UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

		Wildim (6101), 2.0. 20015		
		FORM 10-Q	<u> </u>	
(Mark One)				
	PORT PURSUANT TO SECTI	ON 13 OR 15(d) OF THE SECURITIES EX	CHANGE ACT OF 1934	
	For t	he quarterly period ended March 31, 2020 OR		
☐ TRANSITION RE	PORT PURSUANT TO SECTI	ON 13 OR 15(d) OF THE SECURITIES EX	CHANGE ACT OF 1934	
	For th	ce transition period from to Commission file number: 1-12882		
	BOYD GA	MING CORPORA name of registrant as specified in its charter)		
-	(Addro	ghes Parkway, Ninth Floor, Las Vegas, ess of principal executive offices) (Zip Code) (702) 792-7200 ant's telephone number, including area code)		
	such shorter period that the regis	reports required to be filed by Section 13 or 15(strant was required to file such reports), and (2)		
		lectronically every Interactive Data File require ing 12 months (or for such shorter period that		
		elerated filer, an accelerated filer, a non-accele 'smaller reporting company" in Rule 12b-2 of th		oany. See the
Large accelerated filer	\boxtimes		Accelerated filer	
Non-accelerated filer			Smaller reporting company	
			Emerging growth company	
		the registrant has elected not to use the extendenction 13(a) of the Exchange Act. \Box	ed transition period for complying with	n any new or
Indicate by check mark wheth	her the registrant is a shell compa	ny (as defined in Rule 12b-2 of the Exchange A	ct). Yes □ No ⊠	
Indicate the number of shares	outstanding of each of the issue	's classes of common stock, as of the latest prac	ticable date.	
Cla	ass	Trading Symbol	Name of each exchange on which reg	gistered
Common stock,	\$0.01 par value	BYD	New York Stock Exchange	
The number of shares outstan	ding of the registrant's common	stock as of May 4, 2020 was 111,251,684.		

BOYD GAMING CORPORATION QUARTERLY REPORT ON FORM 10-Q FOR THE PERIOD ENDED MARCH 31, 2020 TABLE OF CONTENTS

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PART I. Financial Information

Item 1. Financial Statements (Unaudited)

BOYD GAMING CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands, except share data) ASSETS	_	March 31, 2020]	December 31, 2019
Current assets		004.046	Φ.	• 10 0==
Cash and cash equivalents	\$	831,246	\$	249,977
Restricted cash		18,529		20,471
Accounts receivable, net		37,568		54,864
Inventories		22,235		22,101
Prepaid expenses and other current assets		48,708		46,481
Income taxes receivable		5,477		5,600
Total current assets		963,763		399,494
Property and equipment, net		2,657,929		2,672,553

Operating lease right-of-use assets	928,026	936,170
Other assets, net	92,900	91,750
Intangible assets, net	1,402,957	1,466,891
Goodwill, net	971,287	1,083,287
Total assets	\$ 7,016,862	\$ 6,650,145
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 77,038	\$ 91,003
Current maturities of long-term debt	27,000	26,994
Accrued liabilities	397,001	438,896
Income tax payable	119	<u> </u>
Total current liabilities	 501,158	556,893
Long-term debt, net of current maturities and debt issuance costs	4,368,097	3,738,937
Operating lease liabilities, net of current portion	828,466	840,285
Deferred income taxes	121,781	162,695
Other long-term tax liabilities	3,888	3,840
Other liabilities	81,702	82,253
Commitments and contingencies (Notes 6 and 8)		
Stockholders' equity		
Preferred stock, \$0.01 par value, 5,000,000 shares authorized		
Common stock, \$0.01 par value, 200,000,000 shares authorized; 111,180,132 and 111,542,108 shares		
outstanding	1,112	1,115
Additional paid-in capital	876,678	883,715
Retained earnings	233,383	380,942
Accumulated other comprehensive income (loss)	597	(530)
Total stockholders' equity	1,111,770	1,265,242
Total liabilities and stockholders' equity	\$ 7,016,862	\$ 6,650,145

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

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BOYD GAMING CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

Three Months Ended
March 31

		March 31,						
(In thousands, except per share data)	2	:020	2019					
Revenues								
Gaming	\$	509,765 \$	620,253					
Food & beverage		89,884	111,090					
Room		46,727	57,244					
Other		34,149	38,701					
Total revenues		680,525	827,288					
Operating costs and expenses								
Gaming		238,700	276,616					
Food & beverage		89,839	102,151					
Room		22,985	26,882					
Other		21,447	23,880					
Selling, general and administrative		113,430	115,411					
Master lease rent expense		24,665	23,962					
Maintenance and utilities		33,146	38,100					
Depreciation and amortization		66,965	67,253					
Corporate expense		24,958	31,177					
Project development, preopening and writedowns		3,508	4,031					
Impairment of assets		171,100	_					
Other operating items, net		7,543	199					
Total operating costs and expenses		818,286	709,662					
Operating income (loss)		(137,761)	117,626					
Other expense (income)								
Interest income		(439)	(106)					
Interest expense, net of amounts capitalized		51,845	61,330					
Loss on early extinguishments and modifications of debt		175	_					
Other, net		(344)	115					

Total other expense, net	 51,237	61,339
Income (loss) before income taxes	 (188,998)	56,287
Income tax benefit (provision)	 41,439	(10,836)
Net income (loss)	\$ (147,559) \$	45,451
Basic net income (loss) per common share	\$ (1.30) \$	0.40
Weighted average basic shares outstanding	113,708	113,340
Diluted net income (loss) per common share	\$ (1.30) \$	0.40
Weighted average diluted shares outstanding	113,708	113,871

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

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BOYD GAMING CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

	Three Months Ended March 31,								
(In thousands)		2020		2019					
Net income (loss)	\$	(147,559)	\$	45,451					
Other comprehensive income, net of tax:									
Fair value adjustments to available-for-sale securities, net of tax		1,127		465					
Comprehensive income (loss)	\$	(146,432)	\$	45,916					

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

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BOYD GAMING CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (Unaudited)

		Common	1 Sto	ck	I	Additional	R	etained		mated Otner prehensive	
(In thousands, except share data)	Shares	A	mount		Paid-in Capital	Ea	rnings	Incom	e (Loss), Net	Total
E	Balances, January 1, 2020	111,542,108	\$	1,115	\$	883,715	\$	380,942	\$	(530)	\$ 1,265,242
	Net loss	_		_		_	((147,559)		_	(147,559)
	Comprehensive income, net of tax	_		_		_		_		1,127	1,127
	Stock options exercised	3,000		_		25		_		_	25
	Release of restricted stock units, net of tax	76,502		1		(767)		_		_	(766)
	Release of performance stock units, net of tax	241,118		2		(3,372)		_		_	(3,370)
	Shares repurchased and retired	(682,596)		(6)		(11,114)		_		_	(11,120)
	Share-based compensation costs					8,191					8,191
E	Balances, March 31, 2020	111,180,132	\$	1,112	\$	876,678	\$	233,383	\$	597	\$ 1,111,770

							Accumulated Other	
Commo	n Stocl	K			R	Retained	Comprehensive	
Shares	An	nount		Paid-in Capital	E	arnings	Income (Loss), Net	Total
111,757,105	\$	1,118	\$	892,331	\$	253,357	\$ (1,065)	\$ 1,145,741
_		_		_		45,451	_	45,451
_		_		_		_	465	465
137,063		1		1,261		_	_	1,262
46,958		_		(418)		_	_	(418)
270,960		3		(3,768)		_	_	(3,765)
(830,100)		(8)		(21,645)		_	_	(21,653)
	Shares 111,757,105	Shares An 111,757,105 \$	111,757,105 \$ 1,118 — — — — — — — — — — — — — — — — — — —	Shares Amount 111,757,105 \$ 1,118 - - 137,063 1 46,958 - 270,960 3	Shares Amount Paid-in Capital 111,757,105 \$ 1,118 \$ 892,331 — — — 137,063 1 1,261 46,958 — (418) 270,960 3 (3,768)	Shares Amount Paid-in Capital E 111,757,105 \$ 1,118 \$ 892,331 \$ — — — — 137,063 1 1,261 46,958 46,958 — (418) 270,960 3 (3,768)	Shares Amount Paid-in Capital Earnings 111,757,105 \$ 1,118 \$ 892,331 \$ 253,357 — — — 45,451 — — — — 137,063 1 1,261 — 46,958 — (418) — 270,960 3 (3,768) —	Common Stock Additional Paid-in Capital Retained Earnings Comprehensive Income (Loss), Net 111,757,105 \$ 1,118 \$ 892,331 \$ 253,357 \$ (1,065) — — — 45,451 — — — — 465 137,063 1 1,261 — 46,958 — (418) — 270,960 3 (3,768) —

Dividends declared (\$0.06 per share)	_	_	_	(6,683)	_	(6,683)
Share-based compensation costs			9,709			9,709
Balances, March 31, 2019	111,381,986	\$ 1,114	\$ 877,470	\$ 292,125	\$ (600)	\$ 1,170,109

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

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BOYD GAMING CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Three Months Ended March 31.

	March 3	
(In thousands)	2020	2019
Cash Flows from Operating Activities		
Net income (loss)	\$ (147,559) \$	45,451
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		,
Depreciation and amortization	66,965	67,253
Amortization of debt financing costs and discounts on debt	2,171	2,346
Non-cash operating lease expense	19,957	, <u> </u>
Share-based compensation expense	8,191	9,709
Deferred income taxes	(40,914)	9,931
Non-cash impairment of assets	171,100	_
Loss on early extinguishments and modifications of debt	175	_
Other operating activities	(8)	171
Changes in operating assets and liabilities:		
Accounts receivable, net	17,296	(4,195)
Inventories	(134)	1,718
Prepaid expenses and other current assets	(2,227)	(1,002)
Income taxes (receivable) payable, net	242	1,219
Other assets, net	(25)	(4,407)
Accounts payable and accrued liabilities	(51,458)	25,206
Operating lease liabilities	(19,957)	_
Other long-term tax liabilities	48	51
Other liabilities	(271)	10,639
Net cash provided by operating activities	23,592	164.090
Cash Flows from Investing Activities		,
Capital expenditures	(48,046)	(89,322)
	(10,010)	(11,918)
Other investing activities	 (48,046)	(101,240)
Net cash used in investing activities	 (40,040)	(101,240)
Cash Flows from Financing Activities	065 100	42.4.020
Borrowings under bank credit facility	965,100	434,829
Payments under bank credit facility	(338,173)	(466,802)
Debt financing costs, net	(4.111)	(53)
Share-based compensation activities, net	(4,111)	(2,921)
Shares repurchased and retired	(11,120)	(21,653)
Dividends paid	(7,808)	(6,705)
Other financing activities	 (107)	(115)
Net cash provided by (used in) financing activities	603,781	(63,420)
Change in cash, cash equivalents and restricted cash	579,327	(570)
Cash, cash equivalents and restricted cash, beginning of period	 270,448	273,202
Cash, cash equivalents and restricted cash, end of period	\$ 849,775 \$	272,632
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest, net of amounts capitalized	\$ 36,175 \$	44,687
Cash paid for (received from) income taxes	 (388)	187
Supplemental Schedule of Non-cash Investing and Financing Activities	(222)	
Payables incurred for capital expenditures	\$ 1,628 \$	3,022
- 1	, ,	, ,

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Boyd Gaming Corporation (and together with its subsidiaries, the "Company," "Boyd," "Boyd Gaming," "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."

We are a geographically diversified operator of 29 wholly owned gaming entertainment properties. Headquartered in Las Vegas, we have gaming operations in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania.

Going Concern Matters and Management's Assessment

As a result of the COVID-19 global pandemic, all of our gaming facilities have been closed since mid- March 2020 in compliance with orders issued by state officials as precautionary measures intended to slow the spread of the COVID-19 virus. We cannot predict when we will be permitted to re-open our casinos, the conditions on which we will be permitted or decide to operate upon re-opening, the extent of consumer demand upon re-opening or the negative effects on our workforce, suppliers, contractors and other partners. Although certain states have indicated that operations of non-essential businesses, including our gaming facilities, are suspended only through a given deadline, we cannot predict whether such deadlines will be extended. Such closures have had and will continue to have a material impact on our business. COVID-19, the associated impacts on customer behavior and the requirements of health and safety protocols are expected to continue to have a material impact on our business following the re-opening of our facilities. The severity and duration of such business impacts cannot currently be estimated.

In responding to these circumstances, the safety and well-being of our team members and customers is our utmost priority. We are developing a broad range of safety protocols to be implemented at our properties when we do re-open to ensure the health and safety of our team members and our customers.

The ultimate impact of the COVID- 19 pandemic on the Company's operations is unknown and will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the COVID- 19 outbreak, new information which may emerge concerning the severity of the COVID- 19 pandemic, its impact on the economy and consumer behavior and demand, and any additional preventative and protective actions that governments, or the Company, may direct, which may result in an extended period of continued business disruption, reduced customer traffic and reduced operations. Any resulting financial impact cannot be reasonably estimated at this time but is anticipated to have a material adverse impact on our business, financial condition and results of operations.

We have taken significant additional measures in response to the impact of the COVID-19 pandemic on our business, including:

- placing most of our team members on unpaid furlough, effective April 11, 2020;
- enacting significant salary reductions among our executive leadership team and for all non-furloughed management team members;
- suspending board of director compensation;
- suspending all non-essential spending, including non-essential capital investment; and,
- suspending our quarterly cash dividend and share repurchase programs.

In addition, on March 16, 2020, we borrowed \$660 million under our Revolving Credit Facility and an additional \$10 million under the Swing Loan facility of the Credit Facility (effectively utilizing the full borrowing capacity under the Revolving Credit Facility) as a precautionary measure in order to increase our cash position and preserve financial flexibility in light of current uncertainty in the global markets.

Due to the adverse impacts of COVID-19 on our business, we anticipate funding our operations over the next 12 months with the cash we currently have available and the revenues to be generated after our properties re-open. We assessed the recoverability of our assets as of the end of first quarter considering our current expectations of the timing of re-openings and the expected level of operations to be achieved post re-opening. Based on this review, we recognized pre-tax, non-cash impairment charges of \$171.1 million in the first quarter of 2020. If our expectations regarding re-openings or our estimates of projected revenues and cash flows related to our assets are not achieved, we may be subject to additional impairment charges in the future, which could have a material adverse impact on our consolidated financial statements.

Although we were in compliance with our debt covenants as of the end of first quarter, the effects of the COVID-19 pandemic on our Company made it reasonably possible that we may not meet one or more of our financial covenants under our existing debt agreements in subsequent quarters of 2020. On May 8, 2020, we amended our credit facility to, among other things, waive the financial covenants for the period beginning on March 30, 2020 through the earlier of (x) the date on which the Company delivers to the administrative agent a covenant relief period termination notice, (y) the date on which the administrative agent receives a compliance certificate with respect to the Company's fiscal quarter ending June 30, 2021, and (z) the date on which the Company fails to satisfy the conditions to covenant relief set forth in the amendment. See Note 12, Subsequent Events, for further discussion of the amendment.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with the instructions to the Quarterly Report on Form 10-Q and Article 10 of Regulation S-X and, therefore, do not include all information and footnote disclosures necessary for complete financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"). These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes for the year ended December 31, 2019, as filed with the U.S. Securities and Exchange Commission ("SEC") on February 27, 2020.

BOYD GAMING CORPORATION AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

The results for the periods indicated are unaudited, but reflect all adjustments (consisting only of normal recurring adjustments) that management considers necessary for a fair presentation of financial position, results of operations and cash flows. Results of operations and cash flows for the interim periods presented herein are not necessarily indicative of the results that would be achieved during a full year of operations or in future periods.

The accompanying condensed consolidated financial statements include the accounts of Boyd Gaming and its wholly owned subsidiaries. Investments in unconsolidated affiliates, which do not meet the consolidation criteria of the authoritative accounting guidance for voting interest, controlling interest or variable interest entities, are accounted for under the equity method. All significant intercompany accounts and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

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

Restricted Cash

Restricted cash consists primarily of advance payments related to: (i) future bookings with our Hawaiian travel agency; and (ii) amounts restricted by regulation for gaming and racing purposes. 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 value of these instruments approximates their fair value due to their short maturities.

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

	March 31,			cember 31,	N.	March 31,		December 31,	
(In thousands)	2020			2019		2019	2018		
Cash and cash equivalents	\$	831,246	\$	249,977	\$	247,681	\$	249,417	
Restricted cash		18,529		20,471		24,951		23,785	
Total cash, cash equivalents and restricted cash	\$	849,775	\$	270,448	\$	272,632	\$	273,202	

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. 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. 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. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease and non-lease components are accounted for separately.

Revenue Recognition

The Company's revenue contracts with customers consist of gaming wagers, hotel room sales, food & beverage offerings and other amenity transactions. 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 gross 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.

Gaming wager contracts involve two performance obligations for those customers earning points under the Company's player loyalty programs and a single performance obligation for customers who do not participate in the programs. 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 loyalty point 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 is recognized when the wagers occur as all such wagers settle immediately. The loyalty point 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 4, *Accrued Liabilities*, for the balance outstanding related to player loyalty programs.

The Company collects advanced deposits from hotel customers for future reservations representing obligations of the Company until the hotel room stay is provided to the customer. See Note 4, *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 4, *Accrued Liabilities*, for the balance outstanding related to the chip liability.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

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 slot bonus program such as cash and the estimated retail value of goods and services (such as complimentary hotel rooms and food & beverage). We reward customers, through the use of bonus programs, with points based on amounts wagered that can be redeemed for a specified period of time for complimentary slot play, food & beverage, and to a lesser extent for other goods or services, depending upon the property.

The estimated retail value related to goods and services provided to customers without charge or upon redemption of points under our player loyalty programs, included in departmental revenues and therefore reducing our gaming revenues, are as follows:

		March 31,					
(In thousands)	2020		2019				
Food & beverage	\$ 44,18	\$	53,918				
Rooms	19,08	5	23,274				
Other	2,88	2	3,466				

Gaming Taxes

We are subject to taxes based on gross gaming revenues in the jurisdictions in which we operate. These gaming taxes are recorded as a gaming expense in the condensed consolidated statements of operations. These taxes totaled approximately \$110.0 million and \$135.7 million for the three months ended March 31, 2020 and 2019, respectively.

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 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, 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.

Other Long-Term Tax Liabilities

The Company's income tax returns are subject to examination by the Internal Revenue Service 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. Accrued interest and penalties are included in other long-term tax liabilities on the condensed consolidated balance sheets.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of 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, especially given that the full impact of COVID-19 is not yet known, and could have a material adverse impact on our consolidated financial statements.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Recently Adopted Accounting Pronouncement

Accounting Standards Update 2018-13, Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement ("Update 2018-13")
In August 2018, the Financial Accounting Standards Board ("FASB") issued Update 2018-13 to modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement. The standard is effective for financial statements issued for annual periods and interim periods within those annual periods beginning after December 15, 2019. The Company adopted Update 2018-13 during first quarter 2020 and the impact of the adoption to its condensed consolidated financial statements was not material.

Recently Issued Accounting Pronouncements

ASU ("ASU") 2020-04, Reference Rate Reform, Topic 848 ("Update 2020-04")

In March 2020, the FASB issued Update 2020-04 to provide optional guidance for a limited period of time to ease the potential burden in accounting for reference rate reform on financial reporting. Update 2020-04 is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is evaluating the impact of the adoption of Update 2020-04 to the condensed consolidated financial statements.

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 is evaluating the impact of the adoption of Update 2020-01 to the condensed 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. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

(In thousands)	<u>.</u>	March 31, 2020		cember 31, 2019
Land	\$	326,801	\$	324,501
Buildings and improvements		3,092,943		3,090,974
Furniture and equipment		1,624,841		1,596,395
Riverboats and barges		241,036		241,036
Construction in progress		68,725		56,069
Total property and equipment		5,354,346		5,308,975
Less accumulated depreciation		2,696,417		2,636,422
Property and equipment, net	\$	2,657,929	\$	2,672,553

Depreciation expense is as follows:

(In thousands) 2020 2019			March 31,			
	(In thousands)	2020		2019		
Depreciation expense \$ 62,129 \$ 60,100 \$ 62,129 \$ 60,100	Depreciation expense	\$ 62,12) \$	60,045		

Three Months Ended

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

NOTE 3. GOODWILL AND INTANGIBLE ASSETS, NET

Intangible assets, net consist of the following:

			1	Tai Cii 3	1, 2020				
	Weighted Useful Life Remaining (in	C	Gross Carrying		umulated	Im	cumulated pairment		ntangible
(In thousands)	years)		Value	Amo	ortization		Losses	Α	ssets, Net
Amortizing intangibles									
Customer relationships	3.2	\$	68,100	\$	(43,465)	\$	_	\$	24,635
Host agreements	13.2		58,000		(7,089)		_		50,911
Development agreement	_		21,373		_				21,373
			147,473		(50,554)				96,919
Indefinite lived intangible assets									
Trademarks	Indefinite		206,687		_		(21,200)		185,487
Gaming license rights	Indefinite		1,376,685		(33,960)		(222,174)		1,120,551
			1,583,372		(33,960)		(243,374)		1,306,038
Balances, March 31, 2020		\$	1,730,845	\$	(84,514)	\$	(243,374)	\$	1,402,957
			De	cember	31, 2019				
	Weighted Useful Life Remaining (in		Gross Carrying	Acc	umulated		cumulated pairment	I	ntangible
(In thousands)	years)		Value	Amortization		Losses		Assets, Net	
Amortizing intangibles									
Customer relationships	3.5	\$	68,100	\$	(39,598)	\$	_	\$	28,502
Host agreements	13.4		58,000		(6,122)		_		51,878
Development agreement	_		21,373		_		_		21,373
			147,473		(45,720)				101,753
Indefinite lived intangible assets			147,473		(45,720)				101,753
Indefinite lived intangible assets Trademarks	Indefinite		147,473		(45,720)		(4,300)		101,753
	Indefinite Indefinite				(45,720) — (33,960)		(4,300) (179,974)		
Trademarks			206,687						202,387

March 31, 2020

For the three months ended March 31, 2020, we evaluated whether events or circumstances had occurred that would indicate it is more likely than not that any of our goodwill or other intangible assets were impaired. Factors considered in this evaluation included, among other things, the amount of the fair value over carrying value from the annual impairment testing performed as of October 1, 2019, changes in discount rates, and the expected impact of the temporary property closures due to the COVID-19 pandemic on future revenues and cash flows. Based on this evaluation, we concluded that triggering events had occurred, and we reviewed our assets for impairment. For purposes of this review, we updated the discount rates to reflect the increased uncertainty of the cash flows and also updated revenue and cash flow forecasts. As a result of this review, we recorded impairment changes in our first quarter 2020 results totaling \$171.1 million. Of this total, \$112.0 million was for impairments of goodwill, \$42.2 million for impairments of gaming license rights and \$16.9 million for the impairments of trademarks.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

NOTE 4. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

(In thousands)	N	March 31, 2020		cember 31, 2019
Payroll and related expenses	\$	71,387	\$	99,602
Interest		45,738		32,239
Gaming liabilities		57,858		64,465
Player loyalty program liabilities		35,246		32,983
Advance deposits		18,740		22,854
Outstanding chip liabilities		5,029		7,394
Dividend payable		_		7,808
Operating lease liabilities		91,417		87,686
Other accrued liabilities		71,586		83,865
Total accrued liabilities	\$	397,001	\$	438,896

NOTE 5. LONG-TERM DEBT

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

			March 31, 2020		
(In thousands)	Interest Rates at March 31, 2020	Outstanding Principal	Unamortized Discount	Unamortized Origination Fees and Costs	Long-Term Debt, Net
Bank credit facility	2.765%	\$ 1,932,560	\$ (608)	\$ (13,145)	\$ 1,918,807
6.375% senior notes due 2026	6.375%	750,000	_	(7,940)	742,060
6.000% senior notes due 2026	6.000%	700,000	_	(8,895)	691,105
4.750% senior notes due 2027	4.750%	1,000,000	_	(15,097)	984,903
Other	11.148%	58,222			58,222
Total long-term debt		4,440,782	(608)	(45,077)	4,395,097
Less current maturities		27,000	_	_	27,000
Long-term debt, net		\$ 4,413,782	\$ (608)	\$ (45,077)	\$ 4,368,097
]	December 31, 2019		

		ь	ecember 31, 2017		
	Interest Rates at December 31,	Outstanding	Unamortized	Unamortized Origination Fees and	Long-Term
(In thousands)	2019	Principal	Discount	Costs	Debt, Net
Bank credit facility	3.753%	\$ 1,305,634	\$ (671)	\$ (14,255)	\$ 1,290,708
6.375% senior notes due 2026	6.375%	750,000	_	(8,271)	741,729
6.000% senior notes due 2026	6.000%	700,000	_	(9,244)	690,756
4.750% senior notes due 2027	4.750%	1,000,000	_	(15,584)	984,416
Other	11.138%	58,322			58,322
Total long-term debt		3,813,956	(671)	(47,354)	3,765,931
Less current maturities		26,994			26,994
Long-term debt, net		\$ 3,786,962	\$ (671)	\$ (47,354)	\$ 3,738,937

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

The outstanding principal amounts under our bank credit facility are comprised of the following:

(In thousands)	March 31, 2020		December 31, 2019
Revolving Credit Facility	\$ 865,000	\$	235,000
Term A Loan	230,787		234,300
Refinancing Term B Loans	771,873		795,034
Swing Loan	 64,900		41,300
Total outstanding principal amounts under the bank credit facility	\$ 1,932,560	\$	1,305,634

With a total revolving credit commitment of \$945.5 million available under the bank credit facility, \$865.0 million was borrowed on the Revolving Credit Facility, \$64.9 million was borrowed on the Swing Loan and \$12.6 million allocated to support various letters of credit, leaving a remaining contractual availability of \$3.0 million as of March 31, 2020. As a precautionary measure to increase liquidity during the uncertainty of COVID-19, the Company increased the borrowings on its Revolving Credit Facility by \$670.0 million on March 16, 2020.

