

## Risk Factors Comparison 2024-02-21 to 2023-02-24 Form: 10-K

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The following risk factors should be considered carefully in addition to the other information contained in this Annual Report on Form 10-K. This Annual Report on Form 10-K contains forward-looking statements that involve risks and uncertainties. Any of these risks and uncertainties could cause our actual results to differ materially from the results contemplated by the forward-looking statements. The following risk factors set forth the risks that we believe are material to our business, financial condition, assets, operations and equity interests. If any of the following risks actually occur, our business, financial condition and results of operations could be materially and adversely affected. The risks described below are not the only ones we face. Additional risks currently not known to us or that we believe to be immaterial could also adversely impact our business. Any one of the factors discussed below or elsewhere in this report or the cumulative effect of some of the factors referred to herein may result in significant fluctuations in our financial and other operating results. This variability and unpredictability could result in our failure to meet investor expectations for our revenues or other operating results for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could decrease. Business, Economic, Market and Operating Risks We depend on the residents of the Las Vegas regional market and repeat visitors, which subjects us to greater risks than a gaming company with more diverse operations. All of our casino properties are dependent upon attracting Las Vegas residents as well as out of town visitors. As a result of our concentration in the Las Vegas regional market, we have a greater degree of exposure to a number of risks than we would have if we had operations outside of the Las Vegas valley. These risks include the following: • local economic and competitive conditions; • changes in local and state governmental laws and regulations, including gaming laws and regulations and **public health COVID-19**-related orders and directives; • natural and other disasters; • increased gasoline prices, which may discourage travelers from visiting our properties; and • a decline in the local population. Our strategy of growth through master-planning of certain of our major casinos for future expansion was developed, in part, based on projected population growth in Las Vegas. **Las Vegas and its surrounding areas have been growing over the past few decades, including certain periods of significant growth, but no assurance can be given that the regional population will continue to grow at its historic pace or at all. Even if this trend continues, There** ~~there~~ can be no assurance that **such** population growth will justify future development, additional casinos or expansion of any of our existing casinos, which **can affect our results of operations and financial condition and** limits our ability to expand our business. Our business is sensitive to changes in consumer sentiment and discretionary spending. Consumer demand for the offerings of casino hotel properties such as ours is sensitive to factors impacting consumer confidence, including downturns in the economy and other factors that impact discretionary spending on leisure activities. Changes in discretionary consumer spending ~~or,~~ **consumer preferences or consumer purchase power** brought about by factors such as perceived or actual general economic conditions and customer confidence in the economy, unemployment, inflation, uncertainty and distress in the housing and credit markets, the impact of high energy, fuel, food and healthcare costs, perceived or actual changes in disposable consumer income and wealth, taxes, and effects or fears of war, civil unrest, terrorism, violence, widespread illnesses or epidemics could further reduce customer demand for our offerings and materially and adversely affect our business and results of operations. **Notably in particular, after years of a low interest rate environment, central banks across the globe significantly (and swiftly) increased interest rates to stem inflation. Though the global inflation rate began to stabilize, and in some cases decline, in 2023, core inflation has proved persistent. Thus, there is no telling if interest rates will stabilize, continue to increase or decrease.** ~~widespread~~ **Widespread** increases in costs of goods and services due to inflation and supply chain challenges and rising interest rates have negatively impacted, and ~~may are expected to continue to~~ negatively impact, **the** discretionary spending **of our customers in the future** and, **in turn,** our results of operations. We cannot be certain of the extent or duration of ~~such any resulting~~ negative impacts on our business. Our casinos draw a substantial number of customers from the Las Vegas metropolitan area, as well as nearby geographic areas, including Southern California, Arizona and Utah. While our business is affected by the general economic conditions in the United States, our business and results of operations would be particularly negatively impacted if our target markets experience an economic downturn or other adverse conditions, including declines in housing prices and / or an increase in unemployment rates. We face substantial competition in the gaming industry and we expect that such competition will intensify. Our casino properties face competition for customers and employees from all other casinos and hotels in the Las Vegas metropolitan area including, to some degree, each other. In addition, our casino properties face competition from all smaller nonrestricted gaming locations and restricted gaming locations (locations with 15 or fewer slot machines) in the Las Vegas metropolitan area, including those that primarily target the local and repeat visitor markets. Major additions, expansions or enhancements of existing properties or the construction of new properties by competitors could also have a material adverse effect on the business of our casino properties. If our competitors operate more successfully than we do, or if they attract customers away from us as a result of aggressive pricing and promotion or enhanced or expanded properties, we may lose market share and our business could be adversely affected. **If they are successful in soliciting our employees it could be costly to replace such employees.** To a lesser extent, our casino properties compete with gaming operations in other parts of the state of Nevada and other gaming markets in the United States and in other parts of the world, with online betting and gaming, state sponsored lotteries, on- and off- track pari-mutuel wagering (a system of betting under which wagers are placed in a pool, management receives a fee from the pool, and the remainder of the pool is split among the winning wagers), card rooms and other forms of legalized gaming. The gaming industry also includes dockside casinos, riverboat casinos, racetracks with slot machines and casinos located on Native American land. There is intense

