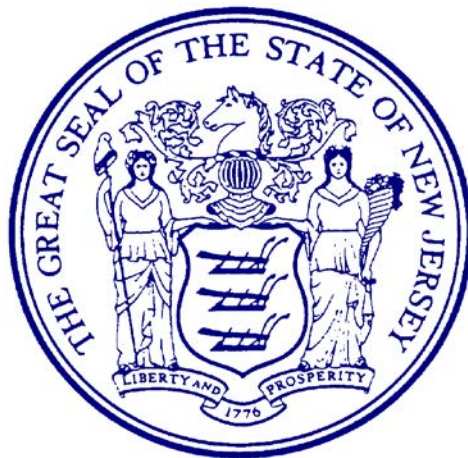


**BORGATA HOTEL CASINO & SPA  
QUARTERLY REPORT**

**FOR THE QUARTER ENDED JUNE 30, 2020**

**SUBMITTED TO THE  
DIVISION OF GAMING ENFORCEMENT  
OF THE  
STATE OF NEW JERSEY**



**OFFICE OF FINANCIAL INVESTIGATIONS  
REPORTING MANUAL**

# BORGATA HOTEL CASINO & SPA BALANCE SHEETS

AS OF JUNE 30, 2020 AND 2019

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	<u>ASSETS:</u>			
	Current Assets:			
1	Cash and Cash Equivalents.....	2	\$29,217	\$67,095
2	Short-Term Investments.....		0	0
3	Receivables and Patrons' Checks (Net of Allowance for Doubtful Accounts - 2020, \$28,519; 2019, \$22,149.....	3	18,825	41,075
4	Inventories .....		4,301	4,140
5	Other Current Assets.....		15,534	12,670
6	Total Current Assets.....		67,877	124,980
7	Investments, Advances, and Receivables.....	4	590,334	614,170
8	Property and Equipment - Gross.....	5	176,937	121,112
9	Less: Accumulated Depreciation and Amortization.....	5	(77,351)	(59,753)
10	Property and Equipment - Net.....		99,586	61,359
11	Other Assets.....		1,776,232	1,781,194
12	Total Assets.....		\$2,534,029	\$2,581,703
	<u>LIABILITIES AND EQUITY:</u>			
	Current Liabilities:			
13	Accounts Payable.....		\$278	\$3,740
14	Notes Payable.....		0	0
	Current Portion of Long-Term Debt:			
15	Due to Affiliates.....		0	0
16	External.....		0	0
17	Income Taxes Payable and Accrued.....		0	0
18	Other Accrued Expenses.....	6	56,585	95,861
19	Other Current Liabilities.....	7,8,9	164,385	99,372
20	Total Current Liabilities.....		221,248	198,973
	Long-Term Debt:			
21	Due to Affiliates.....		0	0
22	External.....		0	0
23	Deferred Credits .....		0	0
24	Other Liabilities.....	8	1,338,433	1,304,804
25	Commitments and Contingencies.....		0	0
26	Total Liabilities.....		1,559,681	1,503,777
27	Stockholders', Partners', or Proprietor's Equity.....		974,348	1,077,926
28	Total Liabilities and Equity.....		\$2,534,029	\$2,581,703

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# BORGATA HOTEL CASINO & SPA STATEMENTS OF INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	Revenue:			
1	Casino.....		\$124,803	\$218,676
2	Rooms.....		25,592	67,454
3	Food and Beverage.....		27,105	73,803
4	Other.....		8,481	26,673
5	Net Revenue.....		185,981	386,606
	Costs and Expenses:			
6	Casino.....		88,805	100,537
7	Rooms, Food and Beverage.....		33,494	74,029
8	General, Administrative and Other.....	8,9	81,270	116,916
9	Total Costs and Expenses.....		203,569	291,482
10	Gross Operating Profit.....		(17,588)	95,124
11	Depreciation and Amortization.....	5	11,916	9,095
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....		0	0
14	Income (Loss) from Operations.....		(29,504)	86,029
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		0	0
17	CRDA Related Income (Expense) - Net.....		(3,651)	(4,859)
18	Nonoperating Income (Expense) - Net.....		(46,934)	(33,389)
19	Total Other Income (Expenses).....		(50,585)	(38,248)
20	Income (Loss) Before Taxes .....		(80,089)	47,781
21	Provision (Credit) for Income Taxes.....		(7,883)	(2,421)
22	Net Income (Loss).....		(\$72,206)	\$50,202

