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

shall attach immediately to any portion of such general intangible or other right that does not result in any of the consequences specified in clauses (i) through (iii) above; (l) any cash or Cash Equivalents maintained in or credited to any deposit account or securities account that are comprised of (i) funds specifically and exclusively used or to be used for payroll and payroll taxes and other employee benefit payments to or for the benefit of the Company or any Guarantor's employees, (ii) funds specifically and exclusively used or to be used to pay Taxes required to be collected, remitted or withheld (including withholding Taxes (including the employer's share thereof)) and (iii) any other funds which the Company or any Guarantor is permitted or otherwise not prohibited by the terms of the Credit Agreement to hold as an escrow or fiduciary for the benefit of another Person (that is not the Company or a Guarantor) in the ordinary course of business, and (m) any asset with respect to which the Credit Agreement Agent and the Company have reasonably determined that the cost, burden, difficulty or consequence (including any effect on the ability of the Company or the relevant Guarantor to conduct its operations and business in the ordinary course of business and any adverse tax consequences) of obtaining or perfecting a security interest therein outweighs the benefit of a security interest to the relevant First Priority Secured Parties afforded thereby under a corresponding provisions of the Credit Agreement Documents (clauses (a) through (m), "*Excluded Assets*"). In addition, with respect to each item of Collateral the creation of a Lien on which is subject to the approval of any Gaming Authority (the "*Gaming Collateral*"), until such time as the Company or the applicable Guarantor receives the approvals and consents required under any Gaming Regulation for such item of Gaming Collateral, the Collateral shall not include such item of Gaming Collateral. Further, the Company shall not be required to take any action outside of the United States in order to create or perfect any security interest in any asset of the Company or any Guarantor, and no non-US law security agreement, non-US law pledge agreement or non-US law intellectual property filing, search or schedule shall be required with respect to any asset of the Company or any Guarantor.

We do not expect that mortgages on all of our owned and/or leased real properties intended to constitute Collateral will be in place at the time of issuance of the Notes. We have agreed to deliver mortgages, financing statements, title insurance policies, certificates and opinions of counsel as shall be reasonably necessary to vest in the Notes Collateral Agent perfected security interests in and mortgage liens on all of our owned real property intended to constitute Collateral within 60 days of the Issue Date (or such later date as the Credit Agreement Agent may agree to). See "Risk Factors—Risks Relating to the Collateral—We do not expect that mortgages on all of our real properties intended to constitute collateral that are intended to secure the notes and guarantees will be delivered and recorded at the time of the issuance of the notes. In addition, title insurance policies insuring the mortgage liens in favor of the noteholders and land surveys may not be in place at the time of the issuance of the notes. Any issues that we are not able to resolve in connection with the delivery and recordation of the mortgages and the delivery of the title insurance policies and surveys may impact the value of the collateral. Delivery and recordation of such mortgages after the Issue Date of the notes increases the risk that the liens granted by those mortgages could be avoided. One or more of these mortgages may constitute a significant portion of the value of the collateral securing the notes and the guarantees."

Maintenance of Collateral

The Indenture and/or the Security Documents will provide that Holdings and the Company will, and will cause each of the Subsidiary Guarantors to: (i) at all times maintain, preserve and protect all property material to the conduct of its business and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business or as a result of a casualty or condemnation); (ii) from time to time make, or cause to be made, all necessary and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times; and (iii) keep its insurable property insured at all times by financially sound and reputable insurers, in each case, to the extent the failure to do so would reasonably be expected to have a material adverse effect.

After Acquired Collateral

Further Assurances

Promptly at the Company's expense, the Company shall, subject to applicable Gaming Regulations and the Intercreditor Agreement, (i) execute, acknowledge and deliver, or cause the execution, acknowledgment and delivery of, and thereafter register, file or record, or cause to be registered, filed or recorded, in an appropriate governmental office, any financing statements, documents or instrument supplemental to or confirmatory of the Security Documents as necessary, appropriate or otherwise

reasonably requested for the continued validity, perfection and priority of the Liens on the Collateral covered thereby subject to no other Liens except as permitted by the applicable Security Document or the Indenture.