competition among companies in the gaming industry, some of which have significantly greater resources than we do. Our properties have encountered additional competition as large- scale Native American gaming on Indian lands, particularly in California, has increased, and competition may intensify if more Native American gaming facilities are developed. Several states have approved or are currently considering the approval of legalized casino gaming in designated areas and the expansion of existing gaming operations or additional gaming sites. In May 2018, the United States Supreme Court overturned a law prohibiting states from legalizing sports wagering which has resulted in a substantial expansion of sports betting outside the state of Nevada, including online sports betting. In addition, multiple operators offer online gaming in Nevada and a number of other states and online betting and gaming is expected to continue to expand in states that currently authorize such activities and in new jurisdictions that legalize such activities. Internet gaming and the expansion of legalized casino gaming or legalized sports betting in new or existing jurisdictions and on Native American land could result in additional competition that could adversely affect our operations, especially if such gaming is conducted in areas close to our operations. Two ballot initiatives that would have permitted sports betting in California, including online and mobile betting, were recently defeated. However, there can be no assurance that similar measures will not be approved in the future. For further details on competition in the gaming industry, see Item 1. Business — Competition. Our success depends on key executive officers and personnel and our ability to attract and retain employees. Our success depends on the efforts and abilities of our executive officers and other key employees, many of whom have significant experience in the gaming industry, including, but not limited to, Frank J. Fertitta III, our Chairman of the Board and Chief Executive Officer. Competition for qualified personnel in our industry is intense, and it would be difficult for us to find experienced personnel to replace our current executive officers and employees. Such competition may also make it difficult for us to recruit and retain a sufficient number of qualified employees, particularly in light of recent labor shortages. Since our reopening in June 2020, we have faced increased challenges in attracting and retaining qualified employees. If we fail to retain our current employees, it would be difficult and costly to identify, recruit and train replacements needed to continue to conduct and expand our business. There can be no assurance that we will be able to retain and motivate our employees. In addition, if we do not effectively execute succession planning and leadership development, our growth and long- term success could be hindered. We believe that a loss of the services of our executive officers and / or other personnel could have a material adverse effect on our results of operations. We may incur delays and budget overruns with respect to current or future construction projects. Any such delays or cost overruns may have a material adverse effect on our operating results. We **recently opened** ~~are currently developing~~ a new casino, Durango, ~~on our development site~~ on Durango Drive in the southwest Las Vegas valley, and we expect to begin development of other projects in the Las Vegas valley and the North Fork project. We expect to continue to evaluate expansion opportunities as they become available, and construct other new facilities or enhance our existing properties by constructing additional facilities in the future. Such construction projects entail significant risks, including the following, any of which can give rise to delays or cost overruns: • shortages of material or skilled labor, including due to supply chain issues that are beyond our control; • unforeseen engineering, environmental or geological problems; • work stoppages; • weather interference; • floods; • unanticipated cost increases; and • legal or political challenges. The anticipated costs and construction periods are based upon budgets, conceptual design documents and construction schedule estimates prepared by us in consultation with our architects and contractors. **We may spend a significant sum of money in the planning stages of a project and then determine not to proceed. In addition,** ~~Construction~~ **construction**, equipment, staffing requirements, problems or difficulties in obtaining and maintaining any of the requisite licenses, permits, allocations or authorizations from regulatory authorities can increase the cost or delay the construction or opening of each of the proposed facilities or otherwise affect the project' s planned design and features. We cannot be sure that we will not exceed the budgeted costs of these projects or that the projects will commence operations within the contemplated time frame, if at all. Budget overruns and delays with respect to ~~Durango~~, North Fork or other expansion and development projects could have a material adverse impact on our results of operations. We may pursue new gaming acquisition and development opportunities and may not be able to recover our investment or successfully expand to additional locations. We have invested in real property in connection with development and expansion opportunities and we evaluate and may pursue acquisition opportunities in existing and emerging jurisdictions. To the extent that we decide to pursue any new gaming acquisition or development opportunities, our ability to benefit from such investments will depend upon a number of factors including: • our ability to identify and acquire attractive acquisition opportunities and development sites **at attractive prices**; • our ability to secure required federal, state and local licenses, permits and approvals, which in some jurisdictions are limited in number; • certain political factors, such as local support or opposition to development of new gaming facilities or legalizing casino gaming in designated areas; • restrictions in our existing credit arrangements and the availability of adequate financing on acceptable terms; • **restrictions on** and **obligations with respect to our business that may exist in connection with any such pending transaction or investment**; • **our ability to retain key employees**; • our ability to identify and develop satisfactory relationships with joint venture partners; • **to the extent we acquire existing operations, our ability to integrate the systems and employees from such operations**; and • **our ability to effectively manage any combined business following an acquisition**. Most of these factors are beyond our control. Therefore, we cannot be sure that we will be able to recover our investment in any of our existing or new gaming development opportunities or acquired facilities, or successfully expand to additional locations. We require significant capital to fund capital expenditures, pursue proposed development, expansion or acquisition opportunities or refinance our indebtedness. Our businesses are capital intensive. **We may be unable to generate sufficient revenues and cash flows to service our debt obligations as they come due, finance capital expenditures and meet our operational needs.** For our casino properties to remain attractive and competitive we must periodically invest significant capital to keep the properties well- maintained, modernized and refurbished. Similarly, future construction and development projects, including but not limited to, the ~~Durango project and the~~ proposed North Fork project, and acquisitions of other gaming **properties and / or** operations could require significant additional capital. We rely on earnings and cash flow from operations to finance our business, capital expenditures,

development, expansion and acquisitions and, to the extent that we cannot fund such expenditures from cash generated by operations, funds must be borrowed or otherwise obtained. We will also be required in the future to refinance our outstanding debt. Our ability to effectively operate and grow our business may be constrained if we are unable to borrow additional capital or refinance existing borrowings on reasonable terms. ~~We may be unable to generate sufficient revenues and cash flows to service our debt obligations as they come due, finance capital expenditures and meet our operational needs.~~ If we are unable to access sufficient capital from operations ~~or~~, borrowings **or otherwise**, we may be precluded from: • maintaining or enhancing our properties; • taking advantage of future opportunities; • growing our business; or • responding to competitive pressures. Further, our failure to generate sufficient revenues and cash flows could lead to cash flow and working capital constraints, which may require us to seek additional working capital. We may not be able to obtain such working capital when it is required. Further, even if we were able to obtain additional working capital, it may only be available on unfavorable terms. For example, we may be required to incur additional debt **at unattractive prices**, and servicing the payments on such debt could adversely affect our results of operations and financial condition. **Under such circumstances, we may be required to sell common or preferred equity or some of our assets in order to bolster our working capital and liquidity**. Limited liquidity and working capital may also restrict our ability to maintain and update our casino properties, which could put us at a competitive disadvantage to casinos offering more modern and better maintained facilities. If we do not have access to credit or capital markets at desirable times or at rates that we would consider acceptable, the lack of such funding could have a material adverse effect on our business, results of operations and financial condition and our ability to service our indebtedness. We may not be successful in entering into additional management or development agreements for Native American gaming opportunities. We have a development agreement and management agreement with the North Fork Rancheria of Mono Indians relating to development and operation of a casino to be located in Madera County, California and we intend to seek additional development and management contracts with Native American tribes. However, we cannot be sure that we will be able to develop the North Fork project or that we will be successful in entering into agreements for new development opportunities. While we believe that the ongoing legal challenges to the North Fork project will be resolved and that development of the North Fork project will proceed, the development of Native American gaming facilities is subject to numerous conditions and is frequently subject to protracted legal challenges. As a result, even if we are able to enter into development and management agreements for Native American gaming projects, we cannot be sure that the projects, including the North Fork project, will be completed or, if completed, that they will generate significant management fees or return on our investment. **For more information see Item 3.**

