: /s/ Keith E. Smith
**Keith E. Smith**
**President and Chief Executive Officer**

**Exhibit 31.2**

**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 26, 2024

By: /s/ Josh Hirsberg
**Josh Hirsberg**
**Chief Financial Officer and Treasurer**

**Exhibit 32.1**

**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, 2023 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 26, 2024

By: /s/ Keith E. Smith
**Keith E. Smith**
**President and Chief Executive Officer**

**Exhibit 32.2**

**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, 2023 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 26, 2024

By: /s/ Josh Hirsberg
**Josh Hirsberg**
**Chief Financial Officer and Treasurer**

**Exhibit 97.1**

**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.

* * *

**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 ___________________________________

**Exhibit 99.1**

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.

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.

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.

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.

**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.

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.

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.

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.

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.

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.

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.

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.

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 arears (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).

- Other Provisions
    - o 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.
    - o The Act establishes a sports wagering self-exclusion option (25-100).
    - o 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 255-2015provides 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.

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 the 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.

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).

- "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 $500,00 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.

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.

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.

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.

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.

**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.

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.

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.

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.

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.

*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.

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 of 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.

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 Pari-Mutuel 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.

**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 give (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.

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:

| Amount wagered daily | Rates |
|---|---|
| ◦ 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:

| Total wagering per meet | Rates |
|---|---|
| ◦ 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.

**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.

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.