General

You can find the definitions of certain terms used in this description under the subheading "— Certain Definitions." In this description, (x) the term "*Company*" refers only to Affinity Gaming and not to any of its Subsidiaries, (y) "*Holdings*" refers only to Affinity Gaming Owner, LLC and not to any of its Subsidiaries and (z) the terms "we," "our" and "us" each refer to Holdings and its consolidated Subsidiaries.

The Company will issue $475.0 million aggregate principal amount of % senior secured notes due 2027 (the "*Notes*") under an indenture (the "*Indenture*") among the Company, the Guarantors and U.S. Bank National Association, as trustee (in such capacity, the "*Trustee*") and as collateral agent (in such capacity, the "*Notes Collateral Agent*"). The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The Company does not intend to list the Notes on any securities exchange. The Company will not be required to, nor does it currently intend to, offer to exchange the Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Notes for resale under the Securities Act. The Indenture will not be qualified under the Trust Indenture Act or subject to the terms of the Trust Indenture Act except to the limited extent expressly incorporated by reference therein. Accordingly, the terms of the Notes include only those stated in the Indenture.

The Notes will be:

- effectively equal with the Company's obligations that are secured by Liens on the Collateral that are *pari passu* with the Liens on the Collateral securing the Notes (subject to certain Liens permitted under the Indenture), including the Credit Agreement Obligations and any Additional First Priority Lien Obligations; *provided* that the Holders will receive proceeds of Collateral only after the payment in full of the Credit Agreement Obligations in the event of a foreclosure, enforcement or exercise of remedies with respect to the Collateral or in any bankruptcy, insolvency or similar event;
- effectively subordinated to any existing or future Indebtedness of the Company that is secured by Liens on assets of the Company that do not constitute Collateral, to the extent of the value of such assets;
- effectively senior to all existing and future unsecured Indebtedness of the Company, to the extent of the value of the Collateral (after giving effect to Liens securing the Credit Agreement Obligations and any other Lien on the Collateral);
- structurally subordinated to any existing and future Indebtedness, preferred stock and other liabilities of any Subsidiary of the Company that is not a Guarantor;
- senior in right of payment to all future Indebtedness of the Company that is, by its terms, expressly subordinated in right of payment to the Notes; and

The Note Guarantees

Each of Holdings and the Company's existing Restricted Subsidiaries that are not Excluded Subsidiaries, as a primary obligor and not merely as a surety, will jointly and severally, irrevocably and unconditionally guarantee, on a senior secured first lien basis, the performance and full and punctual payment when due, whether at maturity, by acceleration or otherwise, of all obligations of the Company under the Indenture and the Notes, whether for payment of principal of or interest on the Notes, expenses, indemnification or otherwise, on the terms set forth in the Indenture by executing the Indenture. In the future, any Restricted Subsidiary that (i) incurs or guarantees Indebtedness under the Credit Agreement or (ii) incurs, Guarantees or otherwise becomes liable for any other Indebtedness of the Company or any Guarantor in an aggregate amount in excess of $50.0 million will become a Guarantor, as described under "Certain Covenants—Additional Note Guarantees".

Each Guarantor's Note Guarantee will be:

- senior secured first-priority obligations of such Guarantor, ranking equal in right of payment with all other senior obligations of such Guarantor;
- effectively equal with such Guarantor's obligations that are secured by Liens on the Collateral that are *pari passu* with the Liens on the Collateral securing the Note Guarantees (subject to certain Liens

permitted under the Indenture), including the Credit Agreement Obligations and any Additional First Priority Lien Obligations; *provided* that the Holders will receive proceeds of Collateral after the payment in full of the Credit Agreement Obligations in the event of a foreclosure, enforcement or exercise of remedies with respect to the Collateral or in any bankruptcy, insolvency or similar event;

- effectively senior to all existing and future unsecured Indebtedness of such Guarantor, to the extent of the value of the Collateral (after giving effect to Liens securing the Credit Agreement Obligations and any other Lien on the Collateral);

- structurally subordinated to any existing and future Indebtedness, preferred stock and other liabilities of any Subsidiary of such Guarantor that is not a Guarantor; and