**Legal Proceedings.** Union organization activities could disrupt our business by discouraging patrons from visiting our properties, causing labor disputes or work stoppages, and, if successful, could significantly increase our labor costs. Our properties have been subject to ongoing efforts of union activists to enter into collective bargaining agreements and to organize our employees into collective bargaining units. The Local Joint Executive Board of Las Vegas (the “LJEBLV”) has been certified as the collective bargaining representative of non- gaming employees at Sunset Station and Green Valley Ranch. We have not yet entered into collective bargaining agreements with the bargaining units represented by the LJEBLV at either of these properties. The LJEBLV had been recognized as the collective bargaining representative for a unit of non- gaming employees at Palace Station and Boulder Station, but we no longer recognize the LJEBLV as the bargaining representative of those employees at either of those properties, as each of those properties received a petition indicating that a majority of its bargaining unit employees no longer desired to be represented by the LJEBLV. In an election held in December 2019, a proposed bargaining unit consisting of non- gaming employees of Red Rock rejected the LJEBLV as their bargaining representative. The LJEBLV and the National Labor Relations Board **(the “NLRB”)** has contested the election results at Red Rock and as a result of actions related to that contest we are currently bargaining with the LJEBLV at Red Rock, although we have not yet entered into a collective bargaining agreement with the bargaining units represented by the LJEBLV at Red Rock. The LJEBLV and the ~~NLRB National Labor Relations Board~~ are also contesting the withdrawal of recognition of the LJEBLV at Boulder Station and Palace Station and in addition have commenced an action which seeks, among other things, an order forcing us to collectively bargain with the LJEBLV at each of our resort properties. Accordingly, it is uncertain whether we will be subject to, or continue to be subject to, a bargaining obligation or whether we will eventually agree to enter into a collective bargaining agreement at any of our properties. In addition, slot technicians are represented by the International Union of Operating Engineers, Local 501 (“Local 501”) at Palace Station, ~~and~~ Green Valley Ranch, ~~Sunset Station and Red Rock~~. We are bargaining with, but have not yet entered into collective bargaining agreements with, the bargaining units represented by Local 501 at ~~any of~~ these properties. **Local 501 had been recognized as the collective bargaining representative for a unit of slot technicians at Sunset Station and Red Rock, but we no longer recognize Local 501 as the bargaining representative of those employees at either of those properties, as each of those properties received a petition indicating that a majority of its bargaining unit employees no longer desired to be represented by Local 501. Local 501 and the NLRB are contesting the withdrawal of recognition of Local 501 at Sunset Station and Red Rock**. None of our other casino properties are currently subject to any bargaining obligation, collective bargaining agreement or similar arrangement with any union; however, we believe that organizing efforts are ongoing at this time. Accordingly, there can be no assurance that our casino properties will not ultimately be unionized. Union organization efforts could cause disruptions to our casino properties and discourage patrons from visiting our properties and may cause us to incur significant costs, any of which could have a material adverse effect on our results of operations and financial condition. In addition, union activities may result in labor disputes, including work stoppages, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, collective bargaining involving any of our existing or future properties in the event that they become organized introduces an element of uncertainty into planning our future labor costs, which could have a material adverse effect on the business of our casino properties and our financial condition and results of operations. Work stoppages, labor problems and unexpected shutdowns may limit our operational flexibility and negatively impact our future profits. Any work stoppage at

one or more of our casino properties, or at the Durango project or any other construction projects which may be undertaken, in each case whether or not union driven, could require us to expend significant funds to hire replacement workers, and qualified replacement labor may not be available at reasonable costs, if at all. Strikes and work stoppages could also result in adverse media attention or otherwise discourage customers from visiting our casino properties. Strikes and work stoppages involving laborers at a construction project could result in construction delays and increases in construction costs. As a result, a strike or other work stoppage at one of our casino properties or any construction project could have an adverse effect on the business of our casino properties and our financial condition and results of operations. There can be no assurance that we will not experience a strike or work stoppage at one or more of our casino properties or any construction project in the future. As noted above, our properties have been subject to ongoing efforts of union activists to enter into collective bargaining agreements and to organize our employees into collective bargaining units. Any unexpected shutdown of one of our casino properties or any construction project could have an adverse effect on the business of our casino properties and our results of operations. There can be no assurance that we will be adequately prepared for unexpected events, including political or regulatory actions, which may lead to a temporary or permanent shutdown of any of our casino properties. The impact of the ongoing COVID-19 pandemic on our business and results of operations remains uncertain. Although our operations are not currently significantly impacted by the COVID-19 pandemic, the extent of the ongoing and future effects of COVID-19 or new variants on our business remains uncertain and depends on a number of factors that are beyond our control, including the possibility that governmental regulations and directives enacted in the future may limit the operations of our properties or prohibit or discourage customers from visiting our properties. Our ability to attract customers to our properties and results of operations would be negatively impacted if we were required to reinstate limitations on the number of customers present in our facilities, reduce gaming operations, restrict hotel, food and beverage outlets or conventions or special events or implement other social distancing or health and safety measures. In addition, even as the COVID-19 pandemic subsides, the disruption already caused by the COVID-19 pandemic may still lead to prolonged changes in consumer behavior, the effects of which are still yet to be fully realized. The ultimate economic impacts to the Company of the evolving COVID-19 pandemic are uncertain and difficult to predict and could adversely impact our business, financial condition and results of operations. The concentration and evolution of the slot machine manufacturing industry or other technological conditions could impose additional costs on us. We rely on a variety of hardware and software products to maximize revenue and efficiency in our operations. Technology in the gaming industry is developing rapidly, and we may need to invest substantial amounts to acquire the most current gaming and hotel technology and equipment in order to remain competitive in the markets in which we operate. In addition, we may not be able to successfully implement and / or maintain any acquired technology. We are subject to extensive federal, state and local regulation and governmental authorities have significant control over our operations; this control and the cost of compliance or failure to comply with such regulations that govern our operations in any jurisdiction where we operate could have an adverse effect on our business. Our ownership and operation of gaming facilities is subject to extensive regulation, including licensing requirements, by the states, counties and cities in which we operate. These laws, regulations and ordinances vary from jurisdiction to jurisdiction, but generally concern the responsibility, financial stability and character of the owners and managers of gaming operations as well as persons financially interested or involved in gaming operations, and we are subject to extensive background investigations and suitability standards in our gaming business. We also will become subject to regulation in any other jurisdiction where we choose to operate in the future. As such, our gaming regulators can require us to disassociate ourselves from suppliers or business partners found unsuitable by the regulators or, alternatively, cease operations in that jurisdiction. In addition, unsuitable activity on our part, on the part of individuals investing in or otherwise involved with us or on the part of our owners, managers or unconsolidated affiliates in any jurisdiction could have a negative effect on our ability to continue operating in other jurisdictions. In addition, we are subject to various gaming taxes, which are subject to possible increase at any time, and federal income tax. Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. In addition, governmental tax authorities are increasingly scrutinizing the tax positions of companies. If United States or state tax authorities change applicable tax laws, including laws relating to taxation of gaming operations, our overall taxes could increase, and our business, financial condition or results of operations may be adversely impacted. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. As a result of such regulations, we are subject to periodic examinations by the Financial Crimes Enforcement Network ("FinCEN") and we may be required to pay substantial penalties if we fail to comply with applicable regulations. Any violations of anti-money laundering laws or regulations by any of our properties could have an adverse effect on our financial condition, results of operations or cash flows. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. For a more complete description of the regulatory requirements, see Item 1. Business — Regulation and Licensing. We are subject to a variety of federal, state and local laws and regulations relating to the protection of the environment and human health and safety, which could materially affect our business, financial condition, results of operations and cash flows. We are subject to federal, state and local laws and regulations relating to the protection of the environment and human health and safety, including those relating to air emissions, water discharges and remediation of contamination. Such laws and regulations require us to obtain, maintain and renew environmental operating or construction permits or approvals, particularly in connection with our development activities. Certain environmental laws can impose joint and several liability without regard to fault on responsible parties, including past and present owners and operators of sites, related to the investigation or remediation of sites at which hazardous wastes or materials were disposed or released. Private parties may also bring claims arising from the presence of hazardous materials on a site or exposure to such materials. We are currently involved in monitoring activities at or adjacent to a few of our sites due to historical or nearby operations. Environmental laws, regulations and standards have become increasingly increasingly stringent environmental laws overtime and this trend is expected to continue, which regulations or standards may make compliance