If the Company or any Guarantor grants and perfects any security interest upon any Material Real Estate to secure any First Priority Lien Obligations (which include Obligations in respect of the Credit Agreement), it must substantially concurrently (or, to the extent a Subsidiary becomes a Guarantor after the Issue Date, substantially concurrently with such Subsidiary's guaranty of the Notes) grant and perfect a security interest with the priority required by the Notes Documents (subject to Permitted Liens) upon such property as security for the Notes, in each case, without request of the Notes Collateral Agent. The Company or the applicable Guarantor shall also deliver such financing statements, certificates, title insurance policies, surveys, opinions of counsel and other related documents, in each case, to the extent delivered to the Credit Agreement Agent and in similar form of that delivered to the Credit Agreement Agent. Upon the acquisition or creation of any Material Real Estate after the Issue Date, the Company or the applicable Guarantor shall, subject to the terms of the Indenture and the Security Documents, promptly grant and perfect a security interest and mortgage on such Material Real Estate, and execute, deliver, file or record such financing statements, certificates, title insurance policies, surveys, opinions of counsel and other related documents, in each case, as shall be necessary or appropriate to grant, perfect and confirm the validity and priority of Notes Collateral Agent's perfected security interest.

Information Regarding Collateral

The Company and the Guarantors agree not to effect any change (i) in the Company's or any Guarantor's legal name, (ii) in the location of the Company's or any Guarantor's chief executive office, (iii) in the Company's or any Guarantor's identity or organizational structure, (iv) in any such Person's organizational identification number, if any, or (v) in any such Person's jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction), unless it shall have taken all action to maintain the perfection and priority of the security interest of the Notes Collateral Agent for the benefit of the First Priority Secured Parties in the Collateral, if applicable, within the timeframes provided for under the UCC and provided a prompt written notice thereof to the Notes Collateral Agent. The Company agrees to promptly provide the Notes Collateral Agent to the extent provided to the Credit Agreement Agent with certified organizational documents reflecting any of the changes described in the preceding sentence.

Security Documents

The Company, the Guarantors and the Notes Collateral Agent will, at or after the Issue Date, enter into the Security Documents defining the terms of the security interests that secure the Notes and the Note Guarantees, and such Security Documents will include, without limitation, (a) one or more mortgages, deeds of trust or any other document, creating and evidencing a Lien on Material Real Estate,

(b) a security agreement covering substantially all of the present and after-acquired property and assets of the Company and the Guarantors (other than Excluded Assets), but subject to any approvals under Gaming Laws. These security interests will secure the payment and performance when due of all of the Obligations of the Company and the Guarantors under the Notes, the Note Guarantees, the Indenture,and the Security Documents, as provided in the Security Documents. Certain of the security interests are subject to regulatory approval as more fully described in the Offering Circular.

The pledge of the Nevada Gaming Securities is not effective without the prior approval of the Nevada Gaming Authorities and such approval may not be granted on or prior to the Issue Date. In the event such approval is not received on or prior to the Issue Date, the Company agrees to use commercially reasonable efforts following the Issue Date to seek the approval from the Nevada Gaming Authorities for the pledge of the Nevada Gaming Securities pursuant to the Security Documents.

The grant of security interests of the equity interests of and the assets subject to regulation by the Iowa Racing and Gaming Commission of each subsidiary of Affinity Gaming Owner, L.L.C. that is licensed in the State of Iowa to secure the notes and the guarantees by such Subsidiaries are subject to approval by the Iowa Racing and Gaming Commission and such approval is expected to be received within 30 days of the Issue Date. The Company agrees to use commercially reasonable efforts following the Issue Date to seek such approval, including timely submitting any information and/or transaction or loan documents reasonably necessary for the Iowa Racing and Gaming Commission's review and approval.

Subject to the terms of the Security Documents and the First Lien Intercreditor Agreement, the Company and the Guarantors have the right to remain in possession and retain exclusive control of the Collateral

securing the Notes, to freely operate the Collateral and to collect, invest and dispose of any income therefrom.

The right of the Notes Collateral Agent to repossess and dispose of the Collateral upon the occurrence of an Event of Default would be significantly impaired (or at a minimum delayed) by applicable Bankruptcy Laws in the event that an insolvency or liquidation proceeding were to be commenced by or against the Company or any of the Guarantors prior to the Notes Collateral Agent having repossessed and disposed of the Collateral (and, under certain circumstances, even after). Upon the commencement of a case for relief under the Bankruptcy Code, a secured creditor is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from the debtor, without prior bankruptcy court approval, which may not be given or may be materially delayed.