Although the Indenture will limit the incurrence of Indebtedness by the Company and its Restricted Subsidiaries, such limitation is subject to a number of significant qualifications and exceptions. In addition, the Indenture will not limit the incurrence of Indebtedness by Holdings. Holdings, the Company and its Subsidiaries are able to incur additional amounts of Indebtedness. Under certain circumstances, the amount of such Indebtedness could be substantial and, subject to certain limitations, such Indebtedness may be secured Indebtedness constituting First Priority Lien Obligations or Additional First Priority Lien Obligations. See "—Certain Covenants—Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Certain Covenants—Liens." As of September 30, 2020, on an as adjusted basis after giving effect to Transactions, the Notes would have ranked equally to $50.0 million of available commitments under the Credit Agreement; *provided* that the Holders will receive proceeds of Collateral only after the payment in full of the Credit Agreement Obligations in the event of a foreclosure, enforcement or exercise of remedies with respect to the Collateral or in any bankruptcy, insolvency or similar event.

As of the Issue Date, all of the Company's Restricted Subsidiaries that are not Excluded Subsidiaries are required to guarantee the Notes. As of the Issue Date, our only Excluded Subsidiaries are Immaterial Subsidiaries. Under circumstances described below under the caption "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." Our Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture or guarantee the Notes. As of the Issue Date, none of our Subsidiaries will be Unrestricted Subsidiaries.

The obligations of each Guarantor under its Note Guarantee will be limited as necessary to prevent the Note Guarantee from constituting a fraudulent conveyance under applicable law. This provision may not, however, be effective to protect a Note Guarantee from being voided under fraudulent transfer law, or may reduce the applicable Guarantor's obligation to an amount that effectively makes its Note Guarantee worthless. If a Note Guarantee was rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the Guarantor, and, depending on the amount of such indebtedness, a Guarantor's liability on its Note Guarantee could be reduced to zero. See "Risk Factors—Risks Relating to Our Indebtedness, the Notes and Guarantees—Federal and state fraudulent transfer or fraudulent conveyance laws permit a court, under certain circumstances, to void the notes, the guarantees, and the related security interests, and, if that occurs, you may not receive any payments on the notes."

Any entity that makes a payment under its Note Guarantee will be entitled upon payment in full of all guaranteed obligations under the Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's pro rata portion of such payment based on the respective net assets of all of the Guarantors at the time of such payment determined in accordance with GAAP and to assign rights of subrogation against the Company.

The Note Guarantee of, and the security interest granted by, a Subsidiary Guarantor will be automatically and unconditionally released and discharged upon:

(1) (a) any sale, exchange or transfer (by merger or otherwise) to any Person that is not the Company or a Guarantor of the Capital Stock of such Guarantor (including any sale, exchange or transfer), after which the applicable Guarantor is no longer a Restricted Subsidiary or otherwise becomes an Excluded Subsidiary;

(b) the proper designation of any Restricted Subsidiary that is a Guarantor as an Unrestricted Subsidiary in accordance with the Indenture;

(c) such Guarantor ceasing to be a Subsidiary of the Company as a result of any foreclosure of any pledge or security interest in favor of First Priority Lien Obligations or other exercise of remedies in

respect thereof, subject to, in each case, the terms of the First Lien Intercreditor Agreement and the application of the proceeds of such foreclosure or exercise of remedies in the manner described under "—Security";

(d) upon the release or discharge of the guarantee by such Guarantor with respect to the Indebtedness that resulted in the creation of such Note Guarantee;

(e) in connection with any sale or other disposition of all or substantially all of the assets of that Guarantor by way of merger or consolidation or otherwise to a Person that is not (either before or after giving effect to such transaction) the Company or a Guarantor, if the sale or other disposition does not violate the "Asset Sale" provisions of the Indenture; or

(f) the Company exercising its legal defeasance option as described under "—Legal Defeasance and Covenant Defeasance" or the Company's obligations under the Indenture being discharged in accordance with the terms of the Indenture.