with such new requirements more difficult or costly or otherwise adversely affect our operations. Failure to comply with environmental laws or regulations, or any liabilities or claims arising under such laws or regulations, could require us to incur potentially significant costs or sanctions, including fines, penalties or, cessation of operations or site clean ups, or otherwise adversely affect our business, financial condition and results of operations. The effects of climate change and / or increased regulation by international, national, state, regional, and local regulatory bodies of greenhouse gas emissions could materially affect our business, financial condition, results of operation and cash flows. There has been an increasing focus of international, national, state, regional and local regulatory bodies on greenhouse gas (“ GHG ”), including carbon dioxide and methane, emissions, and climate change issues. The United States is a member of the Paris Agreement, a climate accord reached at the Conference of the Parties (“ COP 21 ”) in Paris, that set many new goals, and many related policies are still emerging. The Paris Agreement requires set GHG emission reduction goals every five years beginning in 2020. Stronger GHG emission targets were set at COP 26 in Glasgow in November 2021 and affirmed-reaffirmed at COP 27-28 in Dubai Sharh-el-Sheikh in November and December 2022-2023. Future regulation could impose stringent standards to substantially reduce GHG emissions. Legislation to regulate GHG emissions has periodically been introduced in the U. S. Congress. If such legislation is enacted, we could incur increased energy, environmental, and other costs and capital expenditures to comply with the limitations. In addition, the current presidential Administration-administration has taken steps to further regulate GHG emissions. Due to uncertainty in the regulatory and legislative processes, as well as the scope of such requirements and initiatives, we cannot currently determine the effect such legislation and regulation may have on our operations, but it could be costly and difficult to implement. Beyond financial and regulatory effects, the projected severe effects of climate change – such as protracted drought and property damage or supply chain issues stemming from extreme weather events – have the potential to directly affect our facilities and operations. We recognize the impacts of climate change and are engaged in several initiatives to identify, assess, and manage the risks and opportunities associated with climate change (see “ Social Responsibility and Environmental Stewardship, ” above). Increased scrutiny and changing expectations from investors, consumers, employees, regulators, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment and retention. Companies across all industries are facing increasing scrutiny related to their environmental, social and governance (“ ESG ”) practices and reporting. Investors, consumers, employees and other stakeholders have focused increasingly on ESG practices and placed increasing importance on the implications and social cost of their investments, purchases and other interactions with companies. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices and reporting do not meet investor, consumer or employee expectations, which continue to evolve, our brand, reputation and customer retention may be negatively impacted. Our ability to achieve any ESG objective is subject to numerous risks, many of which are outside of our control. Examples of such risks include: • the availability and cost of low- or non- carbon- based energy sources; • the evolving regulatory requirements affecting ESG standards or disclosures; • the availability of suppliers that can meet sustainability, diversity and other ESG standards that we may set; • our ability to recruit, develop and retain diverse talent in our labor markets; and • the success of our organic growth and acquisitions or dispositions of businesses or operations. If we fail, or are perceived to be failing, to meet the standards included in any sustainability disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, customer attraction and retention, access to capital and employee retention. Investors are increasingly focused on ESG matters and failure to address their needs could lead to stock price volatility. In addition, new sustainability rules and regulations have been adopted and may continue to be introduced. For instance, the SEC is in the process of considering new disclosure rules that would require companies to disclose the impact of climate change and their risk mitigation environment and practices. Our failure to comply with any applicable rules or regulations as they are adopted, as well as our failure to predict trends and stakeholder requirements related to ESG, could lead to penalties and adversely impact our reputation, customer attraction and retention, access to capital and employee retention. We may incur losses that are not adequately covered by insurance, which may harm our results of operations. In addition, our insurance costs may increase and we may not be able to obtain similar insurance coverage in the future. Although we maintain insurance that we believe is customary and appropriate for our business, each of our insurance policies is subject to certain exclusions and our coverage is in an amount that may be significantly less than the expected replacement cost of rebuilding our facilities in the event of a total loss. To the extent that we are inadequately insured for certain types or levels of risk, we may be exposed to significant losses in the event of a catastrophe. In addition to the damage caused to our properties by a casualty loss, we may suffer business disruption or be subject to claims by third parties that may be injured or harmed. While we carry general liability insurance and business interruption insurance, there can be no assurance that insurance will be available or adequate to cover all loss and damage to which our business or our assets might be subjected. Certain casualty events, such as labor strikes, nuclear events, loss of income due to terrorism or epidemics, deterioration or corrosion, insect or animal damage and pollution, may not be covered under our policies. Any losses we incur that are not adequately covered by insurance may decrease our future operating income, require us to fund replacements or repairs for destroyed property and reduce the funds available for payments of our obligations. We renew our insurance policies on an annual basis. To the extent that the cost of insurance coverage increases, we may be required to reduce our policy limits or agree to exclusions from our coverage. We may incur impairments to goodwill, indefinite- lived intangible assets, or long- lived assets which could negatively affect our results of operations. We test our goodwill and indefinite- lived intangible assets for impairment during the fourth quarter of each year and when a triggering event occurs, and we test other long- lived assets for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If we do not achieve our projected cash flow estimates related to such assets, we may be required to record an impairment charge, which could have a material adverse impact on our financial statements. We have recognized significant impairment charges in the past as a result of a number of factors including negative