In view of the broad equitable powers of a U.S. bankruptcy court and the lack of a precise definition of the term "adequate protection", it is impossible to predict whether or when payments under the Notes could be made following the commencement of a bankruptcy case (or the length of the delay in making any such payments), whether or when the Notes Collateral Agent could repossess or dispose of the Collateral, the value of the Collateral at the time of the bankruptcy petition or any other time during such bankruptcy case or whether or to what extent the holders of the Notes would be compensated for any delay in payment or loss of value of the Collateral. The Bankruptcy Code permits the payment and/or accrual of post-petition interest, costs and attorneys' fees to a secured creditor during a debtor's bankruptcy case only to the extent the value of the security is determined by the bankruptcy court to exceed the aggregate outstanding principal amount of the obligations secured by the security. See "Risk **Factors—Risks related to the notes—Rights of holders of notes may be adversely affected by**

bankruptcy proceedings."

Certain Gaming Limitations Iowa

Gaming Permits and gaming licenses are not transferrable under Iowa law. No gaming may be conducted, operated, managed or controlled in Iowa by any Person, including the Notes Collateral Agent or any Holder, without a Gaming Permit or gaming license issued by the Iowa Racing and Gaming Commission in accordance with its rules and regulations which include a background investigation by the Iowa Division of Criminal Investigation and a finding of suitability. Therefore, before control, operation, or management of a gaming facility or gambling devices of any kind is assumed in Iowa, appropriate licensure must be obtained from the Iowa Racing and Gaming Commission. In addition to approval of the entity, any person or entity having significant ownership or control of that entity and various officers and managers of any entity seeking to conduct, own, operate, manage or control a gaming facility in Iowa will also be subject to background investigation and require a finding of suitability. Violation of these prerequisites could result in revocation of the Gaming Permits and gaming licenses in Iowa.

In addition, under Iowa law it is a serious misdemeanor for any person to possess or control a gambling device in Iowa unless licensed under Iowa Code chapters 99B or 99G or other very limited circumstances. Iowa Code § 725.9 (2020).

These requirements also apply to any potential purchasers of the gaming facility in Iowa and could adversely affect the ability of the Notes Collateral Agent or Holders of the Notes to realize on the Collateral. In any foreclosure sale, these requirements may limit the number of potential bidders and may delay the sale of the Collateral, either of which could have an adverse effect on the proceeds received

from such sale.

Missouri

Under Missouri Law, no gaming licensee may pledge, hypothecate, or transfer in any way any license or interest in license issued by the commission. A license will automatically become null and void and of no legal effect upon any purported pledge, hypothecation, or transfer of a license or interest in a license. Without the commissioner's prior written approval, a licensee may not sell, transport, or otherwise transfer or turn over possession of any slot machine located in the state of Missouri to any person or entity other than a supplier licensee. A licensee may not negotiate a transaction affecting or designed to affect ownership, custody, or use of any slot machine located or to be located in the state of Missouri which would result in ownership by any person or entity other than a supplier or licensee. Further, Missouri law constitutes selling, transporting, placing, possessing, or negotiating any transaction designed to affect the ownership, custody, or use of a slot machine or other gaming equipment as licensed activities. A licensee may only acquire gambling games or implements of gambling from a licensed supplier or from a person or entity approved by the commission. The Commissioner's prior written approval is required for a licensee to sell gambling games or implements of gambling to another licensee. To become a licensee or a licensed supplier, a Person must submit an application and comply with all requirements under Missouri Revised Statutes §§ 313.800-313.850 and the promulgated regulations thereto.

Additionally, the commission must be notified of intent to consummate a transaction where any private incurrence of debt equal to or exceeding one (1) million dollars by a gaming licensee or any holding company affiliated with the gaming licensee at least fifteen (15) days prior to the consummation of the transaction. Notification to the commission must include (1) an executed copy of the Corporate Securities and Finance Transaction Information Sheet included in Appendix A to 11 CSR 45-10.040 and

(2) an executed copy of the Corporate Securities and Finance Compliance Affidavit included in Appendix A to 11 CSR 45-10.040 from each other party to the transaction or a representative authorized to act on behalf of such parties.