The Note Guarantee of, and the security interest granted by, Holdings will be automatically and unconditionally released and discharged upon:

(1) the Company ceasing to be a Wholly-Owned Subsidiary of Holdings in a transaction permitted by the Indenture;

(2) the Company's transfer of all or substantially all of its assets to, or merger, consolidation or amalgamation with, an entity that is not a Wholly-Owned Subsidiary of Holdings in accordance with the covenant described under "—Merger, Consolidation or Sale of Assets," and such transferee entity assumes the Company's obligations under the Indenture; and

The Notes will mature on , 2027. Interest on the Notes will accrue at the rate of % per annum and will be payable semi-annually in arrears on and of each year, commencing on , 2021. The Company will make each interest payment to the Holders of record on the immediately preceding and , respectively.

Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

Principal of, premium, if any, and interest on the Notes will be payable at the office or agency of the Company maintained for such purpose or, at the option of the Company, payment of interest may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders; *provided* that all payments of principal, premium, if any, and interest with respect to the Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holder or Holders thereof. Until otherwise designated by the Company, the Company's office for payment on the Notes will be the office of the Trustee maintained for such purpose.

Methods of Receiving Payments on the Notes

If a Holder has given wire transfer instructions to the Company, the Company will pay all principal,

interest, and premium, if any, on that Holder's Notes in accordance with those instructions. All other payments on Notes will be made at the office or agency of the Paying Agent and Registrar unless the Company elects to make interest payments by check mailed to the Holders at their addresses set forth in the register of Holders.

Paying Agent and Registrar for the Notes

The Trustee will initially act as Paying Agent and Registrar. The Company may change the Paying Agent or Registrar without prior notice to the Holders, and the Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Notes and Note Guarantees will be secured by first-priority security interests in the Collateral (subject to Permitted Liens), and will share in the benefit of such security interests on a pari passu basis with the Credit Agreement Obligations and any other First Priority Lien Obligations (subject to a prior right of payment afforded to Credit Agreement Obligations in the event of a foreclosure, enforcement, or exercise of remedies with respect to the Collateral or in any bankruptcy, insolvency or similar event or if the Notes Collateral Agent receives any payment with respect to any Collateral pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement)). In addition, the security interests in the Collateral securing the Notes will also be subject to all other Permitted Liens. The persons holding such First Priority Lien Obligations and the Credit Agreement Agent may have rights and remedies with respect to the Collateral that, if exercised, could adversely affect the value of the Collateral or the ability of the Notes Collateral Agent to realize or foreclose on the Collateral on behalf of holders of the Notes. In connection with any enforcement action with respect to the Collateral or any insolvency or liquidation proceeding of the Company or any Guarantor, all proceeds of Collateral (after paying the fees and expenses of the Credit Agreement Agent, the Notes Collateral Agent and any expenses of selling or otherwise foreclosing on the Collateral) will be applied first to the Credit Agreement Obligations until Discharged and then pro rata to the repayment of the Notes Obligations and the other outstanding First Priority Lien Obligations, subject to the terms of the First Lien Intercreditor Agreement and any other Acceptable Intercreditor Agreement.

The Company and the Guarantors are able to incur additional Indebtedness in the future that could share in the Collateral, including Additional First Priority Lien Obligations and Obligations secured by Permitted Liens, that would be secured on a *pari passu* basis to the Notes and the Note Guarantees. The amount of such additional Indebtedness is limited by the covenants described under "—Certain Covenants—Incurrence of Indebtedness and Issuance of Preferred Stock" and "—Certain Covenants—Liens." Under certain circumstances, the amount of such First Priority Lien Obligations could be significant.

The duties of the Notes Collateral Agent are purely ministerial in nature and the Notes Collateral Agent shall not have any duties or responsibilities except those expressly assumed by it in the Security Documents and shall not be required to take any action which is contrary to applicable law or any provision of the First Lien Intercreditor Agreement, any Acceptable Intercreditor Agreement or the other Security Documents. The Notes Collateral Agent shall incur no liability (except in the event of a final adjudication of willful misconduct or gross negligence) for any action taken by it or for any failure or refusal to act pursuant to any notice, direction or instructions which it may receive from any party thereto or for any other matter.