industry and economic trends, reduced estimates of future cash flows, and slower than expected growth. We could be required to recognize additional impairment charges, which could have a material adverse effect on our results of operations if events that negatively impact our business should occur in the future. Any failure to protect our trademarks could have a negative impact on the value of our brand names and adversely affect our business. The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. While our business as a whole is not substantially dependent on any one trademark or combination of several of our trademarks or other intellectual property, we seek to establish and maintain our proprietary rights in our business operations through the use of trademarks. Despite our efforts to protect our proprietary rights, parties may infringe our trademarks and our rights may be invalidated or unenforceable. Monitoring the unauthorized use of our intellectual property is difficult. Litigation may be necessary to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Litigation of this type could result in substantial costs and diversion of resources. We cannot assure you that all of the steps we have taken to protect our trademarks will be adequate to prevent imitation of our trademarks by others. The unauthorized use or reproduction of our trademarks could diminish the value of our brand and its market acceptance, competitive advantages or goodwill, which could adversely affect our business. Shortages or increases in prices of energy or water may adversely affect our business and our results of operations. Our casinos and hotels use significant amounts of electricity, natural gas, other forms of energy and water. The southwest United States is currently experiencing a **series of long- lasting drought phases**, which may result in governmentally- imposed restrictions on water use or increases in the cost of water. Any such restrictions on use of water or increases in cost could adversely impact our business and our results of operations. While no shortages of energy have been experienced recently, **we have experienced and are currently experiencing increases in the cost of energy**. **Energy shortages or substantial or continuing increases in the cost of electricity have negatively affected our operating results in the past, and could adversely impact our business and our results of operations**. Win rates for our gaming operations depend on a variety of factors, some beyond our control, and the winnings of our gaming customers could exceed our casino winnings. The gaming industry is characterized by an element of chance. In addition to the element of chance, win rates are also affected by other factors, including players' skill and experience, the mix of games played, the financial resources of players, the spread of table limits, the volume of bets placed and the amount of time played. Our gaming profits are mainly derived from the difference between our casino winnings and the casino winnings of our gaming customers. Since there is an inherent element of chance in the gaming industry, we do not have full control over our winnings or the winnings of our gaming customers. If the winnings of our gaming customers exceed our winnings, we may record a loss from our gaming operations, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We face the risk of fraud and cheating. Our gaming customers may attempt or commit fraud or cheat in order to increase winnings. Acts of fraud or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers or other casino or gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in our gaming operations. In addition, negative publicity related to such schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations and cash flows. Failure to maintain the integrity of our internal or customer data, including defending our information systems against hacking, security breaches, computer malware, cyber- attacks and similar technology exploitation risks, could have an adverse effect on our results of operations and cash flows, and / or subject us to costs, fines or lawsuits. Our business requires the collection and retention of large volumes of data about our customers, employees, suppliers and business partners, including customer credit card numbers and other personally identifiable information of our customers and employees, in various information systems that we maintain and in those maintained by third- party service providers. The integrity and protection of that data is important to our business and is subject to privacy laws enacted by various jurisdictions. The regulatory environment and the requirements imposed on us by the payment card industry surrounding information, security and privacy are evolving and may be inconsistent. Our systems may be unable to meet changing regulatory and payment card industry requirements and employee and customer expectations, or may require significant additional investments or time in order to do so. Our information systems and records, including those maintained by service providers, may be subject to cyber- attacks, security breaches, system failures, viruses, operator error or inadvertent releases of data. **Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, including penetration of our network security, whether by us or by a third party, could disrupt our business, damage our reputation and our relationships with our customers or employees, expose us to risks of litigation, significant fines and penalties and liability, result in the deterioration of our customers' and employees' confidence in us, and adversely affect our business, results of operations and financial condition.** Cyber- attacks and security breaches may include, but are not limited to, attempts to access information, including customer and company information, computer malware such as viruses, denial of service, ransomware attacks that encrypt, exfiltrate, or otherwise render data unusable or unavailable in an effort to extort money or other consideration as a condition to purportedly returning the data to a usable form, operator errors or misuse, or inadvertent releases of data, and other forms of electronic security breaches. **The techniques and sophistication used to conduct cyberattacks and compromise information technology infrastructure, as well as the sources and targets of these attacks, change and are often not recognized until such attacks are launched or have been in place for some time. In addition, there has been an increase in state sponsored cyberattacks which are often conducted by capable, well- funded groups. The rapid evolution and increased adoption of artificial intelligence technologies amplifies these concerns.** The steps we have taken to mitigate these risks may not be sufficient and a significant theft, loss or fraudulent use of customer, employee or company data maintained by us or by a service provider could have an adverse effect on our reputation and employee relationships and could result in remedial and other expenses, fines or litigation. A breach in the security of our

information systems or those of our service providers could lead to an interruption in the operation of our systems or loss, disclosure or misappropriation of our business information or other unintended consequences. If any of these risks materialize, they could have an adverse effect on our business, results of operations and cash flows. Risks Related to our Indebtedness We have a substantial amount of indebtedness, which could have a material adverse effect on our financial condition and our ability to obtain financing in the future and to react to changes in our business. We have a substantial amount of debt, which requires significant principal and interest payments. As of December 31, 2022-2023, the principal amount of our outstanding indebtedness totaled approximately \$ 3. 02-35 billion and we had \$ 852-479. 2-3 million of undrawn availability under our Revolving Credit Facility, which is net of \$ 149. 5 million in outstanding borrowings and the issuance of approximately \$ 29-39 . 4-8 million of letters of credit and similar obligations. Our ability to make interest payments on our debt will be significantly impacted by general economic, financial, competitive and other factors beyond our control. Our substantial indebtedness could:

- make it more difficult for us to satisfy our obligations under our senior notes and senior secured credit facilities and other indebtedness;
- increase our vulnerability to adverse economic and general industry conditions, including interest rate fluctuations, because a portion of our borrowings, including those under our senior secured credit facilities, are and will continue to be at variable rates of interest;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, which would reduce the availability of our cash flow from operations to fund working capital, capital expenditures or other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and industry;
- place us at a disadvantage compared to competitors that may have proportionately less debt;
- limit our ability to obtain additional debt or equity financing due to applicable financial and restrictive covenants in our debt agreements; and
- cause us to incur higher interest expense in the event of increases in interest rates on our borrowings that have variable interest rates or if we refinance existing debt at higher interest rates.