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# BORGATA HOTEL CASINO & SPA

## STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED JUNE 30, 2020 AND 2019

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	Revenue:			
1	Casino.....		\$30,589	\$113,965
2	Rooms.....		0	35,589
3	Food and Beverage.....		(43)	37,786
4	Other.....		365	14,636
5	Net Revenue.....		30,911	201,976
	Costs and Expenses:			
6	Casino.....		38,235	51,817
7	Rooms, Food and Beverage.....		1,781	37,935
8	General, Administrative and Other.....	8,9	31,131	56,807
9	Total Costs and Expenses.....		71,147	146,559
10	Gross Operating Profit.....		(40,236)	55,417
11	Depreciation and Amortization.....	5	5,932	4,531
	Charges from Affiliates Other than Interest:			
12	Management Fees.....		0	0
13	Other.....		0	0
14	Income (Loss) from Operations.....		(46,168)	50,886
	Other Income (Expenses):			
15	Interest Expense - Affiliates.....		0	0
16	Interest Expense - External.....		0	0
17	CRDA Related Income (Expense) - Net.....		(1,235)	(2,476)
18	Nonoperating Income (Expense) - Net.....		(19,884)	(21,463)
19	Total Other Income (Expenses).....		(21,119)	(23,939)
20	Income (Loss) Before Taxes .....		(67,287)	26,947
21	Provision (Credit) for Income Taxes.....		(6,358)	(4,557)
22	Net Income (Loss).....		(\$60,929)	\$31,504

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# BORGATA HOTEL CASINO & SPA STATEMENTS OF CHANGES IN PARTNERS', PROPRIETOR'S OR MEMBERS' EQUITY

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2019  
AND THE SIX MONTHS ENDED JUNE 30, 2020

(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	Contributed Capital (c)	Accumulated Earnings (Deficit) (d)	(e)	Total Equity (Deficit) (f)
1	<b>Balance, December 31, 2018</b>		\$1,150,373	(\$122,999)	\$0	\$1,027,374
2	Net Income (Loss) - 2019			108,750		108,750
3	Capital Contributions.....					0
4	Capital Withdrawals.....					0
5	Partnership Distributions.....			(123,500)		(123,500)
6	Prior Period Adjustments.....					0
7	Distribution to Parent in					0
8	connection with REIT			(1,294)		(1,294)
9	Impact of ASC 842 Adoption			73,178		73,178
10	<b>Balance, December 31, 2019</b>		1,150,373	(65,865)	0	1,084,508
11	Net Income (Loss) - 2020			(72,206)		(72,206)
12	Capital Contributions.....					0
13	Capital Withdrawals.....					0
14	Partnership Distributions.....			(28,000)		(28,000)
15	Prior Period Adjustments.....					0
16	Distribution to Parent in					0
17	connection with REIT			(9,954)		(9,954)
18						0
19	<b>Balance, June 30, 2020</b>		\$1,150,373	(\$176,025)	\$0	\$974,348