Nevada

Under Nevada law, in order to foreclose on the equity of an actively operating gaming licensee or a registered holding or intermediary company, or upon the assets constituting an active licensed gaming operation, the Notes Collateral Agent must first obtain the approval of the Nevada Gaming Authorities, which approval would include the licensing or a finding of suitability of the Notes Collateral Agent. To obtain a license or a finding of suitability, the Notes Collateral Agent would have to file the necessary applications, be investigated by and provide all information requested by the Nevada Gaming Authorities and pay all fees and costs charged for the investigation. These requirements may limit the number of potential bidders and may delay the sale of the equity of an actively operating gaming licensee or a registered holding or intermediary company, or upon the assets constituting an active licensed gaming operation, either of which could have an adverse effect on the proceeds received from such sale. Gaming devices may be foreclosed upon without the approval of the Nevada Gaming Authorities; provided that the devices are not exposed for play to the public. Such devices may not be disposed of without the approval of the Nevada Gaming Authorities.

The Notes Collateral Agent’s Lien on and ability to foreclose upon the Nevada Gaming Securities included in the Collateral is limited by applicable Gaming Laws. Specifically, the pledge of the Nevada Gaming Securities is not effective without the prior approval of the Nevada Gaming Authorities. In addition, the Notes Collateral Agent will be required to comply with the conditions, if any, imposed by the Nevada Gaming Authorities in connection with their approval of the pledge granted under the Security Documents, including, without limitation, the requirement that, in the event the Notes Collateral Agent is entitled to possession of the certificates evidencing the Nevada Gaming Securities, if any, pursuant to the terms of the Security Documents and the Intercreditor Agreement, the Notes Collateral Agent must appoint a custodial agent in the State of Nevada (the “Nevada Custodian”) to hold the certificates at a location in Nevada identified to the Nevada Gaming Authorities, and that the Notes Collateral Agent and the Nevada Custodian must permit agents or employees of the Nevada Gaming Authorities to inspect such certificates immediately upon request during normal business hours. Neither the Notes Collateral

By their acceptance of the Notes, the holders of the Notes will consent and agree to be bound by the terms of, and will authorize the entry by the Notes Collateral Agent and the Trustee, on behalf of the holders of the Notes, into the First Lien Intercreditor Agreement, any Acceptable Intercreditor Agreement and any amendments, restatements or modifications to the foregoing in accordance with the terms thereof. By their acceptance, the holders of the Notes will also authorize and direct the Notes Collateral Agent and the Trustee to perform their respective obligations and exercise their respective rights under the First Lien Intercreditor Agreement and any Acceptable Intercreditor Agreement in accordance therewith, binding the Holders to the terms thereof. The First Lien Intercreditor Agreement will set forth the rights and obligations of each of the Notes Secured Parties with respect to the assets of the grantors that secure the grantors' obligations to such Notes Secured Parties. The First Lien Intercreditor Agreement will provide that, notwithstanding the date, time, method, manner or order of grant, attachment or perfection of any Liens on any Collateral in which the Notes Collateral Agent, the Credit Agreement Agent and one or more collateral agents for any class of First Priority Lien Obligations have security interests (any such Collateral as to which the Notes Collateral Agent and any such other collateral agent have such a security interest being referred to as "*Shared Collateral*"), the Notes Collateral Agent, the Credit Agreement Agent and such collateral agents agree that such security interests shall be of equal priority; *provided* that the Credit Agreement Obligations will have priority in right of payment upon a foreclosure, enforcement or exercise of remedies with respect to the Shared Collateral or a bankruptcy, insolvency or similar event or if the Notes Collateral Agent or any other Additional First Lien Agent for any class of other Additional First Priority Lien Obligations receives any payment with respect to any Shared Collateral pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) and will be repaid prior to the payment of the Notes Obligations and such other Additional First Priority Lien Obligations.

Under the First Lien Intercreditor Agreement, only the Controlling Collateral Agent will have the right to act or refrain from acting with respect to any Shared Collateral. The Controlling Collateral Agent will initially be the Credit Agreement Agent and will remain the Credit Agreement Agent until the earlier of

(1) the Discharge of First Priority Lien Obligations that are Credit Agreement Obligations and (2) the Non- Controlling Collateral Agent Enforcement Date (such earlier date, the "*Controlling Collateral Agent Change Date*"). After the Controlling Collateral Agent Change Date, the Controlling Collateral Agent will be the Authorized Representative of the Series of First Priority Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of First Priority Lien Obligations.