See Note 12, Subsequent Events, for a discussion of an amendment to our bank credit facility.

Covenant Compliance

As of March 31, 2020, we believe that we were in compliance with the financial and other covenants of our debt instruments.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Commitments

As of March 31, 2020, there have been no material changes to our commitments described under Note 9, *Commitments and Contingencies*, in our Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC on February 27, 2020.

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.

NOTE 7. LEASES

We have operating and finance leases primarily for three casino hotel properties, corporate offices, parking ramps, and gaming and other equipment. Our leases have remaining lease terms of one year to 57 years, some of which include options to extend the leases for up to 66 years, and some of which include options to terminate the leases within one year. Certain of our lease agreements, including the master lease agreement entered into by Boyd TCIV, LLC, dated October 15, 2018 (the "Master Lease"), 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 three months ended March 31, 2020 was not material. The Company's finance leases are not considered material.

The components of lease expense were as follows:

(In thousands)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019
Operating lease cost	\$ 41,184	\$ 29,635
Short-term lease cost	118	336

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Supplemental cash flow information related to leases was as follows:

(In thousands)	l	Three Months Ended March 31, 2020		ee Months Ended ch 31, 2019
Cash paid for amounts included in the measurement of lease liabilities:				
Operating cash flows from operating leases	\$	41,622	\$	29,720
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases		11,683		3,710

Supplemental balance sheet information related to leases was as follows:

Supplemental balance sheet information related to leases was as follows.				
(In thousands, except lease term and discount rate)	Marc	March 31, 2020		nber 31, 2019
Operating Leases				
Operating lease right-of-use assets	\$	928,026	\$	936,170
Current lease liabilities (included in accrued liabilities)	\$	91,417	\$	87,686
Operating lease liabilities		828,466		840,285
Total operating lease liabilities	\$	919,883	\$	927,971
Weighted Average Remaining Lease Term				
Operating leases (in years)		18.2		18.2
Weighted Average Discount Rate				
Operating leases		9.0%		8.9%

Maturities of lease liabilities were as follows:

(In thousands)	Oper	rating Leases
For the period ending December 31,		
Last three quarters of 2020	\$	122,305
2021		148,397
2022		119,999
2023		112,274
2024		112,068
Thereafter		1,273,348
Total lease payments		1,888,391
Less imputed interest		(968,508)
Less current portion (included in accrued liabilities)		(91,417)
Long-term portion of operating lease liabilities	\$	828,466

NOTE 8. STOCKHOLDERS' EQUITY AND STOCK INCENTIVE PLANS

Share Repurchase Program

On December 12, 2018, our Board of Directors authorized a share repurchase program of \$100 million which as of March 31, 2020, had \$61.4 million remaining under the plan. On March 16, 2020, the Company suspended share repurchases under the program in order to preserve liquidity during the property closure period.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

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

Three Months Ended

Three Months Ended

	March 31,				
(In thousands, except per share data)	 2020		2019		
Shares repurchased (1)	683		830		
Total cost, including brokerage fees	\$ 11,120	\$	21,653		
Average repurchase price per share (2)	\$ 16.29	\$	26.09		

- (1) All shares repurchased have been retired and constitute authorized but unissued shares.
- (2) Amounts in the table may not recalculate exactly due to rounding. Average repurchase price per share is calculated based on unrounded numbers.

Dividends

The dividends declared by the Board of Directors and reflected in the periods presented are:

Declaration date	Record date	Payment date	Amoun	t per share
December 7, 2018	December 28, 2018	January 15, 2019	\$	0.06
March 4, 2019	March 15, 2019	April 15, 2019		0.06
December 17, 2019	December 27, 2019	January 15, 2020		0.07

On March 25, 2020, the Company announced that the cash dividend program has been suspended to help mitigate the financial impact of the COVID-19 pandemic.

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 provides classification detail of the total costs related to our share-based employee compensation plans reported in our condensed consolidated statements of operations.

		March 31,						
(In thousands)	2020		2019					
Gaming	\$	212 \$	194					
Food & beverage		40	37					
Room		19	18					
Selling, general and administrative		1,076	988					
Corporate expense		6,844	8,472					
Total share-based compensation expense	\$	8,191 \$	9,709					

Performance Shares

Our stock incentive plan provides for the issuance of Performance Share Unit ("PSU") grants which may be earned, in whole or in part, upon passage of time and the attainment of performance criteria. We periodically review our estimates of performance against the defined criteria to assess the expected payout of each outstanding PSU grant and adjust our stock compensation expense accordingly.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

The PSU grants awarded in fourth quarter 2016 and 2015 vested during first quarter 2020 and 2019, respectively. Common shares were issued based on the determination by the Compensation Committee of the Board of Directors of our actual achievement of net revenue growth, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") growth and customer service scores for the three-year performance period of each 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 November 2016 resulted in a total of 364,810 shares being issued during first quarter 2020, representing approximately 1.53 shares per PSU. Of the 364,810 shares issued, a total of 126,465 were surrendered by the participants for payroll taxes, resulting in a net issuance of 238,345 shares due to the vesting of the 2016 grant. The actual achievement level under the award metrics equaled the estimated performance as of year-end 2019; therefore, the vesting of the PSUs did not impact compensation costs in our 2020 condensed consolidated statement of operations.

The PSU grant awarded in October 2015 resulted in a total of 395,964 shares being issued during first quarter 2019, representing approximately 1.67 shares per PSU. Of the 395,964 shares issued, a total of 125,004 were surrendered by the participants for payroll taxes, resulting in a net issuance of 270,960 shares due to the vesting of the 2015 grant. The actual achievement level under the award metrics equaled the estimated performance as of year-end 2018; therefore, the vesting of the PSUs did not impact compensation costs in our 2019 condensed consolidated statement of operations.

NOTE 9. FAIR VALUE MEASUREMENTS

The authoritative accounting guidance for fair value measurements 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 modelderived 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.

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:

		March 31, 2020								
(In thousands)		Balance		Level 1		Level 2		Level 3		
Assets										
Cash and cash equivalents	\$	831,246	\$	831,246	\$		\$	_		
Restricted cash		18,529		18,529		_		_		
Investment available for sale		17,745		_		_		17,745		
Liabilities										
Contingent payments	\$	1,520	\$	_	\$	_	\$	1,520		
	17									

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

December 31, 2019 **Balance** Level 1 Level 2 Level 3 (In thousands) Assets \$ 249,977 249,977 \$ \$ Cash and cash equivalents 20,471 20,471 Restricted cash Investment available for sale 16,151 16,151 Liabilities Contingent payments \$ 1,712 1,712

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 March 31, 2020 and December 31, 2019.

Investment Available for Sale

We have an investment in a single municipal bond issuance of \$19.5 million aggregate principal amount of 7.5% Urban Renewal Tax Increment Revenue Bonds, Taxable Series 2007 with a maturity date of June 1, 2037 that is classified as available for sale. 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 fair value of the instrument is estimated using a discounted cash flows approach and the significant unobservable input used in the valuation at March 31, 2020 and December 31, 2019 is a discount rate of 9.4% and 10.5%, respectively. Unrealized gains and losses on this instrument resulting from changes in the fair value of the instrument are not charged to earnings, but rather are recorded as other comprehensive income (loss) in the stockholders' equity section of the condensed consolidated balance sheets. At both March 31, 2020 and December 31, 2019, \$0.6 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 March 31, 2020 and December 31, 2019, \$17.2 million and \$15.6 million, respectively, is included in other assets on the condensed consolidated balance sheets. The discount associated with this investment of \$2.6 million and \$2.7 million, as of March 31, 2020 and December 31, 2019, 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 condensed consolidated statements of operations.

Contingent Payments

In connection with the development of the Kansas Star Casino ("Kansas Star"), Kansas Star agreed to pay a former casino project promoter 1% of Kansas Star's EBITDA each month for a period of ten years commencing on December 20, 2011. The liability is recorded at the estimated fair value of the contingent payments using a discounted cash flows approach and the significant unobservable input used in the valuation at March 31, 2020 and December 31, 2019, is a discount rate of 6.1% and 6.2%, respectively. At March 31, 2020 and December 31, 2019, there was a current liability of \$0.8 million and \$0.9 million, respectively, related to this agreement, which is recorded in accrued liabilities on the respective condensed consolidated balance sheets, and long-term obligation at March 31, 2020 and December 31, 2019, of \$0.7 million and \$0.8 million, respectively, which is included in other liabilities on the respective condensed consolidated balance sheets.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

The following tables summarize the changes in fair value of the Company's Level 3 assets and liabilities:

Three Months Ended March 31, 2020 March 31, 2019 Liability Liability Assets Assets Investment Investment Available for Contingent Available for Contingent Sale **Payments** Sale **Payments** (In thousands) 16,151 (1,712) 15,772 (2,407)Balance at beginning of reporting period Total gains (losses) (realized or unrealized): Included in interest income (expense) 40 (26)37 (39)Included in other comprehensive income (loss) 1,554 643 Included in other items, net (17)(66)Purchases, sales, issuances and settlements: 235 232 Settlements 17,745 (1,520)16,452 (2,280)Balance at end of reporting period

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 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.

Balances Disclosed at Fair Value

The following tables provide the fair value measurement information about our obligation under minimum assessment agreements and other financial instruments:

	 March 31, 2020										
(In thousands) Liabilities	anding Face amount	Carr	ying Value		nated Fair Value	Fair Value Hierarchy					
Obligation under assessment arrangements	\$ 27,588	\$	22,931	\$	28,120	Level 3					
			December 3	31, 2019							
(In thousands)	anding Face amount	Carr	ying Value		nated Fair Value	Fair Value Hierarchy					
Liabilities											
Obligation under assessment arrangements	\$ 28,118	\$	23,300	\$	28,780	Level 3					
	19										

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

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

	March 31, 2020							
Outstand						timated Fair	Fair Value	
(In thousands)	Face Amount C		Carrying Value		ue Value		Hierarchy	
Bank credit facility	\$	1,932,560	\$	1,918,807	\$	1,809,138	Level 2	
6.375% senior notes due 2026		750,000		742,060		648,750	Level 1	
6.000% senior notes due 2026		700,000		691,105		602,000	Level 1	
4.750% senior notes due 2027		1,000,000		984,903		825,000	Level 1	
Other		58,222		58,222		58,222	Level 3	
Total debt	\$	4,440,782	\$	4,395,097	\$	3,943,110		

	December 31, 2019							
	Outstanding				Est	imated Fair	Fair Value	
(In thousands)	Face Amount		Carrying Value		Value		Hierarchy	
Bank credit facility	\$	1,305,634	\$	1,290,708	\$	1,308,846	Level 2	
6.375% senior notes due 2026		750,000		741,729		806,250	Level 1	
6.000% senior notes due 2026		700,000		690,756		750,750	Level 1	
4.750% senior notes due 2027		1,000,000		984,416		1,038,750	Level 1	
Other		58,322		58,322		58,322	Level 3	
Total debt	\$	3,813,956	\$	3,765,931	\$	3,962,918		

The estimated fair value of our bank credit facility is based on a relative value analysis performed on or about March 31, 2020 and December 31, 2019. The estimated fair values of our Senior Notes are based on quoted market prices as of March 31, 2020 and December 31, 2019. The other debt is fixed-rate debt consisting of the following: (i) Belterra Park Mortgage payable in 96 monthly installments, beginning in 2018; and (2) finance leases with various maturity dates from 2020 to 2026. The other debt is not traded and does not have an observable market input; therefore, we have estimated its fair value to be equal to the carrying value.

There were no transfers between Level 1, Level 2 and Level 3 measurements during the three months ended March 31, 2020 and 2019.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

NOTE 10. SEGMENT INFORMATION

We aggregate certain of our gaming entertainment properties in order to present three Reportable Segments: (i) Las Vegas Locals; (ii) Downtown Las Vegas; and (iii) Midwest & South. The table below lists the classification of each of our properties.

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	Las Vegas, Nevada
Aliante Casino + Hotel + Spa	North Las Vegas, Nevada
Cannery Casino Hotel	North Las Vegas, Nevada
Eldorado Casino	Henderson, Nevada
Jokers Wild Casino	Henderson, Nevada
Downtown Las Vegas	rienueison, nevaua
California Hotel and Casino	Las Vegas, Nevada
Fremont Hotel and Casino	Las Vegas, Nevada Las Vegas, Nevada
	e i
Main Street Station Casino, Brewery and Hotel Midwest & South	Las Vegas, Nevada
Par-A-Dice Hotel Casino	Ford Desails Illinois
	East Peoria, Illinois
Belterra Casino Resort	Florence, Indiana
Blue Chip Casino, Hotel & Spa	Michigan City, Indiana
Diamond Jo Dubuque	Dubuque, Iowa
Diamond Jo Worth	Northwood, Iowa
Kansas Star Casino	Mulvane, Kansas
Amelia Belle Casino	Amelia, Louisiana
Delta Downs Racetrack Casino & Hotel	Vinton, Louisiana
Evangeline Downs Racetrack and Casino	Opelousas, Louisiana
Sam's Town Hotel and Casino	Shreveport, Louisiana
Treasure Chest Casino	Kenner, Louisiana
IP Casino Resort Spa	Biloxi, Mississippi
Sam's Town Hotel and Gambling Hall	Tunica, Mississippi
Ameristar Casino Hotel Kansas City	Kansas City, Missouri
Ameristar Casino Resort Spa St. Charles	St. Charles, Missouri
Belterra Park	Cincinnati, Ohio
Valley Forge Casino Resort	King of Prussia, Pennsylvania

Total Reportable Segment Departmental Revenues and Adjusted EBITDAR

We evaluate each of our property's profitability based upon Property Adjusted EBITDAR, which represents each property's 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 retirements of debt, and master lease rent expense, as applicable. Total Reportable Segment Adjusted EBITDAR is the aggregate sum of the Property Adjusted EBITDAR for each of the properties included in our Las Vegas Locals, Downtown Las Vegas, and Midwest & South segments. Results for Downtown Las Vegas include the results of our Hawaii-based travel agency and captive insurance company. Results for Lattner, our Illinois distributed gaming operator, are included in our Midwest & South segment.

BOYD GAMING CORPORATION AND SUBSIDIARIES

$NOTES\ TO\ CONDENSED\ CONSOLIDATED\ FINANCIAL\ STATEMENTS\ (Unaudited)\ -- (Continued)$

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

The following tables set forth, for the periods indicated, departmental revenues for our Reportable Segments:

		Three Months Ended March 31, 2020									
				Food &							
		Gaming	I	Beverage	erage			Other			
(In thousands)		Revenue	1	Revenue	Rooi	n Revenue	F	Revenue	Tot	al Revenue	
Revenues											
Las Vegas Locals	\$	116,318	\$	31,171	\$	21,981	\$	11,294	\$	180,764	
Downtown Las Vegas		29,845		11,725		6,148		6,395		54,113	
Midwest & South		363,602		46,988		18,598		16,460	_	445,648	
Total Revenues	\$	509,765	\$	89,884	\$	46,727	\$	34,149	\$	680,525	

	Three Months Ended March 31, 2019									
				Food &						
	(Gaming]	Beverage				Other		
(In thousands)	1	Revenue		Revenue	Rooi	n Revenue	I	Revenue	Tota	al Revenue
Revenues										
Las Vegas Locals	\$	143,643	\$	39,056	\$	26,204	\$	13,947	\$	222,850
Downtown Las Vegas		33,939		14,103		7,198		7,786		63,026
Midwest & South		442,671		57,931		23,842		16,968		541,412
Total Revenues	\$	620,253	\$	111,090	\$	57,244	\$	38,701	\$	827,288
		22								

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

The following table reconciles, for the periods indicated, Total Reportable Segment Adjusted EBITDAR to operating income, as reported in our accompanying condensed consolidated statements of operations:

		Three Months Ended March 31,						
(In thousands)	2	020	2019					
Adjusted EBITDAR								
Las Vegas Locals	\$	46,762 \$	74,234					
Downtown Las Vegas		9,956	15,025					
Midwest & South		105,829	156,471					
Total Reportable Segment Adjusted EBITDAR		162,547	245,730					
Corporate expense		(18,114)	(22,705)					
Adjusted EBITDAR		144,433	223,025					
Other operating costs and expenses								
Deferred rent		222	245					
Master lease rent expense		24,665	23,962					
Depreciation and amortization		66,965	67,253					
Share-based compensation expense		8,191	9,709					
Project development, preopening and writedowns		3,508	4,031					
Impairment of assets		171,100	_					
Other operating items, net		7,543	199					
Total other operating costs and expenses		282,194	105,399					
Operating income (loss)	\$	(137,761) \$	117,626					

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

Total Reportable Segment Assets

The Company's assets by Reportable Segment consisted of the following amounts:

(In thousands)	March 31, 2020		December 31, 2019	
Assets				
Las Vegas Locals	\$ 1,698,479	\$	1,804,476	
Downtown Las Vegas	204,270		212,936	
Midwest & South	 3,927,635		4,229,174	
Total Reportable Segment Assets	 5,830,384		6,246,586	
Corporate	 1,186,478		403,559	
Total Assets	\$ 7,016,862	\$	6,650,145	

BOYD GAMING CORPORATION AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

NOTE 11. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

Separate condensed consolidating financial information for our subsidiary guarantors and non-guarantors of our 6.375% Notes, our 6.000% Notes and our 4.750% Notes is presented below. The 6.375% 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. The non-guarantors primarily represent special purpose entities, tax holding companies, our less significant operating subsidiaries and our less than wholly owned subsidiaries.

The 6.000% Notes and 4.750% Notes are fully and unconditionally guaranteed, jointly and severally, on a senior unsecured basis by certain of our current and future domestic restricted subsidiaries. With the exception of one subsidiary, the guarantors of the 6.000% Notes and 4.750% Notes are the same as for our 6.375% Notes. The non-guarantors primarily represent our special purpose entities, tax holding companies, our less significant operating subsidiaries and our less than wholly owned subsidiaries.

The tables below present the condensed consolidating balance sheets as of March 31, 2020 and December 31, 2019, the condensed consolidating statements of operations for the three months ended March 31, 2020 and 2019, and the condensed consolidating statements of cash flows for the three months ended March 31, 2020 and 2019.

BOYD GAMING CORPORATION AND SUBSIDIARIES NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unoudited). (Co

 $NOTES\ TO\ CONDENSED\ CONSOLIDATED\ FINANCIAL\ STATEMENTS\ (Unaudited)\ --\ (Continued)$

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Condensed Consolidating Balance Sheets

March 31, 2020

	March 31, 2020												
(In thousands)		Guarantor Parent Subsidiaries			Non- Guarantor Subsidiary Subsidiaries (100% (100% Owned)* Owned)		Eliminations		Consolidated				
Assets													
Cash and cash equivalents	\$	803,696	\$	19,752	\$	_	\$	7,798	\$	_	\$	831,246	
Restricted cash		_		15,980		_		2,549		_		18,529	
Other current assets		22,817		89,923		9		1,239		_		113,988	
Property and equipment, net		166,596		2,389,293		_		102,040		_		2,657,929	
Investments in subsidiaries		3,643,760		_		_				(3,643,760)		_	
Intercompany receivable		757,019		163,027		59,162		_	/			_	
Operating leases right-of-use assets		22,126		884,702				21,198		_		928,026	
Other long-term assets		20,173		24,282		_		48,445	-			92,900	
Intangible assets, net		_		1,327,986		_		74,971	<u> </u>			1,402,957	
Goodwill, net		_		957,568		<u> </u>		13,719				971,287	
Total assets	\$	5,436,187	\$	5,872,513	\$	59,171	\$	271,959	\$	(4,622,968)	\$	7,016,862	
Liabilities and Stockholders' Equity													
Current maturities of long-term debt	\$	26,695	\$	305	\$	_	\$	_	\$	_	\$	27,000	
Other current liabilities		140,587		298,550		_		36,534		(1,513)		474,158	
Accumulated losses of subsidiaries in excess of investment				4,397				41		(4,438)		_	
Intercompany payable		_		ч, 571		<u></u>		977,722		(977,722)		_	
Long-term debt, net of current maturities and debt) / / , / <u>L</u> <u>L</u>		(577,722)			
issuance costs		4,310,179		234				57,684		_		4,368,097	
Operating lease liabilities, net of current portion		17,966		809,912				588		_		828,466	
Other long-term liabilities		(171,010)		379,635		900		(2,154)		_		207,371	
Total stockholders' equity (deficit)		1,111,770		4,379,480		58,271		(798,456)		(3,639,295)		1,111,770	
Total liabilities and stockholders' equity	\$	5,436,187	\$	5,872,513	\$	59,171	\$	271,959	\$	(4,622,968)	\$	7,016,862	

^{*}Subsidiary is a 100% owned guarantor of the 6.375% Notes and is a 100% owned non-guarantor of the 6.000% Notes and 4.750% Notes.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Condensed Consolidating Balance Sheets - continued

Total liabilities and stockholders' equity

December 31, 2019 Non-Guarantor **Subsidiary Subsidiaries** Guarantor (100% (100% Parent Subsidiaries Owned)* Owned) **Eliminations** Consolidated (In thousands) Assets Cash and cash equivalents \$ 3,007 231,866 \$ 15,104 \$ 249,977 Restricted cash 12,668 7,803 20,471 Other current assets 24,164 100,219 55 4,608 129,046 Property and equipment, net 159,139 2,411,456 101,958 2,672,553 Investments in subsidiaries 3,718,900 (3,766,659)47,759 1,031,342 59,116 (1,090,458)Intercompany receivable Operating lease right-of-use assets 23,229 886,463 26,478 936,170 Other long-term assets 20,662 22,636 48,452 91,750 Intangible assets, net 1,390,954 75,937 1,466,891 1,051,968 31,319 1,083,287 Goodwill, net 59,171 4,980,443 6,155,989 311,659 (4,857,117)6,650,145 **Total assets** Liabilities and Stockholders' Equity Current maturities of long-term debt 26,695 299 26,994 Other current liabilities 159,138 332,393 39,858 (1,490)529,899 Accumulated losses of subsidiaries in excess of 9,946 (9,946)investment Intercompany payable 104,697 984,298 (1,088,995)Long-term debt, net of current maturities and debt issuance costs 3,680,912 341 57,684 3,738,937 Operating lease liabilities, net of current portion 19,189 814,779 840,285 6,317 Other long-term liabilities 900 (170,733)420,775 (2,154)248,788 1,265,242 4,482,705 58,271 (784,290)(3,756,686)1,265,242 Total stockholders' equity (deficit) 4,980,443 6,155,989 59,171 311,659 (4,857,117) 6,650,145

^{*}Subsidiary is a 100% owned guarantor of the 6.375% Notes and is a 100% owned non-guarantor of the 6.000% Notes and 4.750% Notes.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Condensed Consolidating Statements of Operations

Comprehensive income (loss)

Three Months Ended March 31, 2020 Non-Guarantor Subsidiary Subsidiaries (100% Guarantor (100% Parent **Subsidiaries** Owned)* Owned) Eliminations Consolidated (In thousands) 15,784 666,416 17,646 (19,321)680,525 **Total revenues** Operating costs and expenses Operating 357,571 15,400 372,971 Selling, general and administrative 110,919 2,511 113,430 Master lease rent expense 24,665 24,665 Maintenance and utilities 32,909 237 33,146 2,528 Depreciation and amortization 12,595 51,842 66,965 23,920 97 941 24,958 Corporate expense Project development, preopening and writedowns 589 436 2,483 3,508 Impairment of assets 153,500 17,600 171,100 Other operating items, net 255 7,239 49 7,543 51 19,270 (19,321)Intercompany expenses 37,410 758,448 41,749 (19,321)818,286 Total operating costs and expenses (101,196)101,473 (277)Equity in earnings (losses) of subsidiaries (92,309) (24,103)101,473 (122,822) (137,761 Operating income (loss) Other expense (income) Interest expense, net 49,452 332 1,622 51,406 Loss on early extinguishments and modifications of debt 175 175 (331)(50)37 (344)Other, net 49,664 1,572 51,237 Total other expense (income), net Income (loss) before income taxes (172,486)(92,310) (25,675)101,473 (188,998)41,439 24,927 14,951 1,561 Income tax benefit (147,559)(77,359) (24,114)101,473 (147,559 Net income (loss)

(146,432)

(76,232)

(24,114)

100,346

(146,432)

^{*}Subsidiary is a 100% owned guarantor of the 6.375% Notes and is a 100% owned non-guarantor of the 6.000% Notes and 4.750% Notes.