Our indebtedness imposes restrictive financial and operating covenants that limit our flexibility in operating our business and may adversely affect our ability to compete or engage in favorable business or financing activities. Our credit agreements and the indentures governing our senior notes contain a number of covenants that impose significant operating and financial restrictions on us, including certain limitations on our and our subsidiaries' ability to, among other things:

- incur additional debt or issue certain preferred units;
- pay dividends on or make certain redemptions, repurchases or distributions or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens on certain assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets; and
- enter into certain transactions with our affiliates.

In addition, our credit agreements contain certain financial covenants, including maintenance of a minimum interest coverage ratio and adherence to a maximum total leverage ratio. As a result of these covenants and restrictions, we are limited in how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. Our ability to comply with covenants and restrictions contained in the agreements governing our indebtedness also may be affected by general economic conditions, industry conditions and other events beyond our control. As a result, we cannot assure you that we will be able to comply with these covenants and restrictions. A failure to comply with the covenants contained in the credit agreements, the indentures governing our senior notes, or other indebtedness that we may incur in the future could result in an event of default, which, if not cured or waived, could result in the acceleration of the indebtedness and have a material adverse effect on our business, financial condition and results of operations. Despite our current indebtedness levels, we and our subsidiaries may still incur significant additional indebtedness, which could increase the risks associated with our substantial indebtedness. We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. The terms of the documents governing our indebtedness restrict, but do not completely prohibit, us from doing so. As of December 31, 2022-2023, we had \$ 852-479. 2-3 million of undrawn availability under our Revolving Credit Facility, which is net of \$ 149-512. 5-0 million in outstanding borrowings and the issuance of approximately \$ 29-39. 4-8 million of letters of credit and similar obligations. In addition, the indentures governing our senior notes allow us to issue additional notes under certain circumstances. The indentures also allow us to incur certain other additional secured and unsecured debt. Further, the indentures do not prevent us from incurring other liabilities that do not constitute indebtedness. If new debt or other liabilities are added to our current debt levels, the related risks that we and our subsidiaries now face could intensify. We may not be able to generate sufficient cash to service all of our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful. Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We cannot assure you that we will maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. If our operating results and available cash are insufficient to meet our debt service obligations, we could face substantial liquidity problems and might be required to dispose of significant assets or operations **or sell equity** to meet our debt service and other obligations. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them, and these proceeds may not be adequate to meet any debt service obligations then due. Additionally, the documents governing our indebtedness limit the use of the proceeds from any disposition; as a result, we may not be allowed, under these documents, to use proceeds from such dispositions to satisfy all current debt service obligations. Risks Related to Our Structure and Organization Red Rock's only material asset is its interest in Station Holdco and Station LLC. Accordingly, it is dependent upon distributions from Station Holdco to make payments under the tax receivable agreement, pay dividends, if any, and pay taxes and other expenses. Red Rock is a holding company. Other than assets and liabilities related to income taxes and the tax receivable agreement, its only material assets are its equity interest in Station Holdco and its voting interest in

Station LLC. In connection with the IPO, Red Rock entered into a tax receivable agreement (“ TRA ”) with certain pre- IPO owners of Station Holdco. Red Rock intends to cause Station Holdco to make distributions to its members, including us, in an amount sufficient to cover all applicable taxes at assumed tax rates, payments under the TRA and dividends, if any, declared by it. To the extent Station LLC or Station Holdco is restricted from making such distributions pursuant to the terms of the agreements governing its debt or under applicable law or regulation, or is otherwise unable to provide such funds, it could materially and adversely affect Red Rock’s liquidity and financial condition and impair Red Rock’s ability to pay taxes and other expenses, make payments under the TRA or pay dividends on the Class A common stock. ~~Payments of dividends, if any, will be at the discretion of our board of directors after taking into account various factors, including our business, operating results and financial condition, current and anticipated cash needs, plans for expansion and any legal or contractual limitations on our ability to pay dividends. Our credit facility and the indentures governing our senior notes include, and any financing arrangement that we enter into in the future may include, restrictive covenants that limit our ability to pay dividends and make distributions. In addition, Station Holdco is generally prohibited under Delaware law from making a distribution to a member to the extent that, at the time of the distribution, after giving effect to the distribution, liabilities of Station Holdco (with certain exceptions) exceed the fair value of its assets. Subsidiaries of Station Holdco are generally subject to similar legal limitations on their ability to make distributions to Station Holdco.~~ Our Principal Equity Holders have control over our management and affairs, and their interests may differ from our interests or those of our other stockholders. Each outstanding share of Class B common stock that is held by a holder that, together with its affiliates, owned LLC Units representing at least 30 % of the outstanding LLC Units immediately following the IPO and, at the applicable record date, maintains direct or indirect beneficial ownership of at least 10 % of the outstanding shares of Class A common stock (determined on an as- exchanged basis assuming that all of the LLC Units were exchanged for Class A common stock) is entitled to ten votes, and each other outstanding share of Class B common stock and each share of Class A common stock is entitled to one vote. As a result, Fertitta Family Entities held 90. ~~21~~ % of the combined voting power of Red Rock as of December 31, ~~2022~~ 2023. Due to their ownership, the Fertitta Family Entities have the power to control our management and affairs, including the power to: • elect all of our directors; • agree to sell or otherwise transfer a controlling stake in our Company, which may result in the acquisition of effective control of our Company by a third party; and • determine the outcome of substantially all actions requiring stockholder approval, including transactions with related parties, corporate reorganizations, acquisitions and dispositions of assets and dividends. The interests of the Fertitta Family Entities may differ from our interests or those of our other ~~stockholders, including our~~ stockholders and the concentration of control in the Fertitta Family Entities will limit other stockholders’ ability to influence corporate matters. The concentration of ownership and voting power of the Fertitta Family Entities may also prevent or cause a change of control of our Company or a change in the composition of our board of directors and will make many transactions impossible without the support of the Fertitta Family Entities, even if such events are in the best interests of our other ~~stockholders~~ ~~stockholders~~. As a result of the concentration of voting power among the Fertitta Family Entities, we may take actions that our other stockholders do not view as beneficial, which may adversely affect our results of operations and financial condition and cause the value of your investment in our Class A common stock to decline. In addition, because the Principal Equity Holders hold most of their ownership interest directly and / or indirectly through Station Holdco, rather than through Red Rock, the public company, they may have conflicting interests with holders of shares of our Class A common stock. For example, if Station Holdco makes distributions to Red Rock, the Principal Equity Holders will also be entitled to receive distributions pro rata in accordance with the percentages of their respective LLC Units and their preferences as to the timing and amount of any such distributions may differ from those of our public stockholders. The Principal Equity Holders may also have different tax positions from us which could influence their decisions regarding whether and when to dispose of assets, especially in light of the existence of the TRA, whether and when to incur new, or refinance existing, indebtedness, and whether and when Red Rock should terminate the TRA and accelerate its obligations thereunder. The structuring of future transactions may take into consideration these Principal Equity Holders’ tax or other considerations even where no similar benefit would accrue to us. For example, a disposition of real estate or other assets in a taxable transaction could accelerate then- existing obligations under the TRA, which may result in differing incentives between the Principal Equity Holders and Red Rock with respect to such a transaction. For more information, see “ Tax Receivable Agreement ” within Note 2 to the Consolidated Financial Statements. We are a “ controlled company ” within the meaning of the rules of NASDAQ and, as a result, qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections afforded to stockholders of companies that are subject to such requirements. The Fertitta Family Entities hold more than 50 % of the voting power of our shares eligible to vote. As a result, we are a “ controlled company ” under the rules of NASDAQ. Under these rules, a company of which more than 50 % of the voting power in the election of directors is held by an individual, group or another company is a “ controlled company ” and may elect not to comply with certain corporate governance requirements, including the requirements that (i) a majority of the board of directors consist of independent directors and (ii) that the board of directors have compensation and nominating and corporate governance committees composed entirely of independent directors. Although a majority of the members of our board of directors are independent and our compensation and nominating and corporate governance committees are comprised entirely of independent directors, in the future we may elect not to comply with certain corporate governance requirements that are not applicable to controlled companies. We will be required to pay certain of our pre- IPO owners for certain tax benefits we may claim arising in connection with the reorganization transactions, and the amounts we may pay could be substantial. The TRA provides for the payment by Red Rock to certain of our pre- IPO owners of 85 % of the amount of benefits, if any, that Red Rock realizes (or is deemed to realize in the case of an early termination payment by us, a change in control or a material breach by us of our obligations under the TRA, as discussed below) as a result of (i) increases in tax basis resulting from our purchases or exchanges of LLC Units and (ii) certain other tax benefits related to our entering into the TRA, including tax benefits attributable to payments that we are required to make under the TRA. See “ Tax Receivable Agreement ”



