

RESOLUTION 2001 - 18

A RESOLUTION CONCERNING FINANCING BY BOYD GAMING CORPORATION

The Indiana Gaming Commission ("Commission") adopts the following resolution pursuant to authority granted it under IC 4-33 and pursuant to 68 IAC 1-2-6.

The following factors have been considered by the Commission:

1. Pursuant to IC 4-33-4-21, the Commission must review proposed debt transactions to ensure that the Riverboat Owner's License is not leased, hypothecated, or money is not borrowed or loaned against the Riverboat Owner's License.
2. By submission dated May 18, 2001, Boyd Gaming Corporation ("Boyd"), the ultimate parent company of Blue Chip Casino, LLC, the entity that holds a Riverboat Owner's License to operate a facility in Michigan City, Indiana, requested the ability to increase its overall indebtedness by up to \$75 million.
3. Boyd advised the Commission that on April 26, 2001, it entered into an Asset Purchase Agreement to acquire the assets of Delta Downs Racing Association, Inc. and associated facilities ("Delta Downs") located near Vinton, Louisiana ("Delta Downs Acquisition").
4. The Delta Downs Acquisition is scheduled to close on or about May 31, 2001. The Delta Downs Acquisition Purchase Price is \$125 million.
5. At closing, Boyd will deliver approximately \$60 million (subject to the amount of Delta Downs' indebtedness) and a promissory note secured by a subordinate mortgage for the balance of the purchase price ("Purchase Money Note") in exchange for the assets of Delta Downs.

Immediately after closing, Boyd will file an application with the appropriate Louisiana authorities for the placement of electronic gaming devices at Delta Downs. The Purchase Money Note will only be paid from sources approved by this Resolution 2001-18 if the Louisiana authorities approve Boyd's request for the placement of electronic gaming devices at Delta Downs.

Agreement"). On March 2, 2001, pursuant to Resolution 2001-14, the Commission approved the First Amendment to the Credit Agreement ("First Amendment"). Pursuant to the Credit Agreement and the First Amendment, Boyd has the ability to borrow a total amount of \$750 million.

7. Approval of the Second Amendment will allow Boyd the ability to borrow a total amount of \$825 million under the Credit Agreement, the First Amendment and the Second Amendment.
8. The terms of the Second Amendment allow Boyd the ability to raise an additional \$75 million from bank sources. The terms of the Second Amendment also allow Boyd the ability to raise funds through a Permitted Subordinated Debt Issuance or a Permitted Senior Note Issuance ("Permitted Issuance").
9. In the event Boyd raises any funds through a Permitted Issuance, Boyd's ability to borrow funds under the Credit Agreement, the First Amendment and the Second Amendment is reduced dollar for dollar by the amount of funds raised by the Permitted Issuance.

In no event, may Boyd's total indebtedness under the Credit Agreement, the First Amendment, the Second Amendment and any Permitted Issuance exceed a total amount of \$825 million.

10. If Boyd raises any funds through a Permitted Issuance, the applicable documents will have to be reviewed and are subject to the approval of the Commission Staff.
11. Boyd requests a waiver of 68 IAC 5-3-2(b)(3), the two (2) meeting rule.

NOW, THEREFORE, BE IT RESOLVED BY THE INDIANA GAMING COMMISSION THAT THE FOLLOWING RESOLUTION IS ADOPTED:

1. SECTION SCOPE

This resolution applies to Boyd Gaming Corporation and Blue Chip Casino, LLC.

2. SECTION DEFINITION

The definitions set forth in IC 4-33-2 and 68 IAC apply to this resolution.

3. SECTION ACTION ON REQUEST FOR APPROVAL OF AN INCREASE IN THE OVERALL LONG-TERM INDEBTEDNESS IN THE TOTAL AMOUNT OF \$75 MILLION

The request for a waiver of 68 IAC 5-3-2(b)(3), and the two meeting rules is hereby:

APPROVED

APPROVED OR DISAPPROVED

The request for approval of Boyd to issue the Purchase Money Note in an amount not to exceed \$65 million and to increase its overall long-term indebtedness in the total amount of \$75 million is hereby:

APPROVED

APPROVED OR DISAPPROVED

The following conditions are placed on the Commission's Approval of Boyd's request to issue the Purchase Money Note and to increase its overall long term indebtedness in the total amount of \$75 million:

1. Blue Chip Casino, LLC shall not be guarantor on the Purchase Money Note.
2. If and when Boyd pays the Purchase Money Note, it shall be paid from funds available under:
 - a. The Credit Agreement, the First Amendment or the Second Amendment; or
 - b. Funds raised through a Permitted Issuance.
3. If Boyd raises any funds through a Permitted Issuance, the appropriate documents relating to the Permitted Issuance must be reviewed and are subject to the approval of the Commission staff.
4. In no event, may Boyd's total indebtedness under the Credit Agreement, the First Amendment, the Second Amendment and any Permitted Issuance exceed a total amount of \$825 million.
5. If the Delta Downs Acquisitions is not consummated, Boyd will not have the ability to borrow the additional \$75 million authorized by the terms of the Second Amendment.

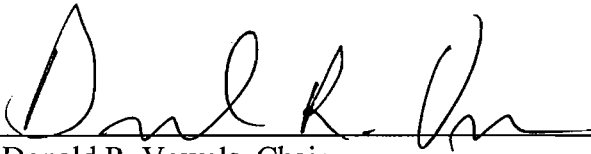
The adoption of this resolution and the approval of the debt transaction do not in any way constitute a waiver of the Commission's authority and ability to approve or disapprove any future changes in the ownership of the Riverboat Owner's License or assets incident thereto which may occur in the event of a default.

1. **SECTION EFFECTIVE DATE**

This resolution is effective immediately.

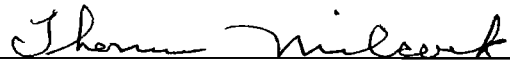
ADOPTED THIS THE 29TH DAY OF MAY, 2001.

THE INDIANA GAMING COMMISSION



Donald R. Vowels, Chair

ATTEST:



Thomas Milcarek, Secretary