Comprehensive income (loss)

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Condensed Consolidating Statements of Operations - continued

Three Months Ended March 31, 2019 Non-Guarantor Subsidiary **Subsidiaries** (100% Guarantor (100% **Parent Subsidiaries** Owned)* Owned) Eliminations Consolidated (In thousands) 21,562 810,548 21,319 (26,141)827,288 **Total revenues** Operating costs and expenses Operating 411.835 17,694 429,529 2,687 Selling, general and administrative 112,724 115,411 Master lease rent expense 23,962 23,962 Maintenance and utilities 37,834 266 38,100 Depreciation and amortization 7,228 57,082 2,943 67,253 29,953 1,039 Corporate expense 185 31,177 Project development, preopening and writedowns 2,109 112 1,810 4,031 Impairment of assets Other operating items, net 24 175 199 51 26,090 (26,141)Intercompany expenses 39,365 669,999 26,439 (26,141)709,662 Total operating costs and expenses 109,868 (147)(109,721)Equity in earnings (losses) of subsidiaries (5,120)(109,721)117,626 92,065 140,402 Operating income (loss) Other expense (income) Interest expense, net 59,032 584 1,608 61,224 129 (14)115 Other, net 59,161 584 1,594 61,339 Total other expense (income), net Income (loss) before income taxes 32,904 139,818 (6,714)(109,721)56,287 12,547 (24,440)1,057 (10,836)Income tax benefit (provision) 45,451 115,378 (5,657)(109,721)45,451 Net income (loss)

45.916

115,843

(5,657)

(110,186)

\$

45,916

^{*}Subsidiary is a 100% owned guarantor of the 6.375% Notes and is a 100% owned non-guarantor of the 6.000% Notes and 4.750% Notes.

BOYD GAMING CORPORATION AND SUBSIDIARIES

 $NOTES\ TO\ CONDENSED\ CONSOLIDATED\ FINANCIAL\ STATEMENTS\ (Unaudited)\ -- (Continued)$

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Condensed Consolidating Statements of Cash Flows

Three Months Ended March 31, 2020

	THE CHOICHS Ended Water 31, 2020											
(In thousands)		Non- Guarantor Subsidiary Subsidiaries Guarantor (100% (100% Parent Subsidiaries Owned)* Owned)		Guarantor ubsidiaries (100%	Eliminations		Consolidated					
Cash flows from operating activities												
Net cash from operating activities	\$	(46,369)	\$	74,724	\$	46	\$	(4,786)	\$	(23)	\$	23,592
Cash flows from investing activities												
Capital expenditures		(31,153)		(15,695)				(1,198)		_		(48,046)
Net activity with affiliates				(267,724)		(46)		<u> </u>		267,770		
Net cash from investing activities		(31,153)		(283,419)		(46)		(1,198)		267,770		(48,046)
Cash flows from financing activities												
Borrowings under bank credit facility		965,100		_						_		965,100
Payments under bank credit facility		(338,173)		_		_		_		_		(338,173)
Net activity with affiliates		274,323				_		(6,576)		(267,747)		_
Share-based compensation activities, net		(4,111)		_		_		_		_		(4,111)
Shares repurchased and retired		(11,120)		_		_		_		_		(11,120)
Dividends paid		(7,808)		_		_		_		_		(7,808)
Other financing activities				(107)								(107)
Net cash from financing activities		878,211		(107)				(6,576)		(267,747)		603,781
Change in cash, cash equivalents and restricted												
cash		800,689		(208,802)		_		(12,560)				579,327
Cash, cash equivalents and restricted cash, beginning of period		3,007		244,534		_		22,907		_		270,448
Cash, cash equivalents and restricted cash, end of												
period	\$	803,696	\$	35,732	\$		\$	10,347	\$	_	\$	849,775

^{*}Subsidiary is a 100% owned guarantor of the 6.375% Notes and is a 100% owned non-guarantor of the 6.000% Notes and 4.750% Notes.

BOYD GAMING CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) — (Continued)

as of March 31, 2020 and December 31, 2019 and for the three months ended March 31, 2020 and 2019

Condensed Consolidating Statements of Cash Flows - continued

Three Months Ended March 31, 2019 Non-Guarantor Subsidiary **Subsidiaries** (100% (100% Guarantor **Parent Subsidiaries** Owned)* Owned) **Eliminations** Consolidated (In thousands) Cash flows from operating activities (30,882)193,653 1,490 (171)164,090 Net cash from operating activities Cash flows from investing activities Capital expenditures (63, 156)(25,455)(711)(89,322)Net activity with affiliates (153,088)153,088 (4,620)(7,298)(11,918)Other investing activities (67,776)(185.841)(711)153.088 (101,240)Net cash from investing activities Cash flows from financing activities 434,829 434,829 Borrowings under bank credit facility Payments under bank credit facility (466,802)(466,802)Debt financing costs, net (53)(53) Net activity with affiliates 153,873 (956)(152,917)Share-based compensation activities, net (2,921)(2,921)Shares repurchased and retired (21,653)(21,653)Dividends paid (6,705)(6,705)(115)(115)Other financing activities 90,568 (956) (63,420)(152,917)(115)Net cash from financing activities Change in cash, cash equivalents and restricted cash (8,090)7,697 (177)(570)Cash, cash equivalents and restricted cash, 8,697 239,903 24,602 273,202 beginning of period

607

30

247,600

24,425

272,632

NOTE 12. SUBSEQUENT EVENTS

Cash, cash equivalents and restricted cash, end of

We have evaluated all events or transactions that occurred after March 31, 2020.

Belterra Park Agreement

period

On May 6, 2020 we entered into an agreement with Gold Merger Sub, LLC ("Gold Merger Sub"), a wholly owned subsidiary of Gaming and Leisure Properties, Inc. ("GLP"), for the acquisition of Boyd (Ohio) PropCo, LLC ("BP PropCo"), the entity that owns the real estate of Belterra Park (the "Real Estate"), with the merger consummated and the transaction closed at the time of the execution of the merger agreement.

That agreement provided that Gold Merger Sub would acquire BP PropCo via a merger (the "Merger"), which would be treated for income tax purposes as a taxable asset acquisition consisting of the exchange of the Real Estate by us in satisfaction of the \$57.7 million promissory note (the "Note") and mortgage executed in connection with GLP's initial financing of our acquisition of the Real Estate in October 2018.

Prior to the Merger, PNK (Ohio), LLC ("BP OpCo"), which owns the business operations of Belterra Park, leased the Real Estate from BP PropCo pursuant to a master lease that is the same in all material respects as the Master Lease between Boyd TCIV, LLC and Gold Merger Sub (the "BP Master Lease" and "GLP Master Lease," respectively). Rent paid under the BP Master Lease to BP PropCo by BP OpCo was then paid by BP PropCo to Gold Merger Sub as interest on the Note. As a result of the Merger, Gold Merger Sub has become the Landlord under the BP Master Lease and now receives rent payable under the BP Master Lease (equal to, and in lieu of, the interest payments on the Note received prior to consummation of the Merger). As an additional step in connection with the Merger, we expect to add BP OpCo as a subtenant to the GLP Master Lease (in connection with the termination of the BP Master Lease), resulting in a single Master Lease with GLP, subject to the prior receipt of all required governmental approvals.

Credit Agreement Amendment

The Company is party to a Third Amended and Restated Credit Agreement, dated as of August 14, 2013 (as amended, amended and restated, supplemented or

^{*}Subsidiary is a 100% owned guarantor of the 6.375% Notes and is a 100% owned non-guarantor of the 6.000% Notes and 4.750% Notes.

otherwise modified from time to time, the "Boyd Credit Agreement"), governing its senior secured revolving credit facility (the "Revolving Credit Facility"), senior secured term loan A facility (the "Term Loan A Facility") and senior secured term loan B facility (collectively with the Revolving Credit Facility and the Term Loan A Facility, the "Credit Facilities"). The Boyd Credit Agreement includes, for the benefit of the Revolving Credit Facility and the Term Loan A Facility, certain financial covenants, including a maximum total net leverage ratio covenant, a maximum secured net leverage ratio covenant and a minimum interest coverage ratio covenant (collectively, the "Financial Covenants").

The calculations used to determine the Company's compliance with the respective Financial Covenants are dependent on its Consolidated EBITDA, as defined by the Boyd Credit Agreement. Due to the closure of the Company's properties, the Company's Consolidated EBITDA was significantly affected whereby it became reasonably possible that the Company may be unable to maintain compliance with the Financial Covenants.

On May 8, 2020 (the "Amendment Effective Date"), the Company entered into an Amendment No. 3 to the Boyd Credit Agreement (the "Credit Agreement Amendment"), by and among the Company, the subsidiaries of the Company party thereto, the administrative agent and the lenders party thereto.

The Credit Agreement Amendment provides that during the period (the "Covenant Relief Period") beginning on March 30, 2020 and ending on the earlier of (x) the date on which the Company delivers to the administrative agent a covenant relief period termination notice, (y) the date on which the administrative agent receives a compliance certificate with respect to the Company's fiscal quarter ending June 30, 2021, and (z) the date on which the Company fails to satisfy the conditions to covenant relief set forth in the Credit Agreement Amendment, the Financial Covenants under the Boyd Credit Agreement will not be tested. Instead. during the Covenant Relief Period, the Company will be required to maintain a minimum level of liquidity (calculated to include unrestricted cash and cash equivalents and unused commitments under the Revolving Credit Facility) of \$250.0 million and, through the later of the end of the Covenant Relief Period and the date on which the company achieves a total net leverage ratio of no greater than 6.00 to 1.00, the Company will be subject to limitations on its ability to incur debt and liens, make investments and restricted payments and certain other transactions. In addition, the Credit Agreement Amendment, among other things, (i) amends the Financial Covenant levels that are applicable after the Covenant Relief Period and permits the Company to annualize Consolidated EBITDA for certain periods for purposes of the Financial Covenants, (ii) provides that, during the Covenant Relief Period, loans under the Revolving Credit Facility and the Term Loan A Facility shall bear interest at either (a) a base rate or (b) an adjusted LIBOR rate, in each case, plus an applicable margin, in the case of base rate loans, of 1.75%, and in the case of adjusted LIBOR rate loans, of 2.75%, (iii) provides for a 0.50% LIBOR floor and a 1.50% base rate floor, in each case, applicable to LIBOR rate loans and base rate loans under the Revolving Credit Facility and the Term Loan A Facility, (iv) provides that, for purposes of determining compliance with the conditions to credit extensions under the Revolving Credit Facility during the Covenant Relief Period, the definition of "Material Adverse Effect" shall not include effects, events, occurrences, facts, conditions or changes arising out of or resulting from or in connection with the COVID-19 pandemic and (v) makes certain other changes to the covenants and other provisions of the Existing Credit Agreement.

Other

During this period, up to the filing date, we did not identify any additional subsequent events which would require disclosure or adjustment to our financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Executive Overview

Boyd Gaming Corporation (and together with its subsidiaries, the "Company," "Boyd," "Boyd Gaming," "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."

We are a geographically diversified operator of 29 gaming entertainment properties. Headquartered in Las Vegas, Nevada, we have gaming operations in Nevada, Illinois, Indiana, Iowa, Kansas, Louisiana, Mississippi, Missouri, Ohio and Pennsylvania. We view each operating property as an operating segment. For financial reporting purposes, we aggregate our properties into the following three reportable segments:

T T/ T I	
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	Las Vegas, Nevada
Aliante Casino + Hotel + Spa	North Las Vegas, Nevada
Cannery Casino Hotel	North Las Vegas, Nevada
Eldorado Casino	Henderson, Nevada
Jokers Wild Casino	Henderson, Nevada
Downtown Las Vegas	
California Hotel and Casino	Las Vegas, Nevada
Fremont Hotel and Casino	Las Vegas, Nevada
Main Street Station Casino, Brewery and Hotel	Las Vegas, Nevada
Midwest & South	
Par-A-Dice Hotel and Casino	East Peoria, Illinois
Belterra Casino Resort	Florence, Indiana
Blue Chip Casino, Hotel & Spa	Michigan City, Indiana
Diamond Jo Dubuque	Dubuque, Iowa
Diamond Jo Worth	Northwood, Iowa
Kansas Star Casino	Mulvane, Kansas
Amelia Belle Casino	Amelia, Louisiana
Delta Downs Racetrack Casino & Hotel	Vinton, Louisiana
Evangeline Downs Racetrack and Casino	Opelousas, Louisiana
Sam's Town Hotel and Casino	Shreveport, Louisiana
Treasure Chest Casino	Kenner, Louisiana
IP Casino Resort Spa	Biloxi, Mississippi
Sam's Town Hotel and Gambling Hall	Tunica, Mississippi
Ameristar Casino Hotel Kansas City	Kansas City, Missouri
Ameristar Casino Report Spa St. Charles	St. Charles, Missouri
Belterra Park	Cincinnati, Ohio
Valley Forge Casino Resort	King of Prussia, Pennsylvania

We also own and operate 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 concentrate their marketing efforts on gaming customers from Hawaii.

Results for Lattner Entertainment Group Illinois, LLC ("Lattner"), our Illinois distributed gaming operator, are included in our Midwest & South segment.

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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, subject to certain gaming regulations and jurisdictions, most of our customers wager with cash and pay for non-gaming services with cash or by credit card.

Our industry is capital intensive, and we rely heavily on the ability of our properties to generate operating cash flow in order 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.

Strengthening Our Balance Sheet

We are committed to finding opportunities to strengthen our balance sheet through diversifying and increasing cash flow to reduce our debt.

Operating Efficiently

We are committed to operating more efficiently, and endeavor to prevent unneeded expense in our business. As we continue to experience revenue growth in both our gaming and non-gaming operations, the efficiencies of our business model position us to flow a substantial portion of the revenue growth directly to the bottom line

Evaluating Acquisition Opportunities

Our evaluations of potential transactions and acquisitions are strategic, deliberate, and disciplined. Our goal is to identify and pursue opportunities that are a good fit for our business, deliver a solid return for shareholders, and are available at the right price.

Maintaining Our Brand

The ability of our employees to deliver great customer service helps distinguish our Company and our brands from our competitors. Our employees are an important reason that our customers continue to choose our properties over the competition across the country.

Our Key Performance Indicators

We use several key performance measures to evaluate the operations of our 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 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; and average daily rate ("ADR"), which is a price
 measure.

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RESULTS OF OPERATIONS

Recent Developments

As a result of the COVID-19 global pandemic, all of our gaming facilities have been closed since mid-March 2020 in compliance with orders issued by state officials as precautionary measures intended to slow the spread of the COVID-19 virus. We cannot predict when we will be permitted to re-open our casinos, the conditions on which we will be permitted or decide to operate upon re-opening, the extent of consumer demand upon re-opening or the negative effects on our workforce, suppliers, contractors and other partners. Although certain states have indicated that operations of non-essential businesses, including our gaming facilities, are suspended only through a given deadline, we cannot predict whether such deadlines will be extended. Such closures have had and will continue to have a material impact on our business. COVID-19, the associated impacts on customer behavior and the requirements of health and safety protocols are expected to continue to have a material impact on our business following the re-opening of our facilities. The severity and duration of such business impacts cannot currently be estimated.

In responding to these circumstances, the safety and well-being of our team members and customers is our utmost priority. We are developing a broad range of safety protocols to be implemented at our properties when we do re-open to ensure the health and safety of our team members and our customers.

The ultimate impact of the COVID-19 pandemic on the Company's operations is unknown and will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration of the COVID-19 outbreak, new information which may emerge concerning the severity of the COVID-19 pandemic, its impact on the economy and consumer behavior and demand, and any additional preventative and protective actions that governments, or the Company, may direct, which may result in an extended period of continued business disruption, reduced customer traffic and reduced operations. Any resulting financial impact cannot be reasonably estimated at this time but is anticipated to have a material adverse impact on our business, financial condition and results of operations.

We have taken significant additional measures in response to the impact of the COVID-19 pandemic on our business, including:

- placing most of our team members on unpaid furlough, effective April 11, 2020;
- enacting significant salary reductions among our executive leadership team and for all non-furloughed management team members;
- suspending board of director compensation;
- · suspending all non-essential spending, including non-essential capital investment; and,
- suspending our quarterly cash dividend and share repurchase programs.

In addition, on March 16, 2020, we borrowed \$660 million under our Revolving Credit Facility and an additional \$10 million under the Swing Loan facility of the Credit Facility (effectively utilizing the full borrowing capacity under the Revolving Credit Facility) as a precautionary measure in order to increase our cash

position and preserve financial flexibility in light of current uncertainty in the global markets.

Overview

	Three Worting Ended							
(In millions)	 Marc	rch 31,						
	2020		2019					
Total revenues	\$ 680.5	\$	827.3					
Operating income (loss)	(137.8)		117.6					
Net income (loss)	(147.6)		45.5					

Three Months Ended

Total Revenues

Total revenues decreased \$146.8 million, or 17.7%, for the three months ended March 31, 2020, compared to the prior year period due primarily to the COVID-19 property closures that occurred in mid-March 2020 (the "Property Closures").

Operating Income (Loss)

Operating income (loss) decreased \$255.4 million, or 217.1%, for the three months ended March 31, 2020, compared to the prior year comparable period primarily due to the Property Closures which included a \$171.1 million impairment charge.

Net Income (Loss)

Net income (loss) decreased \$193.0 million for the three months ended March 31, 2020, compared to the prior year comparable period. The decline is attributable to the operating income decrease of \$255.4 million, as discussed above. The decline was offset by a \$52.3 million decrease in the income tax provision due to the net loss and a \$9.5 million decrease in interest expense, net of amounts capitalized, due to a decrease in the weighted average long-term debt balance of \$156.2 million and a 0.7 percentage point decrease in the weighted average interest rate. The decline in the weighted average long-term debt balance is driven by the retirement of the \$750.0 million aggregate principal amount of 6.875% senior notes due May 2023 and the early repayments of the Refinancing Term B Loans of \$365.0 million, offset by the issuance in December 2019 of the \$1.0 billion aggregate principal amount of 4.750% senior notes due December 2027 issued in anticipation of retiring the 6.875% senior notes and prepayments on the Refinancing Term B Loans.

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Operating Revenues

We derive the majority of our revenues from our gaming operations, which produced approximately 75% of revenues for both the three-month periods ended March 31, 2020 and 2019. Food & beverage revenues represent our next most significant revenue source, generating approximately 13% of revenues for both the three-month periods ended March 31, 2020 and 2019. Room revenues and other revenues separately contributed less than 10% of revenues during these periods.

	Three Months Ended March 31,						
(In millions)	2020		2019				
REVENUES							
Gaming	\$	509.8	\$	620.3			
Food & beverage		89.9		111.1			
Room		46.7		57.2			
Other		34.1		38.7			
Total revenues	\$	680.5	\$	827.3			
COSTS AND EXPENSES							
Gaming	\$	238.7	\$	276.6			
Food & beverage		89.8		102.2			
Room		23.0		26.9			
Other		21.4		23.9			
Total costs and expenses	\$	372.9	\$	429.6			
MARGINS							
Gaming		53.2%	ó	55.4%			
Food & beverage		0.1%	0	8.0%			
Room		50.7%	ó	53.0%			
Other		37.2%	o O	38.2%			

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 \$110.5 million, or 17.8%, decrease in gaming revenues during the three months ended March 31, 2020, as compared to the corresponding period of the prior year, was due primarily to the Property Closures. Overall gaming revenue margins remained consistent period over period.

Food & Beverage

Food & beverage revenues de creased \$21.2 million, or 19.1% during the three months ended March 31, 2020, as compared to the corresponding period of the prior year, due primarily to the Property Closures. Overall food & beverage margins decreased to 0.1% from 8.0% from the prior year comparable period, due primarily to an increase in cost per cover of 16.5% while average check increased by only 15.1%.

Room

Room revenues decreased\$10.5 million, or 18.4%, during the three months ended March 31, 2020, as compared to the corresponding period of the prior year due primarily to the Property Closures. Overall room revenue margins remained consistent period over period.

Other

Other revenues relate to patronage visits at the amenities at our properties, including entertainment and nightclub revenues, retail sales, theater tickets and other venues. Other revenues decreased \$4.6 million or 11.8% during the three months ended March 31, 2020, as compared to the corresponding period of the prior year, due primarily to the Property Closures.

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Revenues and Adjusted EBITDAR by Reportable Segment

We determine each of our properties' profitability based upon Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Rent expense related to the master lease ("Adjusted EBITDAR"), which represents earnings before interest expense, income taxes, depreciation and amortization, deferred rent, master lease rent expense, share-based compensation expense, project development, preopening and writedowns expenses, impairments of assets and other operating items, net, as applicable. Reportable Segment Adjusted EBITDAR is the aggregate sum of the Adjusted EBITDAR for each of the properties comprising our Las Vegas Locals, Downtown Las Vegas and Midwest & South segments before net amortization, preopening and other items. Results for Downtown Las Vegas include the results of our travel agency and captive insurance company in Hawaii. Results for our Illinois distributed gaming operator are included in our Midwest & South segment. Corporate expense represents unallocated payroll, professional fees, aircraft expenses and various other expenses not directly related to our casino and hotel operations. Furthermore, 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, provides our investors a more complete understanding of our operating results before the impact of investing and financing transactions and income taxes and facilitates comparisons between us and our competitors. Management has historically adjusted EBITDAR when evaluating operating performance because we believe that the exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results.

The following table presents our total revenues and Adjusted EBITDAR by Reportable Segment:

		Three Months Ended March 31,						
(In millions)	2	2020		2019				
Total revenues								
Las Vegas Locals	\$	180.8	\$	222.9				
Downtown Las Vegas		54.1		63.0				
Midwest & South		445.6		541.4				
Total revenues	\$	680.5	\$	827.3				
Adjusted EBITDA (1)								
Las Vegas Locals	\$	46.8	\$	74.2				
Downtown Las Vegas		9.9		15.0				
Midwest & South		105.8		156.5				
Total Reportable Segment Adjusted EBITDAR		162.5		245.7				
Corporate expense		(18.1)		(22.7)				
Adjusted EBITDAR	\$	144.4	\$	223.0				

(1) Refer to Note 10, Segment Information, in the notes to the condensed consolidated financial statements (unaudited) for a reconciliation of Total Reportable Segment Adjusted EBITDAR to operating income, as reported in accordance with GAAP in our accompanying condensed consolidated statements of operations.