within Note 2 to the Consolidated Financial Statements. Any increases in tax basis, as well as the amount and timing of any payments under the TRA, cannot reliably be predicted at this time. The amount of any such increases and payments will vary depending upon a number of factors, including, but not limited to, the timing of exchanges, the price of our Class A common stock at the time of the exchanges, the amount, character and timing of our income and the tax rates then applicable. The payments that we may make under the TRA could be substantial. At December 31, **2023 and 2022** and ~~2021~~, our liability under the TRA with respect to previously consummated transactions was \$ **22.1 million and \$ 28.6 million** and ~~\$ 27.2 million~~, respectively. Assuming no material changes in the relevant tax law and based on our current operating plan and other assumptions, including our estimate of the tax basis of our assets as of December 31, ~~2022~~ **2023** and that Red Rock earns sufficient taxable income to realize all the tax benefits that are subject to the TRA, we expect to make payments under the TRA over a period of approximately 40 years. The foregoing numbers are merely estimates based on current assumptions. The amount of actual payments could differ materially. Future payments to our pre- IPO owners in respect of any subsequent exchanges of LLC Units for Class A common stock would be in addition to these amounts and are expected to be substantial. It is possible that future transactions or events could increase or decrease the actual tax benefits realized and the corresponding TRA payments. There may be a material negative effect on our liquidity if, as a result of timing discrepancies or otherwise (as described below), the payments under the TRA exceed the actual benefits we realize in respect of the tax attributes subject to the TRA and / or distributions to Red Rock by Station Holdco are not sufficient to permit Red Rock to make payments under the TRA after it has paid taxes. In certain cases, payments under the TRA may be accelerated and / or significantly exceed the actual benefits, if any, we realize in respect of the tax attributes subject to the TRA. The TRA provides that in the event that we exercise our right to early termination of the TRA, there is a change in control or a material breach by us of our obligations under the TRA, the TRA will terminate, and we will be required to make a payment equal to the present value of future payments under the TRA, which payment would be based on certain assumptions, including those relating to our future taxable income, and may substantially exceed the actual benefits, if any, we realize in respect of the tax attributes subject to the TRA. In these situations, our obligations under the TRA could have a substantial negative impact on our liquidity, and there can be no assurance that we will be able to finance our obligations under the TRA. In addition, these obligations could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control, in particular in circumstances where our Principal Equity Holders have interests that differ from those of other stockholders. Because our Principal Equity Holders have a controlling ownership interest in the Company, they are able to control the outcome of votes on all matters requiring approval by our stockholders. Accordingly, actions that affect such obligations under the TRA may be taken even if other stockholders oppose them. Payments under the TRA will be based on the tax reporting positions that we determine. Although we are not aware of any material issue that would cause the Internal Revenue Service (the " IRS ") to challenge a tax basis increase, we will not be reimbursed for any payments previously made under the TRA (although we would reduce future amounts otherwise payable under such TRA). No assurance can be given that the IRS will agree with the allocation of value among our assets. As a result, in certain circumstances, payments could be made under the TRA in excess of the benefit that we actually realize in respect of the increases in tax basis resulting from our purchases or exchanges of LLC Units and certain other tax benefits related to our entering into the TRA. We may not be able to realize all or a portion of the tax benefits that are expected to result from the exchanges of LLC Units and payments made under the TRA itself. Our ability to benefit from any depreciation or amortization deductions or to realize other tax benefits that we currently expect to be available as a result of the increases in tax basis created by the exchanges of LLC Units, and our ability to realize certain other tax benefits attributable to payments under the TRA itself, depend on a number of assumptions, including that we earn sufficient taxable income each year during the period over which such deductions are available and that there are no adverse changes in applicable law or regulations. If our actual taxable income is insufficient and / or there are adverse changes in applicable law or regulations, we may be unable to realize all or a portion of these expected benefits and our cash flows and stockholders' equity could be negatively affected. However, absent a change in control or other termination event with respect to the TRA, we will generally not be required to make payments under that agreement with respect to projected tax benefits that we do not actually realize, as reported on our tax return. See " Tax Receivable Agreement " within Note 2 to the Consolidated Financial Statements. ~~General Risks Related to Ownership of Our Class A Common Stock~~ The market price of our Class A common stock could decline upon the exchange of LLC Units by our Continuing Owners. At December 31, ~~2022~~ **2023**, approximately 46 million LLC Units of Station Holdco were owned by our Continuing Owners, or ~~42.5~~ **52** % of Red Rock Class A common stock on a fully exchanged basis, and may be sold in the future. In addition, under the Exchange Agreement, each holder of shares of our Class B common stock is entitled to exchange its LLC Units for shares of our Class A common stock, as described under " Class B Common Stock " within Note 9 to the Consolidated Financial Statements. The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock eligible for future sale, or the perception that such sales could occur. These sales, or the possibility that these sales may occur, may make it more difficult for holders of our Class A common stock to sell such stock in the future at a time and at a price that they deem appropriate. They also may make it more difficult for us to raise additional capital by selling equity securities in the future. We may not have sufficient funds to pay dividends on our Class A common stock. Although we intend to pay dividends on our Class A common stock to the extent that we have sufficient funds available for such purpose, the declaration, amount and payment of any future dividends on shares of Class A common stock will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and implications on the payment of dividends by us to our stockholders or by our subsidiaries to us, and such other factors as our board of directors may deem relevant. The existing debt agreements of Station LLC limit the ability of Station LLC to make distributions to Station Holdco, which effectively restricts the ability of Station Holdco to distribute sufficient funds to permit