(c) any interest in any partnership, joint venture or non-Wholly-Owned Subsidiary which cannot

be pledged without (i) the consent of one or more third parties other than Holdings, the Company or a Restricted Subsidiary (after giving effect to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) or any similar provisions of any relevant jurisdiction or any other applicable Law) or (ii) giving rise to a "right of first refusal", a "right of first offer" or a similar right permitted or otherwise not prohibited by the terms of the Indenture and the Credit Agreement that may be exercised by any third party other than Holdings, the Company or a Restricted Subsidiary in accordance with the Organizational Documents (and/or shareholders' or similar agreement) of such partnership, joint venture or non-Wholly-Owned Subsidiary; (d) the Capital Stock of (i) any Immaterial Subsidiary, (ii) any not-for-profit Subsidiary, (iii) any Subsidiary that is subject to regulation as an insurance company (and any Subsidiary thereof), (iv) any special purpose entity used for any permitted securitization or receivables facility or financing and (v) any Unrestricted Subsidiary; (e) any margin stock (within the meaning of Regulation U); (f) any Property, the grant of a security interest in which, would (i) require any governmental consent, approval, license or authorization that has not been obtained (including under any applicable Gaming Regulations) or (ii) be prohibited by applicable Law (including under any applicable Gaming Regulations), except, in each case of clause (i) above and this clause (ii), to the extent such requirement or prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or,9-409 of the UCC (or any successor provision or provisions) or any similar provisions of any relevant jurisdiction or any other applicable Law; it being understood that the term "Excluded Asset" shall not include proceeds or receivables arising out of any asset described in clause (f)(i) or clause (f)(ii) unless such proceeds or receivables independently constitute "Excluded Assets" hereunder; (g) (i) any foreign Intellectual Property (and Intellectual Property relating only to Foreign Subsidiaries) and (ii) any,intent-to-use trademark application prior to the filing and acceptance of a "Statement of Use", "Amendment to Allege Use" or similar notice and/or filing with respect thereto, only to the extent, if any, that, and solely during the period if any, in which, the grant of a security interest therein may impair the validity or enforceability of such intent-to-use trademark application under applicable Law; (h) any commercial tort claims with a value (as reasonably estimated by the Company) of less than $5,000,000;

(i) [Reserved]; (j) any asset that may not be encumbered or pledged as Collateral pursuant to applicable Gaming Regulations (including, to the extent prohibited by applicable Gaming Regulations, including but not limited to Gaming Permits, interests in Gaming Permits, and slot machines of the Guarantors operating in the State of Missouri (which on the Issue Date are HGI-St. Jo, LLC and HGI-Mark Twain, LLC)), except, in the case of this clause (j), to the extent such requirement or prohibition would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) or any similar provisions of any relevant jurisdiction or any other applicable Law; it being understood that the term "Excluded Asset" shall not include proceeds or receivables arising out of any asset described in clause (j) unless such proceeds or receivables independently constitute "Excluded Assets" hereunder; (k) any general intangibles or other rights arising under any Contractual Obligation or Property subject to such Contractual Obligation on the Issue Date or at the time of the acquisition of such Property and such Contractual Obligations was not created in anticipation of such acquisition as to which the grant of a security interest would (i) constitute a violation of a restriction in favor of a counterparty to such (or any related) Contractual Obligation (other than Holdings, the Company or a Restricted Subsidiary) or result in the cancellation, abandonment, invalidation or unenforceability of any right of the Company or such Guarantor, unless and until any required consents shall have been obtained, (ii) result in a breach, termination (or a right of termination) or default under such (or any related) Contractual Obligation (including pursuant to any "change of control" or similar provision) or (iii) permit any third party (other than Holdings, the Company or a Restricted Subsidiary) to amend any rights, benefits and/or obligations of the Company or such Guarantor in respect of the relevant asset or permit such third party to require the Company or any Guarantor or any Subsidiary of the Company to take any action materially adverse to the interests of such subsidiary, the Company or a Guarantor; *provided*, *however*, that any such asset will only constitute an "Excluded Asset" under clause (i) or clause (ii) above to the extent such violation, cancellation, abandonment, invalidation, unenforceability, breach, termination (or right of termination) or default would not be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or,9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable Law; *provided further* that any such asset shall cease to constitute an "Excluded Asset" at such time as the condition causing such violation, cancellation, abandonment, invalidation, unenforceability, breach, termination (or right of termination) or default or right to amend or require other actions no longer exists and to the extent severable, the security interest granted under the applicable Security Document