Las Vegas Locals

Total revenues and Adjusted EBITDAR decreased by \$42.1 million, or 18.9% and \$27.5 million or 37.0%, respectively, during the three months ended March 31, 2020, as compared to the corresponding period of the prior year, due to the Property Closures.

Downtown Las Vegas

Total revenues and Adjusted EBITDAR de creased by \$8.9 million, or 14.1% and \$5.1 million or 33.7%, respectively, during the three months ended March 31, 2020, as compared to the corresponding period of the prior year, due to the Property Closures. We continue to tailor our marketing programs in the Downtown segment to our Hawaiian market. Our Hawaiian market represented approximately 49% and 52% during the three months ended March 31, 2020 and 2019, of our occupied rooms in this segment.

Midwest & South

Total revenues and Adjusted EBITDAR de creased by \$95.8 million, or 17.7% and \$50.6 million or 32.4%, respectively, during the three months ended March 31, 2020, as compared to the corresponding periods of the prior year, due to the Property Closures.

Other Operating Costs and Expenses

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

		Three Months Ended March 31,					
(In millions)	20	020	2019				
Selling, general and administrative	\$	113.4 \$	115.4				
Master lease rent expense		24.7	24.0				
Maintenance and utilities		33.1	38.1				
Depreciation and amortization		67.0	67.3				
Corporate expense		25.0	31.2				
Project development, preopening and writedowns		3.5	4.0				
Impairment of assets		171.1					
Other operating items, net		7.5	0.2				

Selling, General and Administrative

Selling, general and administrative expenses, as a percentage of revenues, were 16.7% and 14.0% during the three months ended March 31, 2020 and 2019, respectively. The increase is due to the reduction of revenues as a result of Property Closures along with the continued fixed costs incurred during the closure period.

Master Lease Rent Expense

Master lease rent expense represents rent expense incurred by those properties that we acquired in October 2018 which are subject to a master lease agreement with a real estate investment trust. Master lease rent expense, as a percentage of revenues, was 3.6% and 2.9% during the three months ended March 31, 2020 and 2019, respectively.

Maintenance and Utilities

Maintenance and utilities expenses, as a percentage of revenues, were relatively consistent at 4.9% and 4.6% during the three months ended March 31, 2020 and 2019, respectively.

Depreciation and Amortization

Depreciation and amortization expenses, as a percentage of revenues, were 9.8% and 8.1% during the three months ended March 31, 2020 and 2019, respectively. Depreciation and amortization expense remained consistent from period to period therefore the percentage increase is attributable to the revenue decline as a result of the Property Closures.

Corporate Expense

Corporate expense represents unallocated payroll, professional fees, rent and various other administrative expenses that are not directly related to our casino and/or hotel operations, in addition to the corporate portion of share-based compensation expense. Corporate expense represented 3.7% and 3.8% of revenues during the three months ended March 31, 2020 and 2019, 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; and (iii) asset write-downs.

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Impairment of Assets

Impairment of assets for the three months ended March 31, 2020 include non-cash impairment charges of \$8.0 million for trademarks and \$22.6 million for goodwill in our Las Vegas Locals segment and non-cash impairment charges of \$8.9 million for trademarks, \$42.2 million for gaming license rights and \$89.4 million for goodwill in our Midwest & South segment.

Other Operating Items, net

Other operating items, net, is generally comprised of miscellaneous non-recurring operating charges, including direct and non-reimbursable costs associated with the Property Closures, natural disasters and severe weather, including hurricane and flood expenses, and subsequent recoveries of such costs, as applicable. During the three months ended March 31, 2020, \$7.2 million of other operating items, net, related to incremental, nonrecurring costs associated with the Property Closures.

Other Expenses Interest Expense, net The following table summarizes information with respect to our interest expense on outstanding indebtedness:

	March 31,			
(In millions)	 2020		2019	
Interest Expense, net	\$ 51.4	\$	61.2	
Average Long-Term Debt Balance (1)	3,883.4		4,039.6	
Weighted Average Interest Rates	5.0%)	5.7%	

Three Months Ended

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

Interest expense, net of capitalized interest and interest income, for the three months ended March 31, 2020, decreased \$9.8 million or 16.0%, as compared to the prior year. The impact is attributable to a decrease in the average long-term debt balance of \$156.2 million for the three months ended March 31, 2020, which is driven by the retirement of the \$750.0 million aggregate principal amount of 6.875% senior notes due May 2023 and the early repayments of the Refinancing Term B Loans of \$365.0 million, offset by the issuance in December 2019 of the \$1.0 billion aggregate principal amount of 4.750% senior notes due December 2027 issued in anticipation of retiring the 6.875% senior notes and prepayments on the Refinancing Term B Loans. In addition, the weighted average interest rate percentage point decreased by 0.7 for the three months ended March 31, 2020, respectively, which is driven by a decrease in the underlying Eurodollar rate.

Income Taxes

The effective tax rate on income during the three months ended March 31, 2020 and 2019 were 21.9% and 19.3%, respectively. The tax provision for the three months ended March 31, 2020 was adversely impacted by the creation of a valuation allowance applied to certain state deferred tax assets, including state net operating loss carryforwards. Certain state operations forecasted losses for the year have resulted in negative evidence that tax attributes may expire before utilization or the jurisdiction no longer has recent cumulative earnings to support an objective and verifiable source of income. In addition, the provision for the three months ended March 31, 2020 was unfavorably impacted by certain nondeductible expenses. Our tax rates for the three months ended March 31, 2020 and 2019 were favorably impacted by the inclusion of excess tax benefits, related to equity compensation, as a component of the provision for income taxes. The tax provision for the three months ended March 31, 2019 was unfavorably impacted by state taxes and certain nondeductible expenses.

As a result of and response to the COVID-19 pandemic, the U.S. government enacted Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") and it was signed into law on March 27, 2020. Included in the CARES Act are provisions relating to payroll tax credits and deferrals, net operating loss carryback periods, interest expense deductions, alternative minimum tax credits and technical corrections to tax depreciation methods for qualified improvement property. We are currently evaluating the impact of the provisions of the CARES Act but we expect to benefit from the payroll tax credits offered therein.

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LIQUIDITY AND CAPITAL RESOURCES

Financial Position

At March 31, 2020 and December 31, 2019, we had balances of cash and cash equivalents of \$831.2 million and \$250.0 million, respectively. In addition, we held restricted cash balances of \$18.5 million and \$20.5 million at March 31, 2020 and December 31, 2019, respectively. On March 16, 2020 the Company drew down \$670.0 million under our revolving credit facility leaving availability of \$3.0 million as of March 31, 2020, effectively utilizing the full borrowing capacity under the revolving credit facility.

During the Property Closures, the Company will use cash on hand to fund day-to-day operational expenses, interest and tax payments, as well as other necessary business expenditures. We believe that current cash balances together with cash flows from operating activities following the reopening of our facilities 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 the bank credit facility.

The Company may 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.

Cash Flows Summary

	I nree Mon March	
(In millions)	2020	2019
Net cash provided by operating activities	\$ 23.5	\$ 164.1
Cash flows from investing activities		
Capital expenditures	(48.0)	(89.3)
Other investing activities		(11.9)
Net cash used in investing activities	(48.0)	(101.2)
Cash flows from financing activities		
Net borrowings (payments) under bank credit facility	626.9	(32.0)
Debt issuance costs	-	(0.1)
Dividends paid	(7.8)	(6.7)
Shares repurchased and retired	(11.1)	(21.7)

Other financing activities		(4.2)	(3.0)
Net cash provided by (used in) financing activities	60	3.8	(63.5)
Increase (decrease) in cash, cash equivalents and restricted cash	\$ 57	9.3	\$ (0.6)

Cash Flows from Operating Activities

During the three months ended March 31, 2020 and 2019, we generated net operating cash flow of \$23.5 million and \$164.1 million, respectively. Generally, operating cash flows decreased during 2020 as compared to the prior year period due to the Property Closures in March 2020 and timing of working capital spending.

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 the three months ended March 31, 2020 and 2019, we incurred net cash outflows for investing activities of \$48.0 million and \$101.2 million, respectively, related primarily to the purchase of real estate, information technology purchases for new software and acquisition-related costs.

Cash Flows from Financing Activities

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

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The net cash inflows from financing activities in the three months ended March 31, 2020, reflect primarily the additional borrowings under our Revolving Credit Facility to preserve liquidity during the closure period. The outflows in 2020 reflect the use of cash flow to repurchase outstanding common stock under our share repurchase program and pay cash dividends to our shareholders. The net cash outflows from financing activities in the three months ended March 31, 2019, reflect primarily the use of excess cash to reduce our outstanding debt, repurchase outstanding common stock under our share repurchase program and pay dividends to our shareholders.

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)	_	March 31, 2020	D	ecember 31, 2019	Increase / (Decrease)
Bank credit facility	\$	1,932.6	\$	1,305.7	\$ 626.9
6.375% senior notes due 2026		750.0		750.0	_
6.000% senior notes due 2026		700.0		700.0	_
4.750% senior notes due 2027		1,000.0		1,000.0	_
Other		58.2		58.3	(0.1)
Total long-term debt		4,440.8		3,814.0	626.8
Less current maturities	_	27.0		27.0	_
Long-term debt, net of current maturities	\$	4,413.8	\$	3,787.0	\$ 626.8

Amounts Outstanding

The principal amounts under the bank credit facility are comprised of the following:

(In millions)	M	larch 31, 2020	December 31, 2019
Revolving Credit Facility	\$	865.0	\$ 235.0
Term A Loan		230.8	234.3
Refinancing Term B Loans		771.9	795.0
Swing Loan		64.9	41.4
Total outstanding principal amounts under the bank credit facility	\$	1,932.6	\$ 1,305.7

With a total revolving credit commitment of \$945.5 million available under the bank credit facility, \$865.0 million was borrowed on the Revolving Credit Facility, \$64.9 million was borrowed on the Swing Loan and \$12.6 million allocated to support various letters of credit, leaving a remaining contractual availability of \$3.0 million as of March 31, 2020. As discussed in the Overview section above, as a precautionary measure to increase liquidity during the uncertainty of COVID-19, the Company has increased the borrowings on its Revolving Credit Facility by \$670.0 million on March 16, 2020.

The blended interest rate for outstanding borrowings under the bank credit facility was 2.8% at March 31, 2020 and 3.8% at December 31, 2019.

Debt Service Requirements

Debt service requirements under our current outstanding senior notes consist of semi-annual interest payments (based upon fixed annual interest rates ranging from 4.750% to 6.375%) and principal repayments of our 6.375% senior notes due April 2026, our 6.000% senior notes due August 2026 and our 4.750% senior notes due December 2027.

Covenant Compliance

As of March 31, 2020, we believe that we were in compliance with the financial and other covenants contained in our debt instruments.

Although we were in compliance with our debt covenants as of the end of first quarter, the effects of the COVID-19 pandemic on our Company made it reasonably possible that we may not meet one or more of our financial covenants under our existing debt agreements in subsequent quarters of 2020. On May 8, 2020, we amended our credit facility to, among other things, waive the financial covenants for the period beginning on March 30, 2020 through the earlier of (x) the date on which the Company delivers to the administrative agent a covenant relief period termination notice, (y) the date on which the administrative agent receives a compliance certificate with respect to the Company's fiscal quarter ending June 30, 2021, and (z) the date on which the Company fails to satisfy the conditions to covenant relief set forth in the amendment. See Note 12, Subsequent Events, in the notes to the condensed consolidated financial statements (unaudited) for further discussion of the amendment.

The indentures governing the senior notes contain provisions that allow for the incurrence of additional indebtedness, if after giving effect to such incurrence, the fixed charge coverage ratio (as defined in the respective indentures, essentially a ratio of our consolidated EBITDA to fixed charges, including interest) for the 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, we may still borrow under our existing bank credit facility, to the extent that borrowing capacity remains under that agreement, as well as from other funding sources as provided under our debt agreements.

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Share Repurchase Program

Subject to applicable corporate securities laws, repurchases under our stock 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 notes and bank credit facility. Purchases under our stock repurchase program can be discontinued at any time at our sole discretion. On December 12, 2018, our Board of Directors authorized a share repurchase program of \$100 million. During the three months ended March 31, 2020 and 2019, we repurchased 0.7 million shares and 0.8 million shares, respectively, of our common stock. We are currently authorized to repurchase up to an additional \$61.4 million in shares of our common stock under the share repurchase program. We are not obligated to purchase any shares under our stock repurchase program. We suspended share repurchases in March 2020 in order to preserve liquidity due to the Property Closures.

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.

Quarterly Dividend Program

The dividends declared by the Board of Directors under this program and reflected in the periods presented are:

Declaration date	Record date	Payment date	Amoun	t per share
December 7, 2018	December 28, 2018	January 15, 2019	\$	0.06
March 4, 2019	March 15, 2019	April 15, 2019		0.06
December 17, 2019	December 27, 2019	January 15, 2020		0.07

On March 25, 2020, the Company announced that the cash dividend program has been suspended to help mitigate the financial impact of the COVID-19 pandemic.

Other Items Affecting Liquidity

We anticipate funding our capital requirements using cash on hand, cash flows from operations following the reopening of our facilities and availability under our Revolving Credit Facility, to the extent borrowing capacity 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 currently estimate that our annual cash capital requirements to perform on-going refurbishment and maintenance at our properties ranges from between \$90 million and \$110 million. We fund our capital expenditures through cash on hand, our bank credit facility and operating cash flows.

In addition to the capital spending discussed above, we continue to pursue other potential development projects that may require us to invest significant amounts of capital. For example, we continue to work with the Wilton Rancheria Tribe (the "Tribe"), a federally-recognized Native American tribe, to develop and manage a gaming entertainment complex to be located about 15 miles southeast of Sacramento, California. In January 2017, we funded the acquisition of land that is the intended site of the Wilton Rancheria casino for \$35.1 million. This cost will be reimbursed to us from the cash flows of the business following the opening of the facility. In September 2017, the California State Legislature unanimously approved, and the Governor of California executed, a tribal-state gaming compact with the tribe allowing the development of the casino. In October 2018, the National Indian Gaming Commission approved the Company's management contract with the Tribe. With the compact now in place, we are in the process of finalizing the project budget, design and construction planning. The project will be constructed using third-party financing. Once commenced and project financing put in place, the construction timeline is expected to span 18 to 24 months.

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Other Opportunities

We regularly investigate and pursue additional expansion opportunities in markets where casino gaming is currently permitted. We also pursue expansion opportunities in jurisdictions where casino gaming is not currently permitted in order to be prepared to develop projects upon approval of casino 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 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 bank 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 or debt financings or from other sources, to the extent such financing is available.

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.

Off Balance Sheet Arrangements

There have been no material changes to our off balance sheet arrangements as defined in Item 303(a)(4)(ii) and described under Part II. Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC on February 27, 2020.

Critical Accounting Policies

There have been no material changes to our critical accounting policies described under Part II. Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the period ended December 31, 2019, as filed with the SEC on February 27, 2020.

Recently Issued Accounting Pronouncements

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

Important Information Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (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 involve certain risks and uncertainties, and actual results may differ materially from those discussed in any such statement. Factors that could cause actual results to differ materially from such forward-looking statements include:

- The current closure of all our facilities, including the duration of such closures and business impacts following reopening.
- The continued impact of COVID-19 on the gaming industry generally, including changes in customer behavior and preferences.
- The continuing impact of temporary and ongoing unemployment as a result of the closure of non-essential business in response to COVID-19.
- The effects of intense competition that exists in the gaming industry.
- The risk that our acquisitions and other expansion opportunities divert management's attention or incur substantial costs, or that we are otherwise unable to develop, profitably manage or successfully integrate the businesses we acquire.
- The fact that our expansion, development, maintenance and renovation projects (including enhancements to improve property performance) are subject to many risks inherent in expansion, development or construction of a new or existing project.
- The risk that any of our projects may not be completed, if at all, on time or within established budgets, or that any project will not result in increased earnings to us.
- The risk that significant delays, cost overruns, or failures of any of our projects to achieve market acceptance could have a material adverse effect on our business, financial condition and results of operations.
- Our ability to take advantage of, and to realize the anticipated benefits of, any past or future financing, mergers and acquisitions, dispositions, partnerships, and other corporate opportunities, and the risks associated with such or similar transactions, arrangements or opportunities.

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- The risk that new gaming licenses or jurisdictions become available (or implement new or different gaming regulations or increased or additional taxes) that results in increased competition or cost to us.
- The risk that negative industry or economic trends, reduced estimates of future cash flows, disruptions to our business, slower growth rates or lack of growth in our business, may result in significant write-downs or impairments in future periods.
- The risk that regulatory authorities may revoke, suspend, condition or limit our gaming or other licenses, certificates and concessions, impose substantial fines and take other adverse actions against any of our casino operations or any current or future online gaming and sports wagering operations.
- The risk that we may be unable to refinance our respective outstanding indebtedness as it comes due, or that if we do refinance, the terms are not favorable to us.
- The effects of the extensive governmental gaming regulation and taxation policies to which we are subject and the costs of compliance or failure to comply with such regulations, as well as any changes in laws and regulations, including increased taxes, which could harm our business.
- The effects of federal, state and local laws affecting our business such as the regulation of smoking, the regulation of directors, officers, key employees and partners and regulations affecting business in general.
- The effects of extreme weather conditions or natural disasters on our facilities and the geographic areas from which we draw our customers, and our ability to recover insurance proceeds (if any).

- The effects of events adversely impacting the economy or the regions from which we draw a significant percentage of our customers, including the effects of economic recession, pandemic, war, terrorist or similar activity or natural or man-made disasters in, at, or around our properties.
- The risk that we fail to adapt our business and amenities to changing customer preferences.
- Our ability to continue to negotiate collective bargaining agreements with the unions that represent certain of our employees.
- The effect of unusual gaming hold percentages in any given period.
- Financial community and rating agency perceptions of us, and the effect of economic, credit and capital market conditions on the economy and the gaming and hotel industry.
- The effect of the expansion of legalized gaming in the regions in which we operate.
- The risk of failing to maintain the integrity of our information technology infrastructure causing unintended distribution to third parties of, or access by third parties to, our customer or company data, and any litigation, fines, disruption to our operations or reputational harm resulting from such loss of data integrity.
- Our estimated effective income tax rates, estimated tax benefits, and merits of our tax positions.
- Our ability to utilize our net operating loss carryforwards and certain other tax attributes.
- The risks relating to owning our equity, including price and volume fluctuations of the stock market that may harm the market price of our common stock and the potential of certain of our stockholders owning large interest in our capital stock to significantly influence our affairs.
- Other statements regarding our future operations, financial condition and prospects, and business strategies.
- The risk that we may be unable to retain our key management and personnel, including key employees of the acquired companies.
- Our current and future insurance coverage levels, including the risk we have not obtained sufficient coverage, may not be able to obtain sufficient coverage in the future, or will only be able to obtain additional coverage at significantly increased rates.

Additional factors that could cause actual results to differ are discussed in Part I. Item 1A. *Risk Factors* of our Annual Report on Form 10-K for the period ended December 31, 2019, and in other current and periodic reports filed from time to time with the SEC. All forward-looking statements in this document are made as of the date hereof, based on information available to us as of the date hereof, and we assume no obligation to update any forward-looking statement.

Item 3. 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 LIBOR rates, and short-term Eurodollar rates, and their potential impact on our long-term debt. 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 bank credit facility. We do not currently utilize derivative financial instruments for trading or speculative purposes.

As of March 31, 2020, our long-term variable-rate borrowings represented approximately 43.5% of total long-term debt. Based on March 31, 2020 debt levels, a 100 basis point change in the interest rate would cause our annual interest costs to change by approximately \$19.3 million.

See also "Liquidity and Capital Resources" above.

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Item 4. Controls and Procedures

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

There has been no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during our most recent fiscal quarter that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

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PART II. Other Information

Item 1. Legal Proceedings

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.

Item 1A. Risk Factors

The outbreak of the novel coronavirus ("COVID-19") and the public response has had and will likely 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 have been closed since mid-March 2020 in response to orders from public officials and government regulations. We cannot predict for how long public officials in each state will require that our operations remain closed, nor the extent to which our operations will be restricted by capacity or social-distancing or other requirements once we are permitted to re-open or

the effect of any such restrictions. Decisions by public officials in this regard will depend on many factors beyond our control and that remain uncertain in light of on-going developments related to the pandemic, including development of preventative or treatment protocols. Our inability to operate our facilities is having a negative impact on all aspects of our business, operations, financial condition and results and such negative impacts will persist to the extent we are unable to safely re-open our facilities at normal capacity.

We cannot predict over any time period the extent to which the global pandemic and public response will negatively affect demand for our facilities once reopened.

The extent to which our customers will be willing to return to our facilities will depend on, among other factors, the public perception of continuing health risks associated with public gatherings and the impact on the customer experience of necessary health and safety measures implemented at the direction of State and local governments and gaming regulators. For example, we may be required for some period of time to reduce the offering of certain amenities (because such amenities must remain closed) or otherwise limit the availability of certain offerings, such as deactivating a substantial number of gaming devices to maintain social distancing (e.g., only operating every other device) and substantially limiting restaurant seating (e.g., removing every other seat). Such measures may impact customer behavior and business demand, and the duration of such potential impact is unknown at this time. Our business, operations, financial condition and results would 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 and public response.

Our business, operations, financial condition and results has been, and will continue to be, negatively affected as a result of closing all of our gaming facilities due to the COVID-19 pandemic. In addition, to the extent that the impact of the COVID-19 pandemic and public response on the economy negatively affects discretionary spending patterns following the reopening of our facilities, we may continue to be negatively affected. The COVID-19 pandemic has had and is expected to continue to have lingering impacts with respect to unemployment and discretionary spending. For example, as a result of the COVID-19 pandemic, we have furloughed substantially all of our 25,000 employees, as have many other businesses in the gaming and hospitality industries. Such measures have significantly increased economic and demand uncertainty and may potentially cause regional, national or global recessions. Potential significant increases in unemployment (and the lingering impacts of temporary unemployment after furloughed workers return to work) is likely to have a negative impact on demand for gaming facilities once our operations resume, and these impacts could exist for an extensive period of time. Demand for gaming facilities may further be negatively impacted by the adverse changes in the perceived or actual economic climate and declines in income levels and loss of personal wealth. The consequences of the foregoing on our expectations of our future earnings may require us to recognize impairments or other negative accounting outcomes.

The foregoing may also negatively affect our workforce, suppliers, contractors and other partners. We cannot predict the extent to which the above factors will cause our costs to increase, supply chain disruptions, labor shortages, logistics constraints or business failures or inability to provide services or products for our partners.

As a result of all of the foregoing, we may be required to raise additional capital in the future and our access to and terms of financing will depend on, among other things, economic conditions, conditions in the financial markets, the availability of sufficient amounts of financing, our prospects and our credit ratings. If our credit ratings were to be downgraded, or general market conditions were to ascribe higher risk to our rating levels, our industry, or us, our access to capital and the cost of any debt or equity financing will be further negatively impacted. In addition, the terms of future debt agreements could include more restrictive covenants, or require incremental collateral, which may further restrict our business operations or be unavailable due to our covenant restrictions then in effect. There is no guarantee that debt or equity financings will be available in the future to fund our obligations, or that they will be available on terms consistent with our expectations. Although we expect to attempt to utilize any tax or other benefits created pursuant to legislation responses to the COVID-19 pandemic, we cannot assure you that we will remain eligible for such benefits or that such benefits will not be reduced, eliminated or delayed.

The current and future impact of the COVID-19 pandemic and public response is expected to continue to impact our results, operations, outlooks, plans, goals, growth, reputation, cash flows and liquidity. To the extent the COVID-19 pandemic and public response adversely affects our business, operations, financial condition and operating results, it may also exacerbate many of the other risks described in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2019, including, but not limited to, those relating to our high level of indebtedness, our need to generate sufficient cash flows to service our indebtedness, and our ability to comply with the covenants contained in the agreements that govern our indebtedness.