Red Rock to pay dividends to its stockholders. Red Rock will be required to apply funds distributed by Station Holdco to pay taxes and make payments under the TRA. Therefore, we cannot assure you that you will receive any dividends on your Class A common stock. Accordingly, you may need to sell your shares of Class A common stock to realize a return on your investment, and you may not be able to sell your shares above the price you paid for them. See Note 9 to the Consolidated Financial Statements. Anti- takeover provisions and shareholder requirements in our charter documents, provisions of Delaware law and Nevada gaming laws may delay or prevent our acquisition by a third party, which might diminish the value of our Class A common stock. Provisions in our debt agreements may also require an acquirer to refinance our outstanding indebtedness if a change of control occurs, which could discourage or increase the costs of a takeover. In addition to the Fertitta Family Entities owning 90.21% of the combined voting power of our common stock, which permits them to control decisions made by our stockholders, including election of directors and change of control transactions, our amended and restated certificate of incorporation and bylaws contain provisions that make it harder for a third party to acquire us. These provisions include certain super- majority approval requirements and limitations on actions by written consent of our stockholders at any time that the Fertitta Family Entities hold less than 10 % of the LLC Units. In addition, our board of directors has the right to issue preferred stock without stockholder approval that could be used to dilute a potential hostile acquirer. Our amended and restated certificate of incorporation also imposes some restrictions on mergers and other business combinations between us and any holder of 15 % or more of our outstanding common stock other than the Fertitta Family Entities. The Nevada Act provides that persons who acquire beneficial ownership of more than 5 % of the voting or non- voting securities of a Registered Corporation under Nevada gaming laws must report the acquisition to the Nevada Commission. The Nevada Act also requires that beneficial owners of more than 10 % of the voting securities of a Registered Corporation must apply, subject to certain exceptions, to the Nevada Commission for a finding of suitability within thirty days after the Chair of the Nevada Board mails the written notice requiring such filing. Further, changes in control of the Company through merger, consolidation, stock or asset acquisitions (including stock issuances in connection with restructuring transactions), management or consulting agreements, or any act or conduct by a person whereby such person obtains control, may not occur without the prior approval of the Nevada Commission. These anti- takeover provisions, shareholder requirements and other provisions under Delaware law and Nevada gaming laws could discourage, delay or prevent a transaction involving a change in control of our Company, including transactions that our stockholders may deem advantageous, and negatively affect the trading price of our Class A common stock. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and to cause us to take other corporate actions you desire. Under the agreements governing our indebtedness, a takeover of our Company would likely constitute a “ change of control ” and be deemed to be an event of default under such facility, which would therefore require a third- party acquirer to refinance any outstanding indebtedness under the credit facility in connection with such takeover. In addition, the TRA provides that, in the event of a change of control, we are required to make a payment equal to the present value of estimated future payments under the TRA, which would result in a significant payment becoming due in the event of a change of control. These change of control provisions, and similar provisions in future agreements, are likely to increase the costs of any takeover and may discourage, delay or prevent an acquisition of our Company by a third party. Future offerings of debt securities or additional or increased loans, which would rank senior to our common stock upon our bankruptcy or liquidation, and future offerings of equity securities that may be senior to our common stock for the purposes of dividend and liquidating distributions, may adversely affect the market price of our Class A common stock. In the future, we may attempt to increase our capital resources through offerings of debt securities, entering into or increasing amounts under our loan agreements or additional offerings of equity securities. Upon bankruptcy or liquidation, holders of our debt securities, including holders of our senior notes, and shares of preferred stock, if any is issued, and lenders with respect to our indebtedness, including our credit facility, will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings may dilute the holdings of our existing stockholders or reduce the market price of our common stock, or both. Our preferred stock, if issued, will likely have a preference on liquidating distributions or a preference on dividend payments or both that could limit our ability to make a dividend distribution to the holders of our common stock. Our decision to issue securities in any future offering or enter into or increase loan amounts will depend on our management’ s views on our capital structure and financial results, as well as market conditions and other factors beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of any such future transaction, and purchasers of our Class A common stock bear the risk of our future transactions reducing the market price of our Class A common stock and diluting their ownership interest in our Company.

~~General Risks~~—The share price for our Class A common stock may fluctuate significantly. The market price of our Class A common stock may be significantly affected by factors such as quarterly variations in our results of operations, changes in government regulations, general market conditions specific to the gaming industry, changes in interest rates, changes in general **and / or local** economic and political conditions, volatility in the financial markets, threatened or actual litigation or government investigations, the addition or departure of key personnel, actions taken by our stockholders, including the sale or other disposition of their shares of our Class A common stock, differences between our actual financial and operating results and those expected by investors and analysts and changes in analysts’ recommendations or projections. These and other factors may lower the market price of our Class A common stock, even though they may or may not affect our actual operating performance. Furthermore, in recent years the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our Class A common stock could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce the price of our Class A common stock and materially affect the value of your investment. **Additionally, significant sales of our Class A common stock, whether by the principal equity holders or the Company, could have a significant effect on the price of our Class A common stock and, in the case of**

**sales by the Company, a dilutive effect on existing stockholders.** We are subject to litigation in the ordinary course of our business. An adverse determination with respect to any such disputed matter could result in substantial losses. We are, from time to time, during the ordinary course of operating our businesses, subject to various litigation claims and legal disputes, including contract, lease, employment and regulatory claims as well as claims made by visitors to our properties. There are also litigation risks inherent in any construction or development of any of our properties. Certain litigation claims may not be covered entirely or at all by our insurance policies or our insurance carriers may seek to deny coverage. In addition, litigation claims can be expensive to defend and may divert our attention from the operations of our businesses. Further, litigation involving visitors to our properties, even if without merit, can attract adverse media attention. As a result, litigation can have a material adverse effect on our businesses and, because we cannot predict the outcome of any action, it is possible that adverse judgments or settlements could significantly reduce our earnings or result in losses.