There were no other material changes from the risk factors previously disclosed in Part I. Item 1A. *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2019.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table discloses share repurchases that we have made pursuant to our share repurchase program during the three months ended March 31, 2020. For additional information, see below under *Share Repurchase Program*.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Dolla N Puro	pproximate ar Value That Iay Yet Be chased Under the Plan
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January 1, 2020 through January 31, 2020	_	\$ —	_	\$	72,508,077
February 1, 2020 through February 29, 2020	_	_	_		72,508,077
March 1, 2020 through March 31, 2020	682,596	16.29	682,596		61,387,399
Totals	682,596		682,596	\$	61,387,399

As of March 31, 2020, the Company's share repurchase program had \$61.4 million remaining. The share repurchase program does not have an expiration date and we are not obligated to purchase any shares under the program. Subject to applicable corporate securities laws, repurchases under our stock repurchase program may be made at such times and in such amounts as we deem appropriate. Purchases under our stock 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 and availability under our bank credit facility.

We are subject to certain limitations regarding the repurchase of common stock, such as restricted payment limitations related to our outstanding notes and our bank credit facility.

We intend to make purchases of its common stock from time to time under this program 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.

We suspended share repurchases in March 2020 in order to preserve liquidity due to the Property Closures.

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Exhibits

Item 6.

Exhibit Number	Document of Exhibit	Method of Filing
2.1	Agreement and Plan of Merger entered into as of May 6, 2020, by and among Gold Merger Sub, LLC, Boyd (Ohio) PropCo, LLC and Boyd TCIV, LLC.	Filed electronically herewith
10.1	Amendment No. 3 dated as of May 8, 2020 among the Company and certain financial institutions and Bank of America, N.A., as administrative agent and letter of credit issuer, and Wells Fargo Bank, National Association, as swing line lender,	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.	Filed 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.	Filed electronically herewith
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets as of March 31, 2020 and December 31, 2019, (ii) Condensed Consolidated Statements of Operations for the three months ended March 31, 2020 and 2019, (iii) Condensed Consolidated Statements of Changes in Stockholders' Equity for each of the quarters within the three months ended March 31, 2020 and 2019, iv) Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2020 and 2019, and (vi) Notes to Condensed Consolidated Financial Statements.	Filed electronically herewith
104	Inline XBRL for cover page of the Company's Quarterly Report on Form 10-Q, included in the Exhibit 101 Inline XBRL Document Set.	Filed electronically herewith
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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 May 11, 2020.

BOYD GAMING CORPORATION

By: /s/ Anthony D. McDuffie

Anthony D. McDuffie

Vice President and Chief Accounting Officer

AGREEMENT AND PLAN OF MERGER

This **AGREEMENT AND PLAN OF MERGER** ("<u>Agreement</u>") is hereby made and entered into effective as of May 6, 2020 (the "<u>Effective Date</u>"), by and between **GOLD MERGER SUB, LLC**, a Delaware limited liability company ("<u>GLP</u>"), **BOYD (OHIO) PROPCO, LLC**, a Delaware limited liability company ("<u>Boyd</u>") and **BOYD TCIV, LLC**, a Nevada limited liability company ("<u>Boyd Parent</u>" and, together with Boyd, each a "<u>Boyd Party</u>" and, collectively, the "<u>Boyd Parties</u>"; GLP, Boyd and Boyd Parent are referred to herein collectively as the "<u>Parties</u>" and each a "<u>Party</u>").

RECITALS

- A. Boyd is the owner of certain real property located at 6301 Kellogg Road, Cincinnati, Ohio, known as "Belterra Park" and more particularly described on Exhibit A attached hereto (the "Land" and, together with the Improvements (as defined below) thereon and the Land Rights (as defined below), the "Property").
- B. GLP has made a loan to Boyd in the amount of \$57,683,995.00 evidenced by that certain Promissory Note, dated as of October 15, 2018, from Boyd in favor of GLP (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Note") and secured by that certain Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Boyd to GLP dated as of October 15, 2018, recorded in the Hamilton County Recorder's Office on October 22, 2018 in Official Record 13779, Page 1437 (the "Original Mortgage"), which Original Mortgage was corrected pursuant to that certain Corrective Open-End Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Boyd to GLP dated as of October 15, 2018 and recorded in the Hamilton County Recorder's Office on February 22, 2019 in Official Record 13860, Page 748 (the "Mortgage"), which Mortgage and Original Mortgage encumber, *inter alia*, the Property.
- C. In consideration of the agreement by GLP to the satisfaction of the Note, the Mortgage and the Original Mortgage and the release by GLP of its lien on the Property and other property encumbered by the Mortgage, Boyd and Boyd Parent wish to consummate the Merger (as defined below) on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I.

DEFINED TERMS

Section 1.1 Defined Terms.

Capitalized terms not otherwise defined in the body of this Agreement shall have the respective meanings set forth in Exhibit B attached hereto.

Article II.

MERGER

Section 2.1 Merger.

Subject to the terms and conditions of this Agreement and in accordance with the Delaware Limited Liability Company Act, as amended (the "<u>DLLCA</u>"), at the Effective Time, Boyd shall be merged with and into GLP (the "<u>Merger</u>") and the separate corporate existence of Boyd shall thereupon cease. GLP shall be the surviving company in the Merger (and from and after the Effective Time shall be referred to as, the "<u>Surviving Company</u>") and shall continue to be governed by the laws of the State of Delaware and the separate entity existence of GLP with all its rights, privileges, immunities, powers and franchises shall continue unaffected by the Merger.

Section 2.2 Effective Time.

Contemporaneously with the Closing, the Parties shall cause a Certificate of Merger meeting the requirements of Section 18-209 of the DLLCA (the "Certificate of Merger") to be properly executed and filed with the Secretary of State of the State of Delaware and in accordance with the terms and conditions of the DLLCA. The Merger shall become effective at the time of filing of the Certificate of Merger with the Secretary of State of the State of Delaware in accordance with Section 18-209 of the DLLCA, or at such later time which the Parties shall have agreed upon and designated in such filing as the effective time of the Merger (the "Effective Time").

Section 2.3 Effects of the Merger.

The Merger shall have the effects set forth in this Agreement and the applicable provisions of the DLLCA. Without limiting the generality of the foregoing sentence, but subject thereto, at the Effective Time, all the property, rights, privileges, immunities, powers and franchises of each of GLP and Boyd shall vest in the Surviving Company, and all debts, liabilities, obligations and duties of the Surviving Company, all as provided under the DLLCA.

Section 2.4 Certificate of Formation and Limited Liability Agreement of Surviving Company.

At the Effective Time, the Certificate of Formation of GLP shall be the Certificate of Formation of the Surviving Company.

Section 2.5 Merger Consideration.

As consideration for the Merger, GLP shall, as of the Effective Time, (i) forgive and release Boyd from its obligation to pay any and all amounts due and payable under the Note and deliver the original Note to Boyd Parent marked "cancelled" (the "<u>Cancelled Note</u>"), and (ii) direct the Title Company to record a release of the Mortgage (and, to the extent it remains recorded, the Original Mortgage) in the Hamilton County Recorder's Office in the form attached hereto as <u>Exhibit C</u> (the "<u>Mortgage Release</u>").

Section 2.6 Tax Treatment of Merger.

The Merger will be treated for income tax purposes as a taxable asset acquisition consisting of the exchange of the Property by Boyd in satisfaction of the Note, Mortgage and Original Mortgage issued by GLP. Boyd, Boyd Parent, GLP, and their respective Affiliates shall each report the Merger for all Tax purposes in a manner consistent with such treatment, including on all applicable Tax Returns. The terms and provisions of this <u>Section 2.6</u> shall survive the Closing.

Section 2.7 Evidence of Authorization

On the Closing Date, GLP and each Boyd Party shall deliver to the other evidence in form and content reasonably satisfactory to the other Parties that (a) such Party is duly organized and validly existing under the laws of the state of its organization, is qualified to do business in all other jurisdictions as are necessary to effectuate the transactions contemplated by this Agreement, and has the power and authority to enter into this Agreement and the documents, agreements, instruments and assignments delivered upon Closing pursuant hereto (the "Closing Documents"), (b) this Agreement and all Closing Documents have been duly executed and delivered by such Party, and (c) the performance by such Party of its obligations under this Agreement and the Closing Documents have been duly authorized by all necessary corporate, partnership, limited liability company or other action (collectively, "Evidence of Authorization").

Article III.

CLOSING

Section 3.1 Closing Date.

The closing (the "<u>Closing</u>") of the transactions contemplated by this Agreement shall take place on the Effective Date (the "<u>Closing Date</u>"). Notwithstanding anything to the contrary herein, the Parties intend that the transactions contemplated by this Agreement shall be consummated as a so called "sign and close" transaction and no Party shall be obligated to another under this Agreement unless and until the Closing occurs in accordance with this Agreement.

Section 3.2 Deliveries by GLP.

On the Closing Date, GLP shall deliver or shall cause to be delivered the following to Boyd Parent:

- 1. the Certificate of Merger;
- the Mortgage Release;
- 3. the Cancelled Note:
- 4. GLP's Evidence of Authorization; and
- 5. a waiver in the form attached hereto as Exhibit E ("Waiver").

Section 3.3 Deliveries by Boyd.

On the Closing Date, Boyd and Boyd Parent (as applicable) shall deliver or shall cause to be delivered to GLP:

- 1. the Certificate of Merger;
- Boyd's Evidence of Authorization;
- 3. Boyd Parent's Evidence of Authorization; and
- 4. An Officer's Certificate, by PNK (Ohio), LLC ("<u>Tenant</u>"), as tenant under that certain Master Lease by and between Boyd and Tenant dated October 15, 2018 relating to the Property (the "<u>Lease</u>"), executed and delivered in accordance with Section 23.1(a) of the Lease (other than clause (ii) thereof), in the form attached hereto as <u>Exhibit D</u>.

Section 3.4 Closing Costs and Prorations.

- (a) Each Party shall be responsible for the full amount of their own accounting, legal and consulting fees and expenses incurred in connection with the negotiation and preparation of this Agreement and any other Closing Documents and otherwise in connection with Closing.
- (b) All recording charges and fees in connection with the Certificate of Merger and the Mortgage Release shall be shared equally by Boyd Parent and GLP.
- (c) There shall be no adjustments or prorations of any items of income and expenses with respect to the Property (including, without limitation, for utilities, water charges, taxes, assessments, rents, vault charges and other items customarily prorated by sellers and purchasers of real property similar to the Property) between the Boyd Parties and GLP at Closing. All such liabilities and obligations owed, and any utility deposits, receivables or other amounts due and owing, in connection with the Property shall remain the obligations, liabilities and receivables of Boyd and/or Tenant as provided for under the terms of the Lease.
- (d) Tenant shall continue to have the exclusive right under the Lease to commence, prosecute, settle, compromise or continue any proceeding to determine the assessed value of the Property, the real or personal property taxes payable with respect to the Property or any action to contest water charges, sewer charges, sales tax or use tax for the relevant taxable period (or portion thereof) prior to the Closing Date and to settle or compromise any claim thereof if such settlement applies (i) to the period (or portion thereof) prior to the Closing Date, and/or (ii) to the period from and after the Closing Date, but solely to the extent provided for in the Lease. Any refunds or proceeds resulting from such proceedings shall be the sole property of Tenant and GLP shall have no claim thereto.

Section 3.5 Boyd Master Lease. GLP and Boyd Parent will in good faith work together to add the Property to that certain Master Lease by and between GLP and Boyd Parent dated October 15, 2018, relating to the properties known as Belterra Resort, Ameristar St. Charles, Ameristar Kansas City, and Ogle Haus (as amended, modified or supplemented from time to time in accordance with its terms, the "Boyd Master Lease") at the existing rent and for all other amounts payable under the Lease promptly following the delivery of a new private letter ruling to Gaming & Leisure Properties, Inc., from the Internal Revenue Service, including, without limitation, by Boyd Parent entering into a Sublease with Tenant for Tenant's continued operation of the Property following the addition of the Property to the Boyd Master Lease and Boyd Parent causing Tenant to become an additional guarantor under that certain Guaranty of Master Lease dated as of October 15, 2018, by Ameristar Casino Kansas City, LLC, Ameristar Casino St. Charles, LLC, Belterra Resort Indiana LLC, and Ogle Haus, collectively as Guarantors, and GLP, as landlord.

Article IV.

REPRESENTATIONS AND WARRANTIES OF BOYD

Boyd and Boyd Parent, jointly and severally, hereby make the following representations and warranties to GLP as of the Effective Date:

Section 4.1 Organization of Boyd Parties.

Each Boyd Party is duly organized, validly existing and in good standing under the laws of its state of organization and has all requisite power and authority to carry on its business as now being conducted and to consummate the transactions contemplated by this Agreement and the other agreements contemplated hereby to which it is a party.

Section 4.2 Authority; No Conflict; Required Filings and Consents.

- (a) This Agreement has been duly authorized, executed and delivered by each Boyd Party, and constitutes the valid and binding obligations of each Boyd Party, enforceable against each Boyd Party in accordance with its terms, except as such enforceability may be limited by creditors rights, laws and general principles of equity.
- (b) The execution and delivery of this Agreement and the other agreements contemplated hereby by each Boyd Party shall not, and the consummation by each Boyd Party of the transactions contemplated by this Agreement and the other agreements contemplated hereby will not, (i) conflict with, or result in any violation or breach of, any provision of the organizational documents of such Boyd Party, (ii) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any material bond, mortgage, indenture, agreement, Contract, instrument or obligation to which such Boyd Party is a party or by which such Boyd Party and/or the Property may be bound, other than consents and approvals obtained prior to the Effective Date, (iii) to Boyd's Knowledge, contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Authority or any other Person the right to revoke, withdraw, suspend, cancel, terminate, or modify, in each case in any respect, any material permit, concession, franchise, license, judgment, or Legal Requirement applicable to such Boyd Party, or (iv) to Boyd's Knowledge, result in the imposition or creation of any Lien upon or with respect to the Property other than the Lease or any other Permitted Encumbrance, except in the case of clauses (ii) and (iii) hereof for any such conflicts, violations, breaches, contraventions, defaults, terminations, cancellations, accelerations or losses, failures to obtain any such consent or waiver, or any such revocation, withdrawal, suspension, cancellation, termination or modification which would not prevent or delay the Closing or prevent, delay or adversely affect the performance by such Boyd Party of the transactions contemplated by this Agreement or the other agreeme

(c) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority or any other Person shall be required by, or with respect to, either Boyd Party in connection with the execution and delivery of this Agreement or the other agreements contemplated hereby by such Boyd Party or the consummation by such Boyd Party of the transactions to which it is a party that are contemplated hereby or thereby, except for (i) such consents, approvals, orders, authorizations, permits, filings, declarations or registrations of which the failure to make or obtain would not, individually or in the aggregate, prevent or the other agreements contemplated hereby and (ii) such consents, approvals, orders, authorizations, permits, filings, declarations or registrations of which the failure to make or obtain would not, individually or in the aggregate, prevent or materially delay the Closing or prevent, materially delay or adversely affect the performance by GLP of the transactions contemplated by this Agreement or the other agreements contemplated hereby to which it is a party.

Section 4.3 Real Property.

- (a) Boyd has good and valid title in fee simple to the Property, subject only to the Permitted Encumbrances.
- (b) Boyd has provided to GLP a true, correct and complete copy of the Lease, together with any and all amendments, modifications, and/or supplements thereto.
- (c) To Boyd's Knowledge, Boyd has not received written notice that the Property or any portion thereof is in violation of any applicable Legal Requirements in any material respects, except for such violations which, individually or in the aggregate, would not adversely affect in any material respect the current use of the Property.
- (d) There are no pending Legal Proceedings and none, to Boyd's Knowledge, have been threatened in writing to Boyd relating to the Property and/or the interests of Boyd therein which would be reasonably likely to interfere in any material respect with the use, occupancy, ownership, improvement, development and/or operation of the Property and/or the interest of Boyd therein, except as set forth in <u>Schedule 4.3(b)</u>.
- (e) To Boyd's Knowledge, neither Boyd Party has received written notice that either the whole or any part of the Property is subject to any pending suit for condemnation or other taking by any Governmental Authority, nor, to Boyd's Knowledge, has any such condemnation or other taking been threatened or contemplated. No Boyd Party has entered into any agreement in lieu of condemnation therefor.
- (f) Except for the Mortgage and Permitted Encumbrances, to Boyd's Knowledge, the Property is free of Encumbrances that interfere in any material respect with the use, occupancy, ownership, improvement, development and/or operation of the Property.

Section 4.4 Litigation; Orders.

- (a) Except as set forth on Schedule 4.4(a), there are no pending Legal Proceedings (A) not fully covered by insurance, or (B) seeking injunctive relief, in each case that have been commenced by or against any Boyd Party and that relate to or may adversely affect the Property and/or Boyd's ownership thereof. No such Legal Proceeding has been, to Boyd's Knowledge, threatened in writing to Boyd.
- (b) To Boyd's Knowledge, there are no Governmental Orders that are material, individually or in the aggregate, to which the Property (or any portion thereof) is subject, and neither Boyd Party is subject to any such Governmental Order, that relates to the Property (or any portion thereof). To Boyd's Knowledge, no event has occurred or circumstance exists that may constitute or result in (with or without notice or lapse of time) a violation of or failure to comply with any term or requirement of any such material Governmental Order to which any Boyd Party or the Property (or any portion thereof) is subject.

Section 4.5 Bankruptcy.

Each Boyd Party is solvent and has not made (1) a general assignment for the benefit of creditors; (2) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by such Boyd Party's creditors; (3) suffered the appointment of a receiver to take possession of all or substantially all of such Boyd Party's assets; (4) suffered the attachment or other judicial seizure of all, or substantially all, of such Boyd Party's assets; (5) admitted in writing its inability to pay its debts as they become due; or (6) made an offer of settlement, extension or composition to its creditors generally. There are no bankruptcy proceedings pending or, to Boyd's Knowledge, threatened against any Boyd Party.

Section 4.6 OFAC.

Each Boyd Party is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of Treasury ("OFAC") and in any enabling legislation or other Executive Orders or regulations in respect thereof (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"). Neither any Boyd Party nor any Affiliate of any Boyd Party (A) is listed on the Specially Designated Nationals and Blocked Person List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders (such lists are collectively referred to as the "Lists"), (B) is a Person (as defined in the Order) who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or (C) is owned or controlled by (including by virtue of such Person being a director or owning shares or interests), or acts for or on behalf of, any person on the Lists or any other person who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

Section 4.7 Anti-Money Laundering.

Each Boyd Party is in compliance with is in compliance with that certain Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, as amended from time to time (the "Patriot Act") and all rules and regulations promulgated under such Patriot Act applicable to such Boyd Party, and any other applicable anti-money laundering laws in the State and any other jurisdictions in which such Boyd Party operates (the "AML Laws"); and (A) is not now, nor has been at any time in the past five (5) years, under investigation by any relevant Governmental Authority for, or has been charged with or convicted of a money-laundering crime under, 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any AML Laws; (C) has not had any of its funds seized, frozen or forfeited in any action relating to any violations of the AML Laws; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating or otherwise furthering, intentionally or unintentionally, the transfer, deposit or withdrawal of criminally-derived property, or of money or monetary instruments which are (or which any Boyd Party suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all AML Laws, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act.

Section 4.8 Brokers.

Neither Boyd Party has dealt with any broker, finder or other middleman in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, middleman or Person has claimed, or has the right to claim, through either Boyd Party a commission, finder's fee or other brokerage fee in connection with this Agreement or the transactions contemplated hereby.

Section 4.9 The Interests.

The Interests are free and clear of all, and not subject to any, options, liens, charges, agreements, claims, restrictions or other encumbrances of any kind or nature. The Interests represent 100% of the ownership interests in Boyd and are all owned by Boyd Parent. The Interests have been validly issued and are fully paid, non-assessable, and not certificated. There are no options, warrants, rights of first or last offer, rights of first or last refusal, puts, calls, commitments or other claims or rights of actual or potential purchase or ownership of any nature or character whatsoever relating to the Interests or Boyd or any direct or indirect, legal or beneficial, interest therein, or the issuance of additional securities of Boyd.

Section 4.10 Delivery of True Documents.

The Boyd Parties have delivered to GLP a true and complete copy of the operating agreement of Boyd in effect as of the date of this Agreement (the "<u>Entity Document</u>"). There are no other agreements, oral or written, to which any direct or indirect constituent owner of Boyd is a party relating to voting, consent, economic interests or other rights affecting the management or governance of, and/or any direct or indirect, legal or beneficial, interest in, Boyd, other than the Entity Document.

Section 4.11 Taxes.

Boyd (A) has timely filed (or had filed on its behalf) all material Tax Returns required to be filed by Boyd (after giving effect to any filing extension granted by a governmental body) or that were otherwise required to be filed with respect to the Property and (B) has paid (or had paid on its behalf) all Taxes due and owing by it, whether or not shown on its Tax Returns. Boyd is, and has always been, an entity disregarded as separate from its owner for U.S. federal income tax purposes, and is not taxed as a corporation in any jurisdiction in which it operates. The accruals and reserves for Taxes (without regard to deferred tax assets and deferred tax liabilities) of Boyd established in the Financial Statements are complete and adequate to cover any liabilities for Taxes that are not yet due and payable. Boyd has duly and timely withheld and paid to the appropriate governmental authority all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, shareholder, or other Person, and Boyd has complied with all information reporting and other Tax Return filing requirements with respect thereto. Boyd (i) does not have any liability for Taxes of any other Person arising from the application of Treasury Regulations Section 1.1502-6 or any analogous or similar provision of state, local or foreign Legal Requirements, or as a transferee or successor, by contract, or otherwise, and (ii) is not, and has never been, a party to any agreement for the sharing, indemnification, or allocation of Taxes. No deficiencies for Taxes have been claimed, proposed or assessed in writing against Boyd by any governmental authority, and none of Boyd or any of its Affiliates has received any written notice of any claim, proposal or assessment against Boyd or the Property for any such deficiency for Taxes. No audit, judicial or administrative proceeding or other examination with respect to any Taxes is pending or threatened against or with respect to Boyd or

For purposes of this <u>Section 4.11</u>, the following terms have the following meanings:

"<u>Tax Returns</u>" shall mean any declaration, report, certificate, claim for refund, filing, election, estimated tax filing or return (including any information return) or statement filed or required to be filed with any governmental authority with respect to Taxes, including any schedules, attachments, supplements or amendments thereto.

"Tax" or "Taxes" shall mean any and all United States federal, state or local or non-United States taxes, assessments, charges, duties, levies or other similar governmental charges, including all income, franchise, profits, capital gains, capital stock, transfer, sales, use, occupation, real property, personal property, excise, severance, windfall profits, stamp, stamp duty reserve, license, payroll, withholding, ad valorem, value added, unclaimed property, escheat, alternative minimum, environmental, customs, social security, unemployment, sick pay, disability, and registration taxes, whether disputed or not, together with all estimated taxes, deficiency assessments, additions to tax, penalties and interest and any obligations with respect to such amounts arising as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, or as transferee or under any agreements or arrangements with any other Person or pursuant to any applicable Legal Requirements and including any liability for Taxes of a predecessor entity.

"Treasury Regulations" means the regulations promulgated by the United States Department of Treasury with respect to the Code.

Section 4.12 No Other Activities.

The Property and the proceeds and income therefrom represent the only assets of Boyd, and at all times since its formation, Boyd has not owned or held any interest in any assets other than, or engaged in any business unrelated to, the Property and the proceeds and income therefrom.

Section 4.13 Employee Matters.

There are no employees of Boyd.

Section 4.14 Liabilities.

Boyd does not have any Liabilities, except (1) for Liabilities of Boyd under or in respect of the Lease, (2) Liabilities of Boyd for which Tenant is responsible pursuant to the Lease, and (3) for Liabilities which have arisen in the ordinary course of Boyd's business consistent with past custom and practice that are not material.

Article V.

REPRESENTATIONS AND WARRANTIES OF GLP

GLP hereby makes the following representations and warranties to Boyd as of the Effective Date:

Section 5.1 Organization. GLP is duly organized, validly existing and in good standing under the laws of its state of organization and has all requisite power and authority to carry on its business as now being conducted and to consummate the transactions contemplated by this Agreement and the other agreements contemplated hereby to which it is a party.

Section 5.2 Authority; No Conflict; Required Filings and Consents.

- (a) This Agreement has been duly authorized, executed and delivered by GLP, and constitutes and will constitute the valid and binding obligations of GLP enforceable against GLP in accordance with its terms, except as such enforceability may be limited by creditors rights, laws and general principles of equity.
- (b) The execution and delivery by GLP of this Agreement and the other agreements contemplated hereby to which GLP is or will be a party do not, and the consummation by GLP of the transactions to which it is a party that are contemplated by this Agreement and the other agreements contemplated hereby will not, (i) conflict with, or result in any violation or breach of, any provision of the organizational documents of GLP, (ii) result in any material violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any material bond, mortgage, indenture, lease, or other material Contract or obligation to which GLP is a party or by which it or any of its properties or assets may be bound, other than consents and approvals obtained by GLP prior to the Effective Date, or (iii) contravene, conflict with or result in a violation of any of the terms or requirements of, or give any Governmental Authority or any other Person the right to revoke, withdraw, suspend, cancel, terminate, or modify, in each case in any material respect, any material permit, concession, franchise, license, judgment, or Legal Requirement applicable to GLP or any of its properties or assets, except, in the case of clauses (ii) and (iii) hereof, for any such contraventions, conflicts, breaches, violations, terminations or defaults, or failure to obtain such consents or waivers, or revocations, withdrawals, suspensions, cancellations, terminations or modifications that would not, individually or in the aggregate, prevent or materially delay the Closing or prevent, materially delay or adversely affect the performance by GLP of the transactions contemplated by this Agreement or the other agreements contemplated hereby to which it is a party.
- (c) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Authority is required by, of or with respect to GLP in connection with the execution and delivery by GLP of this Agreement or the other agreements contemplated hereby to which GLP is a party or the consummation by GLP of the transactions contemplated hereby or by the other agreements contemplated hereby to which GLP is a party, except for (i) such consents, approvals, orders, authorizations, permits, filings, declarations or registrations of which the failure to make or obtain would not, individually or in the aggregate, prevent or the other agreements contemplated hereby and (ii) such consents, approvals, orders, authorizations, permits, filings, declarations or registrations of which the failure to make or obtain would not, individually or in the aggregate, prevent or materially delay the Closing or prevent, materially delay or adversely affect the performance by GLP of the transactions contemplated by this Agreement or the other agreements contemplated hereby to which it is a party.

Section 5.3 Litigation.

As of the date hereof, there are no actions, claims, suits or proceedings pending, and GLP has not received any notice of any action, claim, suit or proceeding threatened, in each case against GLP before any Governmental Authority, which, if determined adversely, would, individually or in the aggregate, prevent or materially delay the Closing or prevent, materially delay or adversely affect the performance by GLP of the transactions contemplated by this Agreement or the other agreements contemplated hereby to which it is a party.

Section 5.4 Brokers.

GLP has not dealt with any broker, finder or other middleman in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, middleman or Person has claimed, or has the right to claim, through GLP a commission, finder's fee or other brokerage fee in connection with this Agreement or the transactions contemplated hereby.

Section 5.5 OFAC.

GLP is in compliance with the requirements of the Order and other similar requirements contained in the rules and regulations of OFAC and in any enabling legislation or other Executive Orders or regulations in respect thereof. Neither GLP nor any Affiliate of GLP (A) is listed on the Specially Designated Nationals and Blocked Person List maintained by OFAC pursuant to the Order and/or on any other list of terrorists or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Orders, (B) is a Person (as defined in the Order) who has been determined by competent authority to be subject to the prohibitions contained in the Orders; or (C) is owned or controlled by (including by virtue of such Person being a director or owning voting shares or interests), or acts for or on behalf of, any person on the Lists or any other person who has been determined by competent authority to be subject to the prohibitions contained in the Orders.

Section 5.6 Anti-Money Laundering.

GLP is in compliance with is in compliance with the Patriot Act and all rules and regulations promulgated under such Patriot Act applicable to GLP, and the AML Laws; and (A) is not now, nor has been at any time in the past five (5) years, under investigation by any relevant Governmental Authority for, or has been charged with or convicted of a money-laundering crime under, 18 U.S.C. §§ 1956 or 1957 or any predicate offense thereunder; (B) has never been assessed a civil penalty under any AML Laws; (C) has not had any of its funds seized, frozen or forfeited in any action relating to any violations of the AML Laws; (D) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is not promoting, facilitating or otherwise furthering, intentionally or unintentionally, the transfer, deposit or withdrawal of criminally-derived property, or of money or monetary instruments which are (or which GLP suspects or has reason to believe are) the proceeds of any illegal activity or which are intended to be used to promote or further any illegal activity; and (E) has taken such steps and implemented such policies as are reasonably necessary to ensure that it is in compliance with all AML Laws, with respect both to the source of funds from its investors and from its operations, and that such steps include the development and implementation of an anti-money laundering compliance program within the meaning of Section 352 of the Patriot Act, to the extent such a party is required to develop such a program under the rules and regulations promulgated pursuant to Section 352 of the Patriot Act.

Article VI.

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

Section 6.1 Survival of Representations and Warranties.

- (a) The representations and warranties of the Boyd Parties set forth in this Agreement (the "Boyd Representations") shall survive the Closing for (i) as to the Boyd Representations set forth in Section 4.14 (the "Liabilities Representations"), until March 31, 2022 (from the Effective Date through and until March 31, 2022, the "Liabilities Survival Period"), and (ii) as to all other Boyd Representations, for a period of twelve (12) months (the "Base Survival Period" and, together with the Liabilities Survival Period, each a "Survival Period").
- (b) The representations and warranties of GLP set forth in this Agreement (the "GLP Representations") shall survive the Closing for the Base Survival Period.
- (c) The parties agree that no claim may be brought based upon, directly or indirectly, any of the representations and warranties contained in this Agreement after the expiration of the Survival Period applicable to such representations and warranties; <u>provided, however</u>, that all Boyd Representations and GLP Representations shall continue to survive beyond the Survival Period applicable thereto if a claim for a breach thereof is made prior to the expiration of such Survival Period. The termination of the representations and warranties provided herein shall not affect a party in respect of any good faith claim made by such party in reasonable detail in writing received by an Indemnifying Party prior to the expiration of the applicable Survival Period provided herein.

Section 6.2 Indemnification

- (a) From and after the Closing, Boyd Parent shall indemnify, save and hold harmless GLP and its Affiliates, and their respective agents, trustees, shareholders, partners, members, directors, officers, employees, agents and representatives, and the heirs, legal representatives, successors and assigns of each of the foregoing (each, a "GLP Indemnified Party" and collectively, the "GLP Indemnified Parties") from and against any and all costs, losses, Liabilities, obligations, damages, claims, and expenses (whether or not arising out of third-party claims), including interest, penalties, reasonable attorneys' fees and any amounts paid in settlement of the foregoing ("Damages"), incurred by or asserted against any GLP Indemnified Parties in connection with, arising out of, or resulting from:
 - (i) subject in all instances to Sections 6.1 and 6.5, any breach by any Boyd Party of any Boyd Representations; and/or
 - (ii) any breach of any obligation, covenant or agreement to be performed or satisfied by any Boyd Party pursuant to this Agreement and/or the Closing Documents.
- (b) From and after the Closing, GLP shall indemnify, save and hold harmless Boyd Parent and their respective Affiliates, and their respective agents, trustees, shareholders, partners, members, directors, officers, employees, agents and representatives, and the heirs, legal representatives, successors and assigns of each of the foregoing (each, a "Boyd Indemnified Party" and collectively, the "Boyd Indemnified Parties") from and against any and all Damages incurred by or asserted against any Boyd Indemnified Parties in connection with, arising out of, or resulting from:
 - (i) subject in all instances to <u>Section 6.1</u>, any breach of any GLP Representations; or
 - (ii) any breach of any obligation, covenant or agreement to be performed or satisfied by GLP pursuant to this Agreement and/or the Closing Documents.

Section 6.3 Procedure for Claims between Parties.

If a claim for Damages is to be made by a GLP Indemnified Party or Boyd Indemnified Party (each, an "<u>Indemnified Party</u>") entitled to indemnification hereunder, such party shall give written notice briefly describing the claim and, to the extent then ascertainable, the monetary damages sought (each, a "<u>Notice</u>") to the indemnifying party hereunder (the "<u>Indemnifying Party</u>" and collectively, the "<u>Indemnifying Parties</u>") as soon as practicable after such Indemnified Party becomes aware of any fact, condition or event which may give rise to Damages for which indemnification may be sought under this <u>Article VI</u>. Any failure to submit any such notice of claim to the Indemnifying Party shall not relieve any Indemnifying Party of any liability hereunder, except to the extent that the Indemnifying Party was actually prejudiced by such failure.

Section 6.4 Defense of Third Party Claims.

- (a) If any Legal Proceeding is initiated against an Indemnified Party by any third party (each, a "<u>Third Party Claim</u>") for which indemnification under this <u>Article VI</u> may be sought, Notice thereof, together with copies of all notices and communication relating to such Third Party Claim, shall be given to the Indemnifying Party as promptly as practicable. The failure of any Indemnified Party to give timely Notice hereunder shall not affect rights to indemnification hereunder, except to the extent that the Indemnifying Party was actually prejudiced by such failure.
 - (b) If it so elects to do so, the Indemnifying Party shall be entitled to:
 - (i) take control of the defense and investigation of such Third Party Claim if the Indemnifying Party by written notice to the Indemnified Party;
 - (ii) employ and engage attorneys of its own choice (provided that such attorneys are reasonably acceptable to the Indemnified Party) to handle and defend the same, unless the named parties to such Legal Proceeding include both one or more Indemnifying Parties and an Indemnified Party, and the Indemnified Party has reasonably concluded that there may be one or more legal defenses or defense strategies available to such Indemnified Party that are different from or additional to those available to an applicable Indemnifying Party or that there exists a conflict of interest, in which event such Indemnified Party shall be entitled to separate counsel (provided that such counsel is reasonably acceptable to the Indemnifying Party); and
 - (iii) compromise or settle such Third Party Claim, which compromise or settlement shall be made (x) only with the written consent of the Indemnified Party, such consent not to be unreasonably withheld, conditioned or delayed, or (y) if such compromise or settlement contains an unconditional release of the Indemnified Party in respect of such claim, without any admission of wrongdoing of any nature whatsoever to or by such Indemnified Party, and provides only for monetary damages that will be paid in full by the Indemnifying Party.
- (c) If the Indemnifying Party elects to assume the defense of a Third Party Claim, the Indemnified Party shall reasonably cooperate with the Indemnifying Party and its attorneys in the investigation, trial and defense of such Third Party Claim and any appeal arising therefrom; provided, however, that the Indemnified Party may, at its own cost, participate in the investigation, trial and defense of such lawsuit or action and any appeal arising therefrom. The parties shall reasonably cooperate with each other in any notifications to insurers.
- (d) If the Indemnifying Party fails to assume the defense of such Third Party Claim within thirty (30) calendar days after receipt of the Notice, the Indemnified Party against which such Third Party Claim has been asserted will have the right to undertake the defense, compromise or settlement of such Third Party Claim; provided, however, that such Third Party Claim shall not be compromised or settled without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld, conditioned or delayed.
- (e) If the Indemnified Party assumes the defense of the Third Party Claim, the Indemnified Party will keep the Indemnifying Party reasonably informed of the progress of any such defense, compromise or settlement.

Section 6.5 Limitations on Indemnity.

No GLP Indemnified Party shall seek, or be entitled to, indemnification from Boyd Parent pursuant to Section 6.2(a) (other than with respect to a breach of the Liabilities Representations) unless the aggregate claims for Damages of the GLP Indemnified Parties for which indemnification is sought pursuant to Section 6.2(a) (other than with respect to a breach of the Liabilities Representations) exceed five hundred seventy thousand dollars (\$570,000), in which event Boyd Parent shall be liable for all such Damages in excess of such amount. Notwithstanding anything to the contrary set forth herein, the GLP Indemnified Parties' aggregate recovery against Boyd Parent in connection with claims made pursuant to Section 6.2(a) (other than with respect to a breach of the Liabilities Representations) shall not exceed two million eight hundred fifty thousand dollars (\$2,850,000); provided, however, notwithstanding anything to the contrary herein, in no event and under no circumstances shall the foregoing be interpreted as a limit on Boyd Tenant's liability for any matters under the Lease. Notwithstanding the foregoing or anything to the contrary set forth in this Agreement, if and to the extent the Lease (a) provides for the right of any GLP Indemnified Parties to be indemnified or reimbursed by Tenant for any and all Damages for which Boyd Parent is otherwise obligated to indemnify such GLP Indemnified Parties pursuant to the indemnity set forth in Section 6.2 (the "Boyd Parent Indemnity"), and/or (b) the Lease provides that Tenant bears liability, responsibility, and remedial obligations for any Damages for which Boyd Parent is otherwise obligated to indemnify such GLP Indemnified Parties pursuant to the Boyd Parent Indemnity, then the applicable provisions of the Lease shall control and such GLP Indemnified Parties shall be prohibited from pursuing any indemnification right under the Boyd Parent Indemnity or other remedies under this Agreement that relate in any way to such Damages, it being acknowledged and agreed by GLP and Boyd Parent that the Lease does not provide for the right of any GLP Indemnified Parties to be indemnified or reimbursed by Tenant, or for Tenant to bear any liability, responsibility, and/or remedial obligations, for Damages which may arise pursuant to the Boyd Parent Indemnity for a breach of any representations and warranties set forth in Sections 4.9, 4.10, 4.11 (other than representations relating to (i) the Property or (ii) any Taxes or Tax Returns relating to or in respect of the Property), 4.12, and/or 4.14.

Section 6.6 Exclusive Remedy.

After the Closing, except with respect to actual fraud, the indemnities provided in this Article VI shall constitute the sole and exclusive remedy of any Indemnified Party for Damages arising out of, resulting from or incurred in connection with any claims regarding matters arising under or otherwise relating to this Agreement; provided, however; that this exclusive remedy for Damages does not preclude a party from bringing an action for specific performance or other equitable remedy to require a party to perform its obligations under this Agreement.

Article VII.

GENERAL PROVISIONS

Section 7.1 Amendment.

No provision of this Agreement or of any document or instrument entered into, given or made pursuant to this Agreement may be amended, changed, waived, discharged or terminated except by an instrument in writing, signed by the party against whom enforcement of the amendment, change, waiver, discharge or termination is sought.

Section 7.2 Time of Essence.

Time is of the essence with respect to each date and each time set forth in this Agreement.

Section 7.3 Entire Agreement.

This Agreement and other documents delivered at the Closing set forth the entire agreement and understanding of the parties in respect of the transactions contemplated by this Agreement, and supersede all prior agreements, arrangements and understandings relating to the subject matter hereof and thereof. No representation, promise, inducement or statement of intention has been made by GLP, Boyd, and/or Boyd Parent that is not embodied in this Agreement, or in the attached Exhibits or the written certificates, schedules or instruments of assignment or conveyance delivered pursuant to this Agreement, and neither GLP, nor Boyd nor Boyd Parent shall be bound by or liable for any alleged representations, promise, inducement or statement of intention not therein so set forth.

Section 7.4 No Waiver.

No failure of any party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder shall constitute a waiver of any party's right to demand strict compliance with the terms of this Agreement.

Section 7.5 Counterparts.

This Agreement, any document or instrument entered into, given or made pursuant to this Agreement or authorized hereby, and any amendment or supplement thereto may be executed in two or more counterparts, and, when so executed, will have the same force and effect as though all signatures appeared on a single document. Any signature page of this Agreement or of such an amendment, supplement, document or instrument may be detached from any counterpart without impairing the legal effect of any signatures thereon, and may be attached to another counterpart identical in form thereto but having attached to it one or more additional signature pages.

Section 7.6 Costs and Attorneys' Fees.

If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement or any document or instrument entered into, given or made pursuant to this Agreement or authorized hereby or thereby (including, without limitation, the enforcement of any obligation to indemnify, defend or hold harmless provided for herein or therein), or because of an alleged dispute, default, or misrepresentation in connection with any of the provisions of this Agreement or of such document or instrument, the successful or prevailing party shall be entitled to recover actual attorneys' fees, charges and other costs incurred in that action or proceeding, in addition to any other relief to which it may be entitled.

Section 7.7 Payments.

Except as otherwise provided herein, payment of all amounts required by the terms of this Agreement shall be made in the United States and in immediately available funds of the United States of America that, at the time of payment, is accepted for the payment of all public and private obligations and debts.

Section 7.8 Parties in Interest.

The rights and obligations of the parties hereto shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors, assigns, heirs and the legal representatives of their respective estates. Nothing in this Agreement is intended to confer any right or remedy under this Agreement on any Person other than the parties to this Agreement and their respective successors and permitted assigns, or to relieve or discharge the obligation or liability of any Person to any party to this Agreement or to give any Person any right of subrogation or action over or against any party to this Agreement.

Section 7.9 Applicable Law, Waiver of Trial By Jury.

(a) Applicable Law. This Agreement shall be governed by and construed in accordance with the Legal Requirements of the State of Delaware, without regard to conflicts of law rules of such state. Each of the Parties irrevocably consents to the exclusive jurisdiction of any court located within the State of Delaware in connection with any matter based upon or arising out of this Agreement or the matters contemplated herein, agrees that process may be served upon them in any manner authorized by the Legal Requirements of the State of Delaware for such persons and waives and covenants not to assert or plead any objection which they might otherwise have to such jurisdiction and such process.

(b) Waiver of Trial By Jury. TO THE FULLEST EXTENT NOT PROHIBITED BY APPLICABLE LEGAL REQUIREMENTS, WHICH CANNOT BE WAIVED, EACH OF THE PARTIES HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER, REMEDY OR DEFENSE ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER SOUNDING IN TORT OR CONTRACT OR OTHERWISE, OR WITH RESPECT TO ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATING TO THIS AGREEMENT; AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A JUDGE AND NOT BEFORE A JURY. EACH OF THE PARTIES HERETO FURTHER WAIVES ANY RIGHT TO SEEK TO CONSOLIDATE ANY SUCH LITIGATION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. FURTHER, EACH OF THE PARTIES HERETO HEREBY CERTIFIES THAT NONE OF ITS REPRESENTATIVES, AGENTS OR ATTORNEYS HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT IT WOULD NOT, IN THE EVENT OF SUCH LITIGATION, SEEK TO ENFORCE THIS WAIVER OF RIGHT TO JURY TRIAL PROVISION. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THE PROVISIONS OF THIS SECTION ARE A MATERIAL INDUCEMENT TO THE ACCEPTANCE OF THIS AGREEMENT BY THE OTHER PARTIES HERETO.

Section 7.10 Rules of Construction.

- (a) The Parties agree that they have been represented by counsel during, and each has been active in, the negotiation, preparation and execution of this Agreement and, therefore, waive the application of any Legal Requirements or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.
- (b) The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty, or covenant contained herein in any respect, the fact that there exists another representation, warranty, or covenant relating to the same subject matter which such Party has not breached shall not detract from or mitigate the fact that such Party is in breach of the first representation, warranty, or covenant.

Section 7.11 Interpretation.

When a reference is made in this Agreement to Exhibits or Schedules, such reference shall be to an Exhibit or Schedule to this Agreement unless otherwise indicated. The words "include", "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation". When a reference is made in this Agreement to a certain number of days, such reference shall be deemed to refer to "calendar" days unless the reference expressly indicates that the reference is being made with respect to Business Days. In the event that the final date for payment of any amount, or performance of any act hereunder falls on a non-Business Day, such payment may be made or act performed on the next succeeding Business Day. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Unless otherwise specifically provided in this Agreement, accounting terms used but not otherwise defined herein have the meanings given to them under GAAP. As used in this Agreement, the masculine, feminine or neuter gender and the singular or plural number shall be deemed to include the others whenever the context so requires. References to Sections and Articles refer to sections and articles of this Agreement, unless the context requires otherwise. Words such as "herein", "hereinafter", "hereof", "hereof", "hereof", "hereby" and "hereunder" and the words of like import refer to this Agreement, unless the context requires otherwise. The term "dollars" or "\$" means United States Dollars. References herein to any contract or agreement (including this Agreement) mean such contract or agreement as amended, supplemented or modified from time to time in accordance with the terms thereof. References herein to any Legal Requirements or any license mean such Legal Requirements or license as amended, modified, codified, reenacted, supplemented or superseded in whole or in part, and in effect from time to time.

Section 7.12 Severability.

In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void, invalid or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the Parties. The Parties further agree to replace such illegal, void, invalid or unenforceable provision of this Agreement with a legal, valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such illegal, void, invalid or unenforceable provision.

Section 7.13 Specific Performance.

The Parties agree that irreparable damage would occur in the event that the Parties do not perform the provisions of this Agreement in accordance with its terms or otherwise breach such provisions. Accordingly, the Parties acknowledge and agree that the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which they are entitled at law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on the basis that the other Parties have an adequate remedy at law or an award of specific performance is not an appropriate remedy for any reason at law or equity. Any party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with any such order or injunction.

Section 7.14 Confidentiality; Public Announcement.

(a) Confidentiality. GLP, Boyd and Boyd Parent each hereby agree that the material terms and provisions of this Agreement, all understandings, agreements and other arrangements between and among the parties, and all other non-public information received from or otherwise relating to, the Property (or any portion thereof), GLP, Boyd, and/or Boyd Parent shall be confidential, and shall not be disclosed or otherwise released to any other Person (other than another party hereto or such party's Affiliates), without the written consent of GLP, Boyd, and/or Boyd Parent, as applicable. The obligations of the parties hereunder shall not apply to: (a) the extent that the disclosure of information otherwise determined to be confidential is required by applicable Legal Requirements, or by any regulations or securities exchange listing rules applicable to such party or its Affiliates, provided that (i) prior to disclosing such confidential information, such disclosing party shall notify the other party thereof, which notice shall include the basis upon which such disclosing party believes the information is required to be disclosed; and (ii) such disclosing party shall, if requested by the other party, provide reasonable cooperation with the other party to protect the continued confidentiality thereof; (b) the disclosure of confidential information to any Affiliates of GLP, Boyd, and/or Boyd Parent and their respective officers, employees, directors, agents, investors, rating agencies, accountants, attorneys and other consultants, financial advisors, other professional advisors, shareholders, investors and lenders (both actual and potential) who agree to hold confidential such information substantially in accordance with this Section 7.14 or who are otherwise bound by a duty of confidentiality to such party; and (c) such disclosures as may be contained in Section 7.14(b) hereof.

(b) GLP, Boyd, and Boyd Parent shall agree on the form and content of the initial press release regarding the transactions contemplated hereby and thereafter shall consult with each other before issuing, and shall provide each other the opportunity to review and comment upon and use all reasonable efforts to agree upon, any press release or other public statement with respect to any of the transactions contemplated hereby and shall not issue any such press release or make any such public statement prior to such consultation and prior to considering in good faith any such comments, except as may be required by applicable Legal Requirements (including without limitation the Securities Act, the Exchange Act and any Gaming Laws) or any listing agreement with, or the rules and regulations of, the NASDAQ Stock Market or the Financial Industry Regulatory Authority. Notwithstanding anything to the contrary herein, GLP, Boyd, and Boyd Parent or their respective Affiliates may make any public statement in response to specific questions by the press, analysts, investors or those attending industry conferences or financial analyst conference calls, so long as any such statements are not inconsistent with previous press releases, public disclosures or public statements made jointly by GLP, Boyd, and Boyd Parent and do not reveal non-public information regarding GLP, Boyd, and/or Boyd Parent.

(c) This Section 7.14 shall survive the Closing.

Section 7.15 Cooperation.

Subject to the limitations in this Agreement, in case at any time after the Closing any further reasonable action is necessary to carry out the purposes of this Agreement and the Closing Documents or to vest GLP with full title to the Property, the proper officers, directors, members, and/or managers of the Boyd Parties and their Affiliates, as applicable, shall take all action reasonably necessary (including executing and delivering further affidavits, instruments, notices, assumptions, releases and acquisitions), and each party shall bear its costs incurred in connection therewith (except to the extent such cost is allocated to such other party pursuant to this Agreement).

Section 7.16 Notices.

(a) Addresses. Any notices, approvals, requests or demands required to be given, delivered or served or which may be given, delivered or served under or by the terms and provisions of this Agreement, shall be in writing and shall be deemed to have been duly given, delivered or served only if and when (i) delivered by hand to the addressee, (ii) sent by nationally known overnight courier service, (iii) sent by registered or certified mail, postage prepaid, and deposited at any United States Post Office, or (iv) delivered by electronic mail (with confirmation of delivery) (if on a Business Day before 5:00 p.m. local time of the recipient party (otherwise on the next succeeding Business Day)). Such notices shall be delivered or sent to the addresses set forth below or to any other address as may hereafter be furnished in writing in like manner. The date of delivery or refusal to accept delivery shall be deemed to be the date of service.

GLP:

c/o Gaming and Leisure Properties, Inc. 845 Berkshire Blvd, Suite 200 Wyomissing, PA 19610 Attention: Brandon J. Moore, Esq. Email: bmoore@GLPROPINC.com

with copies to:

Goodwin Procter LLP
The New York Times Building
620 Eighth Avenue
New York, New York 10018
Attention: Yoel Kranz

Email: ykranz@goodwinlaw.com

Boyd and/or Boyd Parent:

c/o Boyd Gaming Corporation 3883 Howard Hughes Parkway, 9th Floor Las Vegas, NV 89169 Attention: Josh Hirsberg Email: joshhirsberg@boydgaming.com

with copies to:

Morrison & Foerster LLP 425 Market Street San Francisco, California 94115 Attention: Brandon Parris and Jeffrey Washenko E-mail: BParris@mofo.com and JWashenko@mofo.com

(b) Refusal of Delivery

The inability to deliver any notice, demand or request because the individual to whom it is properly addressed in accordance with this <u>Section 7.16</u> refused delivery thereof or no longer can be located at that address shall constitute delivery thereof to such individual.

(c) Change of Address

Each party shall have the right from time to time to designate by written notice to the other parties hereto such other person or persons and such other place or places as said party may desire written notices to be delivered or sent in accordance herewith.

(d) Attorney's Signature

Notices signed and given by an attorney for a party shall be effective and binding upon that party.

[Signatures Follow on Next Page]

BOYD:

BOYD (OHIO) PROPCO, LLC, a Delaware limited liability company

By Boyd TCIV, LLC, a Nevada limited liability company, its Managing Member

By Boyd Gaming Corporation, a Nevada corporation, its Managing Member

By:__/s/ Josh Hirsberg____

Name: Josh Hirsberg

Title: Executive Vice President, Treasurer and Chief Financial Officer

BOYD PARENT:

BOYD TCIV, LLC, a Nevada limited company

By: Boyd Gaming Corporation, a Nevada corporation, its Managing Member

By:__/s/ Josh Hirsberg____

Name: Josh Hirsberg

Title: Executive Vice President, Treasurer and Chief Financial Officer

[Signature Pages Follow]

[Signature Page to Agreement and Plan of Merger]

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	GOLD MERGER SI	B, LLC , a Delaware	limited liability	company
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By:____/s/ Brandon J. Moore
Name: Brandon J. Moore
Title: Vice President & Secretary

[Signature Page to Agreement and Plan of Merger]

EXHIBITS AND SCHEDULES

Exhibit A - The Land

Exhibit B - Defined Terms

Exhibit C - Form of Mortgage Release

Exhibit D - Form of Officer's Certificate

Exhibit E - Form of Waiver

Schedule 4.3(b) - Property Legal Proceedings

Schedule 4.4(a) - Boyd Legal Proceedings

EXHIBIT B

DEFINITIONS

In addition to the terms otherwise defined in this Agreement, the following terms shall have the meanings ascribed thereto set forth below:

"Affiliates" of any specified Person shall mean any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

"Boyd's Knowledge" shall mean the actual present knowledge of Josh Hirsberg, Tony McDuffie and James Adams (the "Boyd Knowledge Parties"), upon reasonable inquiry and investigation of the matter in question, which shall not require the Boyd Knowledge Parties to commission any third-party reports, investigations or studies and without personal liability to the Boyd Knowledge Parties.

"Business Day" shall mean any day other than a Saturday, Sunday or any other day on which federal government offices in New York, New York, are closed, or any day on which banking institutions located in New York, New York are required or authorized by law or executive order to close.

"Business" shall mean the casino business and ancillary business uses operated at the Property.

"Contract" shall mean any agreement, contract, lease, power of attorney, note, loan, evidence of indebtedness, purchase order, letter of credit, settlement agreement, franchise agreement, undertaking, covenant not to compete, employment agreement, license, instrument, obligation, commitment, understanding, policy, purchase and sales order, quotation and other executory commitment to which any Person is a party or to which any of the assets of such Person are subject, whether oral or written, express or implied.

"Control" shall mean, when used with respect to any specific Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities, beneficial interests, by contract or otherwise. The definition is to be "construed to apply equally to variations of the word "Control," including "Controlled," "Controlled by."

"Encumbrances" shall mean Liens, covenants, conditions, restrictions, agreements, easements, title defects, options, rights of first offer, rights of first refusal, restrictions on transfer, rights of other parties, limitations on use, limitations on voting rights, or other encumbrances of any kind or nature, in each case whether accrued, absolute, contingent, matured, unmatured, liquidated, unliquidated, known or unknown.

"Excluded Assets" shall mean, with respect to the Business, all property, assets, interests, rights, contracts, permits, books, records, intangibles, accounts of every kind and nature other than the property, assets, interests, and rights that are "Leased Property" as defined in the Lease; provided that any improvements made to the Property prior to the execution of the Lease that would have been treated as property of the Tenant under the Lease had they been made after the effective date of the Lease shall be deemed for all purposes to be Excluded Assets.

"Fixtures" shall mean all equipment, machinery, fixtures, and other items of property, including all components thereof, that are now or hereafter located in, on or used in connection with and permanently affixed to or incorporated into the Improvements (excluding gaming equipment and machinery, regardless of the manner of attachment and Excluded Assets).

"Gaming Authority" shall mean those federal, state, local and other governmental, regulatory and administrative authorities, agencies, boards and officials responsible for, or involved in, the regulation of gaming or similar activities or the sale of liquor in the State, and all state and local regulatory and licensing bodies with authority over gaming and liquor in the State and its political subdivisions.

"Gaming Laws" shall mean all Legal Requirements pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming or racing or similar activities or the sale of liquor.

"Governmental Authority" shall mean any Gaming Authority or domestic, federal, territorial, state or local government, governmental authority or any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, without limitation, any agency, department, board, branch, commission or instrumentality of any of the foregoing or any court, arbitrator or similar tribunal or forum, having jurisdiction over the Property.

"Governmental Order" shall mean any award, decision, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Authority or by any arbitrator.

"Improvements" shall mean all buildings, structures, Fixtures and other improvements of every kind now or hereafter located on the Land including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines (on-site and off-site to the extent Seller has obtained any interest in such utility pipes, conduits and lines), parking areas and roadways appurtenant to such buildings and structures (excluding any Excluded Assets).

"Interests" shall mean all of the limited liability company membership interests in Boyd.

"Land Rights" shall mean (a) all appurtenances, rights, privileges and easements now or hereafter appertaining to the Land and the Improvements and (b) all right, title and interest of Seller, with respect to the Land and the Improvements, in and to the land lying in the streets, avenues, ways, and roads in front of and adjoining such parcel.

"<u>Legal Requirements</u>" shall mean any law, common law, statute, ordinance, executive order, rule, regulation, order, judgment, administrative order, decree, directive, administrative or judicial decision and any other executive, legislative, regulatory or administrative proclamation, of any Governmental Authority.

"<u>Liabilities</u>" shall mean any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any Person of any type, whether accrued, absolute, contingent, matured, unmatured, liquidated, unliquidated, known or unknown.

"Lien" shall mean any mortgage, deed of trust, lien, pledge, hypothecation, assignment, security interest, or any other charge on or affecting the Property, any portion thereof or any direct or indirect, legal or beneficial, interest therein, including any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and the filing of mechanic's, materialmen's and other similar liens and encumbrances.

"Losses" shall mean any and all losses, liabilities, obligations, damages, claims and expenses, including, without limitation, reasonable attorneys' and accountants' fees and disbursements related thereto.

"Permitted Encumbrances" shall mean each of the following: (i) all present and future zoning, building, land use, air rights, municipal, environmental and other laws, ordinances, codes, restrictions and regulations of all Governmental Authorities having jurisdiction with respect to the Property, including, without limitation, landmark designations and all zoning variances and special exceptions, if any; (ii) all presently existing and future liens for unpaid real estate Taxes and water and sewer charges not due and payable as of the Closing Date; (iii) all covenants, restrictions and rights and all easements and agreements for the erection and/or maintenance of water, gas, steam, electric, telephone, sewer or other utility pipelines, poles, wires, conduits or other like facilities, and appurtenances thereto, over, across and under the Property which are either (A) presently existing or (B) granted to a public utility in the ordinary course, provided that the same shall not have a material adverse effect on the use of the Property for the continued operation of the Business; (iv) possible minor encroachments and/or projections of stoop areas, roof cornices, window trims, vent pipes, cellar doors, steps, columns and column bases, flue pipes, signs, piers, lintels, window sills, fire escapes, satellite dishes, protective netting, sidewalk sheds, ledges, fences, coping walls (including retaining walls and yard walls), air conditioners and the like, if any, on, under or above any street or highway, or any adjoining property; (v) minor variations between tax lot lines and lines of record title; (vi) the Lease and the Mortgage and any liens, encumbrances and other matters that are permitted under the Lease or the Mortgage; (vii) all matters shown on that certain Survey for the Property prepared by Berding Surveying dated October 2, 2018 as project number 10099.90; (viii) all matters that an accurate updated survey of the Property would show; (ix) all matters set forth on Schedule B, Part II, of Commitment No. GLW20005

"Person" shall mean any natural person, partnership, corporation, association, limited liability company, trust or any other legal entity.

"Title Company" shall mean Fidelity National Title Insurance Company.

AMENDMENT NO. 3

This **AMENDMENT NO. 3**, dated as of May 8, 2020 (this "**Agreement**"), by and among Boyd Gaming Corporation, a Nevada corporation ("**Borrower**"), the Guarantors, each Lender party hereto and Bank of America, N.A., as administrative agent (in such capacity, "**Administrative Agent**") under the Credit Agreement (as defined below), and effective as of the Agreement Effective Date (as defined below), with effect from and after the Effective Date. Capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Credit Agreement.

RECITALS:

WHEREAS, reference is hereby made to that certain Third Amended and Restated Credit Agreement, dated as of August 14, 2013 (as amended or modified by that certain Amendment No. 1 and Joinder Agreement, dated as of September 15, 2016, that certain Amendment No. 2 and Refinancing Amendment, dated as of March 29, 2017 and that certain Joinder Agreement, dated as of August 2, 2018, and as it may be amended, restated, replaced, supplemented or otherwise modified and in effect immediately prior to giving effect to the amendments contemplated by this Agreement, the "Existing Credit Agreement" and, after giving effect to the amendments contemplated by this Amendment, the "Credit Agreement"), among Borrower, the Lenders party thereto from time to time, Administrative Agent and the other parties thereto;

WHEREAS, Borrower desires to make certain amendments to the Existing Credit Agreement; and

WHEREAS, the Lenders party hereto (constituting the Required Covenant Lenders and Required Revolving Lenders under the Credit Agreement) and Administrative Agent agree to make such amendments to the Existing Credit Agreement, in each case, subject to the conditions and on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

AMENDMENTS TO EXISTING CREDIT AGREEMENT

SECTION 1. Consent of Lenders.

- (a) Each Lender under the Existing Credit Agreement that executes and delivers a lender agreement in substantially the form attached hereto as Annex I (a "Consenting Lender Agreement" and, each such Lender, a "Consenting Lender") hereby irrevocably agrees to the amendments to the Existing Credit Agreement provided for herein, with respect to all of such Consenting Lender's Loans and Commitments.
- (b) Each Consenting Lender Agreement shall be subject to the terms and conditions of this Agreement and shall be binding upon the Lender party thereto and any successor, participant or assignee of such Lender and may not be revoked or terminated by the Lender party thereto or any such successor, participant or assignee. Each Person that executes and delivers a Consenting Lender Agreement and any permitted successor, participant or assignee of such Lender shall be a party to this Agreement as if such Person executed and delivered a counterpart hereof. Each Consenting Lender Agreement shall constitute a part of this Agreement and each signature page thereto shall constitute a signature page hereto.

- SECTION 2. Agreement Effective Date Amendments. Effective upon the occurrence of the Agreement Effective Date (as defined below), with effect from and after March 30, 2020 (the "Effective Date") the Existing Credit Agreement is hereby amended as follows:
 - (a) The proviso in the last sentence of the definition of "Applicable Rate" in <u>Section 1.01</u> of the Existing Credit Agreement is hereby amended by (i) replacing "and" immediately before <u>clause (ii)</u> thereof with "," and (ii) inserting "and (iii) during the period from May 8, 2020 until the end of the Initial Covenant Relief Period (as defined in <u>Section 7.10(d)</u>), Pricing Level 5 shall apply" immediately before the period at the end thereof.
 - (b) The first sentence in the definition of "Base Rate" in <u>Section 1.01</u> of the Existing Credit Agreement is hereby amended by adding the following proviso: "<u>provided</u> that, during the period from May 8, 2020 until the end of the Initial Covenant Relief Period, in no event shall the Base Rate with respect to the Initial Revolving Credit Facility and the Term A Facility be less than 1.50% per annum".
 - (c) The last proviso in the definition of "Eurodollar Rate" in Section 1.01 of the Existing Credit Agreement is hereby amended and restated as follows: "provided, further, that in no event shall the Eurodollar Rate be less than (i) with respect to the Initial Revolving Credit Facility and the Term A Facility, (A) during the period from May 8, 2020 until the end of the Initial Covenant Relief Period, 0.50% per annum and (ii) with respect to any other Facility, 0.00% per annum".
 - (d) Section 7.10 of the Existing Credit Agreement is hereby amended and restated as follows:
 - **7.10 Financial Covenants**. Solely for the benefit of the Covenant Lenders, so long as any Lender shall have any Commitment, any Loan or other Obligation under any Covenant Facility shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding, subject to Section 1.08:
 - (a) Interest Coverage Ratio.
 - (i) Subject to Section 7.10(a)(ii), Borrower shall not permit the Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 1.75 to 1.00.
 - (ii) Notwithstanding Section 7.10(a)(i) above, during the Initial Covenant Relief Period, Borrower shall not be required to comply with Section 7.10(a)(i); provided that (1) for the avoidance of doubt, (I) if at any time during the Initial Covenant Relief Period, a default shall be made in the due observance or performance by Borrower or any Restricted Subsidiary of any Covenant Relief Period Condition or (II) if Borrower shall fail to deliver the Compliance Certificate in respect of the fiscal quarter ending June 30, 2021 on or prior to the dates required by this Agreement, then this Section 7.10(a)(ii) shall be null and void and shall be deemed to not have applied in respect of any fiscal quarter ending during the Initial Covenant Relief Period and (2) if the Initial Covenant Relief Period is terminated in accordance with clauses (ii) or (iii) of the definition thereof, then the minimum Interest Coverage Ratio levels for each fiscal quarter after the Qualifying Quarter shall be those as in effect and set forth in Section 7.10(a)(i).

(b) Total Leverage Ratio.

(i) Subject to Section 7.10(b)(ii), Borrower shall not permit the Total Leverage Ratio on the last day of any period of four fiscal quarters of the Borrower set forth below to be greater than the ratio set forth below opposite such period:

	Maximum Total
Four Fiscal Quarters Ending	Leverage Ratio
September 30, 2016 through December 31, 2016	7.75 to 1.00
March 31, 2017 through December 31, 2017	7.00 to 1.00
March 31, 2018 through December 31, 2018	6.25 to 1.00
March 31, 2019 through December 31, 2019	6.00 to 1.00
March 31, 2020 through December 31, 2020	5.75 to 1.00
March 31, 2021 and thereafter	5.50 to 1.00

(ii) Notwithstanding Section 7.10(b)(i) above, (A) during the Initial Covenant Relief Period, Borrower shall not be required to comply with Section 7.10(b)(i) and (B) commencing with the fiscal quarter ending June 30, 2021, Borrower shall not permit the Total Leverage Ratio as of the last day of any fiscal quarter of Borrower to exceed 7.75:1.00; provided that, in the case of each of (A) and (B), (1) for the avoidance of doubt, (I) if at any time during the Covenant Relief Period, a default shall be made in the due observance or performance by Borrower or any Restricted Subsidiary of any Covenant Relief Period Condition or (II) if Borrower shall fail to deliver the Compliance Certificate in respect of the fiscal quarter ending June 30, 2021 on or prior to the dates required by this Agreement, then this Section 7.10(b)(ii) shall be null and void and shall be deemed to not have applied in respect of any fiscal quarter ending during the Covenant Relief Period and (2) if the Covenant Relief Period is terminated due to a termination of the Initial Covenant Relief Period in accordance with clauses (ii) or (iii) of the definition thereof or due to a termination of the Extended Covenant Relief Period in accordance with clauses (ii) or (iii) of the definition thereof, then the maximum Total Leverage Ratio levels for each fiscal quarter after the last fiscal quarter of the most recent Test Period ended prior to such termination shall be those as in effect and set forth in Section 7.10(b)(i).

(c) Secured Leverage Ratio.

(i) Subject to Section 7.10(c)(ii), Borrower shall not permit the Secured Leverage Ratio on the last day of any period of four fiscal quarters of the Borrower set forth below to be greater than the ratio set forth below opposite such period:

	Maximum Secured	
Four Fiscal Quarters Ending	Leverage Ratio	
September 30, 2016 through December 31, 2017	4.50 to 1.00	
March 31, 2018 through December 31, 2018	4.00 to 1.00	
March 31, 2019 through December 31, 2019	3.75 to 1.00	
March 31, 2020 and thereafter	3.50 to 1.00	

- (ii) Notwithstanding Section 7.10(c)(i) above, during the Initial Covenant Relief Period, Borrower shall not be required to comply with Section 7.10(c)(i); provided that (1) for the avoidance of doubt, (I) if at any time during the Initial Covenant Relief Period, a default shall be made in the due observance or performance by Borrower or any Restricted Subsidiary of any Covenant Relief Period Condition or (II) if Borrower shall fail to deliver the Compliance Certificate in respect of the fiscal quarter ending June 30, 2021 on or prior to the dates required by this Agreement, then this Section 7.10(c)(ii) shall be null and void and shall be deemed to not have applied in respect of any fiscal quarter ending during the Initial Covenant Relief Period and (2) if the Initial Covenant Relief Period is terminated in accordance with clauses (ii) or (iii) of the definition thereof, then the maximum Secured Leverage Ratio levels for each fiscal quarter after the Qualifying Quarter shall be those as in effect and set forth in Section 7.10(c)(i).
 - (d) Section 7.10 Defined Terms. As used in this Section 7.10, the following terms shall have the following meanings:
- (i) "Covenant Relief Period" means the period commencing on the Covenant Relief Period Commencement Date and ending on the later of (i) the Initial Covenant Relief Period Termination Date and (ii) the Extended Covenant Relief Period Termination Date.
 - (ii) "Covenant Relief Period Commencement Date" means March 30, 2020.
- (iii) "Covenant Relief Period Conditions" means the Borrower complies with each of the requirements listed on Schedule I to that certain Amendment No. 3 to this Agreement, dated as of May 8, 2020, among the Borrower, the Guarantors, the Lenders party thereto and the Administrative Agent.

- (iv) "Covenant Relief Period Termination Notice" means a certificate of a Responsible Officer of the Borrower that is delivered to the Administrative Agent (x) stating that the Borrower irrevocably elects to terminate the Covenant Relief Period effective as of the date on which the Administrative Agent receives such Covenant Relief Period Termination Notice and that commencing with the first fiscal quarter ending after the Qualifying Quarter, the financial covenants in Section 7.10 shall be governed by clauses (a)(i), (b)(i) and (c)(i) thereof (instead of clauses (a)(ii), (b)(ii) and (c)(ii) thereof) and (y) certifying that the Borrower would have been in compliance with the financial covenants in Section 7.10(a)(i), (b)(i) and (c)(i) as of the most recent Test Period if such financial covenants had been applicable, and setting forth in reasonable detail the computations necessary to determine such compliance.
- (v) "Extended Covenant Relief Period" means the period commencing on the date on which the Administrative Agent receives from the Borrower the Compliance Certificate in respect of the fiscal quarter ending June 30, 2021 and ending on the earliest of (i) the first date on which the Total Leverage Ratio is equal to or less than 6.00 to 1.00 (the "Extended Relief Period Threshold"), (ii) the date that the Administrative Agent receives a Covenant Relief Period Termination Notice from Borrower and (iii) the date upon which the Borrower fails to satisfy the Covenant Relief Period Conditions. The date on which the Extended Covenant Relief Period ends is referred to as the "Extended Covenant Relief Period Termination Date".
- (vi) "Initial Covenant Relief Period" means the period commencing on the Covenant Relief Period Commencement Date and ending on the earliest of (i) the date on which the Administrative Agent receives from the Borrower the Compliance Certificate in respect of the fiscal quarter ending June 30, 2021, (ii) the date that the Administrative Agent receives a Covenant Relief Period Termination Notice from Borrower and (iii) the date upon which the Borrower fails to satisfy the Covenant Relief Period Conditions. The date on which the Initial Covenant Relief Period ends is referred to as the "Initial Covenant Relief Period Termination Date".
- (vii) "Qualifying Quarter" means the last fiscal quarter of the most recent Test Period ended prior to the termination of the Initial Covenant Relief Period.
- (e) Notwithstanding anything to the contrary in the definition of "Consolidated EBITDA", solely for purposes of Section 7.10(a)(ii), 7.10(b)(ii) and 7.10(c)(ii) and calculating the Extended Relief Period Threshold and the Incremental Threshold if the Initial Covenant Relief Period is terminated in accordance with clause (i) of the definition thereof, Consolidated EBITDA for the Test Period ending June 30, 2021 shall be deemed to be Consolidated EBITDA for the fiscal quarters ending March 31, 2021 and June 30, 2021 multiplied by 2, and (ii) Consolidated EBITDA for the Test Period ending September 30, 2021 shall be deemed to be Consolidated EBITDA for the fiscal quarters ending March 31, 2021, June 30, 2021 and September 30, 2021 multiplied by 4/3.
- (f) Notwithstanding anything to the contrary in the definition of "Consolidated EBITDA", solely for purposes of (A) any Covenant Relief Period Termination Notice and (B) Section 7.10(a)(i), 7.10(b)(i) and 7.10(c)(i) and calculating the Extended Relief Period Threshold and the Incremental Threshold if the Initial Covenant Relief Period is terminated in accordance with clauses (ii) or (iii) of the definition thereof, (i) Consolidated EBITDA for the Test Period ending on the last day of the Qualifying Quarter, shall be deemed to be Consolidated EBITDA for the Test Period ending on the last day of the fiscal quarter immediately following the Qualifying Quarter shall be deemed to be Consolidated EBITDA for the Qualifying Quarter and the immediately following fiscal quarter multiplied by 2 and (iii) Consolidated EBITDA for the Test Period ending on the last day of the second fiscal quarter following the Qualifying Quarter shall be deemed to be Consolidated EBITDA for the Qualifying Quarter and the two fiscal quarters following the Qualifying Quarter multiplied by 4/3.

(e) A new Section 10.28 is hereby added to the Existing Credit Agreement as follows:

Section 10.28. Statement to Creditors and Investors by Boyd Gaming Regarding the Pledging of Kansas Star Casino Assets. Notwithstanding any promise, covenant, or pledge made by, any condition agreed to, or any guaranty, indenture, agreement, contract or other document executed by Boyd Gaming Corporation for the benefit of any creditor or investor to pledge Kansas Star Casino, its assets, or any assets purchased or leased by Boyd Gaming Corporation (or any predecessor entity) for Kansas Star Casino on behalf of the State of Kansas, **Boyd Gaming hereby gives notice** to all creditors and investors that, in the event of bankruptcy or default on any loan or other debt secured in whole or in part by Kansas Star Casino or Kansas Star Casino assets, KRGC does not waive, nor has it waived, any of the State of Kansas' rights under law or under the lottery gaming facility management contract to secure the games and select a new casino manager.

SECTION 3. Amendments to Loan Documents. Each Consenting Lender, by executing a Consenting Lender Agreement, consents to, and authorizes Borrower, each Guarantor and Administrative Agent to enter into such amendments, restatements, amendment and restatements, supplements and modifications to the exhibits and schedules to the Credit Agreement as Administrative Agent deems reasonably necessary or desirable in connection with this Agreement and the transactions contemplated hereby.

SECTION 4. Additional Amendments. In addition to Sections 2 and 3 of this Article I, if the Required Lenders consent to this Agreement, then effective upon the occurrence of the Agreement Effective Date (as defined below), with effect from and after the Effective Date, the Existing Credit Agreement is hereby amended as follows:

(a) Section 1.01 of the Existing Credit Agreement is hereby amended by adding the following definitions in proper alphabetical sequence:

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"<u>UK Financial Institution</u>" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person subject to IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

- (b) The definition of "Bail-In Action" is hereby amended by replacing "EEA Resolution Authority" with "Resolution Authority" and replacing "EEA Financial Institution" with "Affected Financial Institution".
 - (c) The definition of "Bail-In Legislation" is hereby amended and restated in its entirety as follows:

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, rule, regulation or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

(d) The definition of "Consolidated EBITDA" is hereby amended by adding the following at the end thereof:

Notwithstanding anything to the contrary in this definition of "Consolidated EBITDA", if the Initial Covenant Relief Period is terminated in accordance with clause (i) of the definition thereof, Consolidated EBITDA for the Test Period ending June 30, 2021 shall be deemed to be Consolidated EBITDA for the fiscal quarters ending March 31, 2021 and June 30, 2021 multiplied by 2, and (ii) Consolidated EBITDA for the Test Period ending September 30, 2021 shall be deemed to be Consolidated EBITDA for the fiscal quarters ending March 31, 2021, June 30, 2021 and September 30, 2021 multiplied by 4/3.

Notwithstanding anything to the contrary in this definition of "Consolidated EBITDA", if the Initial Covenant Relief Period is terminated in accordance with clauses (ii) or (iii) of the definition thereof, (i) Consolidated EBITDA for the Test Period ending on the last day of the Qualifying Quarter, shall be deemed to be, at the Borrower's election, (1) Consolidated EBITDA for the Qualifying Quarter multiplied by 4, (ii) Consolidated EBITDA for the Test Period ending on the last day of the fiscal quarter immediately following the Qualifying Quarter shall be deemed to be Consolidated EBITDA for the Test Period ending on the last day of the second fiscal quarter following the Qualifying Quarter shall be deemed to be Consolidated EBITDA for the Qualifying Quarter and the two fiscal quarters following the Qualifying Quarter multiplied by 4/3.

(e) The definition of "Write-Down and Conversion Powers" is hereby amended and restated in its entirety as follows:

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

- (f) Section 7.03 of the Existing Credit Agreement is hereby amended by adding a new clause (m) thereto as follows and replacing the reference to "(1)" in the last sentence thereof with "(m)":
 - (m) (i) unsecured Indebtedness or Indebtedness that is secured by the Collateral on a second priority (or other junior priority) basis to the Liens securing the Obligations, of Borrower and its Restricted Subsidiaries incurred during the Covenant Relief Period pursuant to any bail-out, support or relief plan offered by any Governmental Authority in connection with the COVID-19 pandemic so long as at the time of incurrence thereof, no Event of Default shall have occurred and be continuing after giving effect thereto and (ii) Permitted Refinancings thereof.
 - (g) Section 7.01 of the Existing Credit Agreement is hereby amended by adding a new clause (x) at the end thereof as follows:
 - (x) Liens securing Indebtedness incurred pursuant to Section 7.03(m) and subject to a Customary Intercreditor Agreement.
 - (h) Section 10.26 of the Existing Credit Agreement is hereby amended and restated in its entirety as follows:

Section 10.26. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Solely to the extent any Lender or L/C Issuer that is an EEA Financial Institution is a party to this Agreement and notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Lender or L/C Issuer that is an Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by an the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any Lender or L/C Issuer that is an Affected Financial Institution; and
 - (b) the effects of any Bail-In Action on any such liability, including, if applicable;
 - (i) a reduction in full or in part or cancellation of any such liability;
 - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
 - (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.
- (i) A new Section 10.29 is hereby added to the Existing Credit Agreement as follows:

Section 10.29. Acknowledgement Regarding Any Supported OFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported OFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this <u>Section 10.22</u>, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

SECTION 5. Agreement of Required Revolving Lenders. Pursuant to Section 10.01(j) of the Existing Credit Agreement, the Required Revolving Lenders hereby agree that for purposes of determining compliance with Section 4.02 of the Credit Agreement in connection with any Credit Extension to be made under the Revolving Facility during the Initial Covenant Relief Period, clause (a) of the definition of "Material Adverse Effect" shall not include effects, events, occurrences, facts, conditions or changes arising out of or resulting from or in connection with the COVID-19 pandemic.

ARTICLE II

REPRESENTATION AND WARRANTIES

To induce the Lenders party hereto to agree to this Agreement, each of Borrower and the Guarantors represents to Administrative Agent and the Lenders that, as of the Agreement Effective Date:

SECTION 1. Corporate Existence. Such Person (a) is (i) duly organized or formed and validly existing and (ii) in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in <u>subsections (a)(i)</u> (other than with respect to Borrower), (a)(ii), (b)(i), or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 2. Authorization; No Contravention. The execution, delivery and performance by such Person of this Agreement and any other Loan Document to which such Person is a party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) except where such conflict, breach or contravention or creation of a Lien may not reasonably be expected to have a Material Adverse Effect, conflict with or result in any breach or contravention of, or the creation of any Lien under, (i) any Contractual Obligation to which such Person is a party, or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) except where such violation may not reasonably be expected to have a Material Adverse Effect, violate any Law.

SECTION 3. Binding Effect. This Agreement has been and each other Loan Document to which such Person is a party, when delivered, will have been, duly executed and delivered by such Person. Each of this Agreement and each other Loan Document to which such Person is a party, when so delivered will constitute, a legal, valid and binding obligation of such Person, enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to creditors' rights generally, and general principles of equity.

SECTION 4. No Default. No Default or Event of Default has occurred and is continuing.

ARTICLE III

CONDITIONS TO THE AGREEMENT EFFECTIVE DATE

This Agreement shall become effective on the date (the "Agreement Effective Date") on which each of the following conditions is satisfied or waived:

SECTION 1. Execution of Counterparts. Administrative Agent shall have received (a) executed counterparts of this Agreement from each of Borrower, the Guarantors, the L/C Issuer, the Swing Line Lender and Administrative Agent and (b) executed Consenting Lender Agreements from Lenders constituting the Required Covenant Lenders and Required Revolving Lenders.

SECTION 2. Costs and Expenses. To the extent invoiced at least three (3) Business Days prior to the Agreement Effective Date, all of the reasonable and documented out-of-pocket costs and expenses (including the reasonable fees, expenses and disbursements of Cahill, Gordon & Reindel LLP and one local counsel in each applicable jurisdiction reasonably deemed necessary by Administrative Agent) incurred by the Administrative Agent in connection with the negotiation, preparation, execution and delivery of this Agreement shall have been paid.

SECTION 3. Payment of Fees to Lenders. Borrower shall have paid to Administrative Agent, for the account of each Lender under the Existing Credit Agreement that has executed a Consenting Lender Agreement prior to 5:00 p.m., New York City time, on May 7, 2020, a consent fee equal to 0.05% of the outstanding principal amount of such Lender's Term A Loans and/or Revolving Commitments on the Agreement Effective Date.

- SECTION 4. No Default or Event of Default. Both immediately prior to and immediately after giving effect to this Agreement no Default or Event of Default shall have occurred and be continuing.
- <u>SECTION 5.</u> Certificate of Responsible Officer. Administrative Agent shall have received a certificate from a Responsible Officer of Borrower, certifying as to <u>Section 4</u> of this <u>Article III</u>.

ARTICLE IV

VALIDITY OF OBLIGATIONS AND LIENS

SECTION 1. Reaffirmation. Each of the Loan Parties party hereto (a) acknowledges and agrees that all of such Loan Party's obligations under the Collateral Documents and the other Loan Documents (as amended hereby) to which it is a party are reaffirmed and remain in full force and effect on a continuous basis as amended by this Agreement, (b) reaffirms each Lien and security interest granted by it to the Administrative Agent for the benefit of the Secured Parties to secure the Secured Obligations and the Guarantees of the Obligations made by it pursuant to the Existing Credit Agreement and (c) acknowledges and agrees that the grants of Liens and security interests by and the Guarantees of the Loan Parties contained in the Existing Credit Agreement and the Collateral Documents are, and shall remain, in full force and effect after giving effect to this Agreement and the transactions contemplated hereby and thereby.

ARTICLE V

MISCELLANEOUS

- <u>SECTION 1.</u> Amendment, Modification and Waiver. This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of Borrower and Administrative Agent (acting at the direction of such Lenders as may be required under Section 10.01 of the Credit Agreement).
- <u>SECTION 2.</u> Entire Agreement. This Agreement, the other Loan Documents and the Consenting Lender Agreements constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.
- SECTION 3. Governing Law; Jurisdiction; Etc.; Waiver of Right to Trial by Jury; Confidentiality; No Advisory or Fiduciary Responsibility. Each party hereto agrees that Sections 10.17 (Governing Law; Jurisdiction; Etc.), 10.18 (Waiver of Right to Trial by Jury), 10.08 (Confidentiality) and 10.27 (No Advisory or Fiduciary Responsibility) of the Credit Agreement shall apply to this Agreement mutatis mutandis.
- SECTION 4. Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

SECTION 5. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission (including portable document format (".pdf") or similar format) shall be effective as delivery of a manually executed counterpart hereof. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation Consenting Lender Agreements) shall be deemed to include electronic signatures and contract formations on electronic platforms approved by Administrative Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary Administrative Agent is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by Administrative Agent pursuant to procedures approved by it (it being understood and agreed that documents signed manually but delivered in ".pdf" or ".tif" format (or other similar formats specified by Administrative Agent) shall not constitute electronic signatures).

SECTION 6. Loan Document. This Agreement shall constitute a "Loan Document" as defined in the Credit Agreement.

SECTION 7. No Novation. The parties hereto expressly acknowledge that it is not their intention that this Agreement or any of the other Loan Documents executed or delivered pursuant hereto constitute a novation of any of the obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document, but rather constitute a modification thereof or supplement thereto pursuant to the terms contained herein. The Existing Credit Agreement and the Loan Documents, in each case as amended, modified or supplemented hereby, shall be deemed to be continuing agreements among the parties thereto, and all documents, instruments, and agreements delivered, as well as all Liens created, pursuant to or in connection with the Existing Credit Agreement and the other Loan Documents shall remain in full force and effect, each in accordance with its terms (as amended, modified or supplemented by this Agreement), unless such document, instrument, or agreement has otherwise been terminated or has expired in accordance with or pursuant to the terms of this Agreement or such document, instrument, or agreement or as otherwise agreed by the required parties hereto or thereto, it being understood that from after the occurrence of the Agreement Effective Date, with effect from and after the Effective Date, each reference in the Loan Documents to the "Credit Agreement," "thereof" (and each reference in the Credit Agreement, "thereunder," or "hereof") or words of like import shall mean and be a reference to the Credit Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each of the undersigned has caused its duly authorized officer to execute and deliver this Agreement as of the date first written above.

BOYD GAMING CORPORATION, a Nevada corporation

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Executive Vice President, Treasurer and

Chief Financial Officer

GUARANTORS:

BELLE OF ORLEANS, L.L.C.,

a Louisiana limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Chief Financial Officer,

Senior Vice President and Treasurer

BLUE CHIP CASINO, LLC,

an Indiana limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

BOYD ACQUISITION, LLC,

a Delaware limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Senior Vice President and Treasurer

BOYD ACQUISITION I, LLC,

a Delaware limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Senior Vice President and Treasurer

BOYD ACQUISITION II, LLC,

a Delaware limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Senior Vice President and Treasurer

BOYD ATLANTIC CITY, INC.,

a New Jersey corporation

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Vice President and Treasurer

BOYD BILOXI, LLC,

a Mississippi limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

BOYD LOUISIANA RACING, L.L.C.,

a Louisiana limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

BOYD RACING, L.L.C.,

a Louisiana limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

BOYD TUNICA, INC.,

a Mississippi corporation

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

a Nevada corporation By: /s/ Josh Hirsberg Name: Josh Hirsberg Title: Treasurer CALIFORNIA HOTEL FINANCE CORPORATION, a Nevada corporation By: /s/ Josh Hirsberg Name: Josh Hirsberg Title: Treasurer COAST CASINOS, INC., a Nevada corporation By: /s/ Josh Hirsberg Name: Josh Hirsberg Title: Treasurer COAST HOTELS AND CASINOS, INC., a Nevada corporation By: /s/ Josh Hirsberg Name: Josh Hirsberg Title: Treasurer

CALIFORNIA HOTEL AND CASINO,

DIAMOND JO, LLC,

a Delaware limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Chief Financial Officer,

Senior Vice President and Treasurer

DIAMOND JO WORTH, LLC,

a Delaware limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Chief Financial Officer,

Senior Vice President and Treasurer

KANSAS STAR CASINO, LLC,

a Kansas limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Chief Financial Officer,

Senior Vice President and Treasurer

M.S.W., INC.,

a Nevada corporation

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

PAR-A-DICE GAMING CORPORATION,

an Illinois corporation

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

PENINSULA GAMING, LLC,

a Delaware limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Chief Financial Officer,

Senior Vice President and Treasurer

RED RIVER ENTERTAINMENT OF SHREVEPORT, L.L.C.,

a Louisiana limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

SAM-WILL, INC.,

a Nevada corporation

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

THE OLD EVANGELINE DOWNS, L.L.C.,

a Louisiana limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Chief Financial Officer,

Senior Vice President and Treasurer

TREASURE CHEST CASINO, L.L.C.,

a Louisiana limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg Title: Treasurer

ALIANTE GAMING, LLC,

a Nevada limited liability company

By: ALST Casino Holdco LLC its managing member

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Executive Vice President and Treasurer

ALST CASINO HOLDCO LLC,

a Delaware limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Executive Vice President / Treasurer

NEVADA PALACE, LLC,

a Nevada limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Executive Vice President and Treasurer

THE CANNERY HOTEL AND CASINO, LLC,

a Nevada limited liability company

By: /s/ Josh Hirsberg

Name: Josh Hirsberg

Title: Executive Vice President and Treasurer

Consented to and Acknowledged by:

BANK OF AMERICA, N.A.

as Administrative Agent, a Lender and L/C Issuer

By: <u>/s/ Brandon Bolio</u> Name: Brandon Bolio Title: Director

Consented to and Acknowledged by:

WELLS FARGO BANK, NATIONAL ASSOCIATION

as a Lender and Swing Line Lender

By: /s/ Donald Schubert
Name: DONALD SCHUBERT Title: MANAGING DIRECTOR

COVENANT RELIEF PERIOD CONDITIONS

- (a) The Borrower shall not permit the sum of (i) the sum of (x) unrestricted cash and Cash Equivalents of Borrower and its Restricted Subsidiaries free and clear of all Liens other than Permitted Liens, *plus* (y) cash and Cash Equivalents of Borrower and its Restricted Subsidiaries that are restricted in favor of the Obligations (which may include cash and Cash Equivalents securing other Indebtedness secured by a Lien on the Collateral), *plus* (ii) the amount by which the Aggregate Revolving Commitments exceed the sum of (x) the Outstanding Amount of Revolving Loans, (y) the Outstanding Amount of Swing Line Loans and (z) the Outstanding Amount of L/C Obligations (the "Borrower's Liquidity), at any time during the Initial Covenant Relief Period to be less than \$250,000,000.
- (b) During the Initial Covenant Relief Period, the Borrower shall furnish to the Administrative Agent (which will promptly furnish such certificate to the Covenant Lenders) (commencing with the calendar month ending May 31, 2020 and ending with (i) the calendar month ending July 31, 2021 or (ii) if the Initial Covenant Relief Period terminates in accordance with clauses (ii) or (iii) of the definition thereof prior to June 30, 2021, the last calendar month ending before the Initial Covenant Relief Period Termination Date) a certificate of a Responsible Officer of the Borrower (each, a "Minimum Liquidity Certificate") setting forth in reasonable detail the computations necessary (as determined in good faith by the Borrower) to determine whether the Borrower and the Restricted Subsidiaries are in compliance with clause (a) of this Schedule I as of the end of each such calendar month within five (5) Business Days after the last day of each such calendar month; provided that if during any week during such period the Borrower's Liquidity is less than \$400,000,000, the Borrower shall furnish to the Administrative Agent (which will promptly furnish such certificate to the Covenant Lenders) a Minimum Liquidity Certificate as of the Friday of such week (and each succeeding week until the Borrower's Liquidity as certified in any Minimum Liquidity Certificate delivered pursuant to this clause (b) is greater than or equal to \$400,000,000) no later than Wednesday of the following week.
- (c) During the Covenant Relief Period, the Borrower shall not incur, or permit any Restricted Subsidiary to incur, any Incremental Equivalent Debt, Incremental Term Loan Commitment, Increased Term Loan Commitment or Increased Revolving Commitment, in each case, in reliance on the Incremental Loan Amount, in an aggregate amount at any time outstanding in excess of the sum of (i) \$650,000,000 plus (ii) in the case of any such Indebtedness that is secured by a junior lien or is unsecured, an additional amount equal to the sum of (A) \$350,000,000 plus (B) any additional amount if, after giving effect thereto, the First Lien Leverage Ratio would not exceed 2.70 to 1.00 on a Pro Forma Basis (the "Incremental Threshold") (with the Incremental Loan Amount to be determined as if any Incremental Equivalent Debt is secured by Liens on a pari passu basis with the Liens securing the Secured Obligations even if such Incremental Equivalent Debt is unsecured or secured on a junior basis to the Liens securing the Secured Obligations and without netting any cash proceeds from the incurrence of such Increased Revolving Commitment, Increased Term Loan Commitment, Incremental Term Facility or Incremental Equivalent Debt and calculated as though any such Increased Revolving Commitment, Increased Term Loan Commitment, Incremental Term Facility or Incremental Equivalent Debt were fully drawn). In connection with any incurrence of Indebtedness in reliance on the foregoing, the Borrower may elect which of subsections (i), (ii)(A) and/or (ii)(B) above it has opted to rely upon to incur such Indebtedness and Borrower shall notify Administrative Agent of such election. For the avoidance of doubt, Section 1.08(d) of the Credit Agreement shall apply with respect to this paragraph.

- (d) During the Covenant Relief Period, the Borrower shall, and shall cause its Restricted Subsidiaries to prepay Loans pursuant to Section 2.05(e) of the Credit Agreement if the amount of Net Cash Proceeds the Borrower is required to use to prepay Loans pursuant to such <u>subsection (e)</u> is equal to or greater than \$25,000,000 (rather than \$50,000,000) (and at such time, the Borrower shall prepay the Loans using all such Net Cash Proceeds).
- (e) The Borrower shall not incur, or permit any Restricted Subsidiary to incur, Liens under Section 7.01(v) of the Credit Agreement securing obligations in an amount in excess of \$25,000,000 at any one time outstanding during the Covenant Relief Period.
- (f) The Borrower shall not make, or permit any Restricted Subsidiary to make, any Permitted Acquisition under Section 7.02(i) during the Initial Covenant Relief Period.
- (g) The Borrower shall not make, or permit any Restricted Subsidiary to make, any Investments pursuant to Sections 7.02(j)(i)(y), 7.02(j)(i)(z) or 7.02(k) of the Credit Agreement during the Covenant Relief Period.
- (h) The Borrower shall not incur, or permit any Restricted Subsidiary to incur any Indebtedness under Section 7.03(g) of the Credit Agreement during the Covenant Relief Period.
- (i) The Borrower shall not incur, or permit any Restricted Subsidiary to incur any Indebtedness under Section 7.03(k) of the Credit Agreement in excess of \$50,000,000 in the aggregate at any one time outstanding during the Covenant Relief Period.
- (j) The Borrower shall not make, or permit any Restricted Subsidiary to make, Dispositions pursuant to Section 7.05(1) of the Credit Agreement of property having a fair market value in excess \$5,000,000 in any single transaction or series of related transactions during the Covenant Relief Period.
- (k) The Borrower shall not make, and shall not permit any Restricted Subsidiary to make, any Restricted Payments pursuant to Sections 7.06(f) and 7.06(g) of the Credit Agreement during the Covenant Relief Period.
- (l) The Borrower shall not make, and shall not permit any Restricted Subsidiary to make, any Junior Prepayments pursuant to Sections 7.12(h) and 7.12(i) of the Credit Agreement during the Covenant Relief Period.

LENDER AGREEMENT - CONSENTING LENDERS

Reference is hereby made to Amendment No. 3, dated as of May 8, 2020 (the "Amendment"; capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Amendment), by and among Boyd Gaming Corporation, a Nevada corporation, the Guarantors, Bank of America, N.A., as Administrative Agent under the Credit Agreement and the Lenders party thereto. This Consenting Lender Agreement forms a part of the Amendment, the signature page hereto constitutes a signature page to the Amendment, and the undersigned, by its signature hereto (and any permitted successor, participant or assignee thereof), constitutes a party to the Amendment as if such Person executed and delivered a counterpart thereof.

By its signature below, the undersigned hereby (a) consents and agrees to the terms and conditions of the Amendment, (b) authorizes Administrative Agent to execute the Amendment and to execute any other amendments, modifications, supplements, instruments or agreements entered into in accordance with <u>Section 3</u> of <u>Article I</u> of the Amendment, (c) represents that it is a Lender under the Existing Credit Agreement and (d) agrees that it shall be a party to the Amendment.

The undersigned hereby agrees that this Consenting Lender Agreement shall be binding upon the undersigned and each of its successors and any participants and assigns of its Loans or Commitments (it being understood that any such participation or assignment shall be made in accordance with Section 10.07 of the Credit Agreement), and may not be revoked or withdrawn. The undersigned agrees that it shall notify any potential successor or any participant or assignee of any of its Loans or Commitments of the effectiveness of this Consenting Lender Agreement prior to consummating any such transfer, assignment or participation. This Consenting Lender Agreement shall be irrevocable and remain in full force and effect until the Agreement Effective Date shall have occurred.

[Remainder of this page intentionally left blank]

I. Election (Check Any That Apply):

BOYD GAMING CORPORATION CERTIFICATION

I, Keith E. Smith, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q 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:
 - 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;
 - 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
 - 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: May 11, 2020 By; /s/ Keith E. Smith

Keith E. Smith President and Chief Executive Officer

BOYD GAMING CORPORATION <u>CERTIFICATION</u>

I, Josh Hirsberg, certify that:

- 1. I have reviewed this quarterly report on Form 10-Q 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:
 - 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;
 - 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: May 11, 2020 By; /s/ Josh Hirsberg

Josh Hirsberg Executive Vice President, Chief Financial Officer and Treasurer

BOYD GAMING CORPORATION

CERTIFICATION

In connection with the periodic report of Boyd Gaming Corporation (the "Company") on Form 10-Q for the period ended March 31, 2020, 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: May 11, 2020 By: /s/ Keith E. Smith

Keith E. Smith
President and Chief Executive Officer

BOYD GAMING CORPORATION

CERTIFICATION

In connection with the periodic report of Boyd Gaming Corporation (the "Company") on Form 10-Q for the period ended March 31, 2020, as filed with the Securities and Exchange Commission (the "Report"), I, Josh Hirsberg, Executive Vice President, 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: May 11, 2020 By: /s/ Josh Hirsberg

Josh Hirsberg Executive Vice President, Chief Financial Officer and Treasurer