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

**BORGATA HOTEL CASINO & SPA**  
**STATEMENTS OF CASH FLOWS**  
FOR THE SIX MONTHS ENDED JUNE30, 2020 AND 2019  
(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
1	CASH PROVIDED (USED) BY OPERATING ACTIVITIES..		(\$11,029)	\$73,751
	CASH FLOWS FROM INVESTING ACTIVITIES:			
2	Purchase of Short-Term Investments .....		0	0
3	Proceeds from the Sale of Short-Term Investments .....		0	0
4	Cash Outflows for Property and Equipment.....		(2,854)	(9,470)
5	Proceeds from Disposition of Property and Equipment.....		0	1
6	CRDA Obligations .....		(5,256)	(4,807)
7	Other Investments, Loans and Advances made.....		0	0
8	Proceeds from Other Investments, Loans, and Advances .....		0	0
9	Cash Outflows to Acquire Business Entities.....		0	0
10				
11				
12	Net Cash Provided (Used) By Investing Activities.....		(8,110)	(14,276)
	CASH FLOWS FROM FINANCING ACTIVITIES:			
13	Proceeds from Short-Term Debt .....		0	0
14	Payments to Settle Short-Term Debt.....		0	0
15	Proceeds from Long-Term Debt .....		0	0
16	Costs of Issuing Debt.....		0	0
17	Payments to Settle Long-Term Debt.....		0	0
18	Cash Proceeds from Issuing Stock or Capital Contributions...		0	0
19	Purchases of Treasury Stock.....		0	0
20	Payments of Dividends or Capital Withdrawals.....		0	0
21	Distributions to Parent .....		(28,000)	(72,000)
22	Finance Lease Interest Expense .....		1,727	0
23	Net Cash Provided (Used) By Financing Activities.....		(26,273)	(72,000)
24	Net Increase (Decrease) in Cash and Cash Equivalents.....		(45,412)	(12,525)
25	Cash and Cash Equivalents at Beginning of Period.....		74,629	79,620
26	Cash and Cash Equivalents at End of Period.....		\$29,217	\$67,095
	CASH PAID DURING PERIOD FOR:			
27	Interest (Net of Amount Capitalized).....		\$0	\$0
28	Income Taxes.....		\$0	\$8,350

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# BORGATA HOTEL CASINO & SPA STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019

(UNAUDITED)

(\$ IN THOUSANDS)

Line (a)	Description (b)	Notes	2020 (c)	2019 (d)
	<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
29	Net Income (Loss).....		(\$72,206)	\$50,202
30	Depreciation and Amortization of Property and Equipment...		8,497	8,932
31	Amortization of Other Assets.....		3,419	163
32	Amortization of Debt Discount or Premium.....		0	0
33	Deferred Income Taxes - Current .....		0	0
34	Deferred Income Taxes - Noncurrent .....		(7,883)	459
35	(Gain) Loss on Disposition of Property and Equipment.....		0	1
36	(Gain) Loss on CRDA-Related Obligations.....		3,651	4,859
37	(Gain) Loss from Other Investment Activities.....		(5,811)	33,508
38	(Increase) Decrease in Receivables and Patrons' Checks .....		19,864	417
39	(Increase) Decrease in Inventories .....		(349)	(160)
40	(Increase) Decrease in Other Current Assets.....		(6,491)	(6,452)
41	(Increase) Decrease in Other Assets.....		1,178	(2,924)
42	Increase (Decrease) in Accounts Payable.....		(2,812)	1,447
43	Increase (Decrease) in Other Current Liabilities .....		53,115	(19,799)
44	Increase (Decrease) in Other Liabilities .....		(19,331)	307
45	Amortization of Operating Leases .....		14,130	2,791
46				
47	Net Cash Provided (Used) By Operating Activities.....		(\$11,029)	\$73,751

## SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

	<b>ACQUISITION OF PROPERTY AND EQUIPMENT:</b>			
48	Additions to Property and Equipment.....		(\$2,854)	(\$9,470)
49	Less: Capital Lease Obligations Incurred.....			
50	Cash Outflows for Property and Equipment.....		(\$2,854)	(\$9,470)
	<b>ACQUISITION OF BUSINESS ENTITIES:</b>			
51	Property and Equipment Acquired.....			
52	Goodwill Acquired.....			
53	Other Assets Acquired - net .....			
54	Long-Term Debt Assumed.....			
55	Issuance of Stock or Capital Invested.....			
56	Cash Outflows to Acquire Business Entities.....		\$0	\$0
	<b>STOCK ISSUED OR CAPITAL CONTRIBUTIONS:</b>			
57	Total Issuances of Stock or Capital Contributions.....		\$0	\$0
58	Less: Issuances to Settle Long-Term Debt.....		0	0
59	Consideration in Acquisition of Business Entities.....		0	0
60	Cash Proceeds from Issuing Stock or Capital Contributions.....		\$0	\$0

The accompanying notes are an integral part of the financial statements.  
Valid comparisons cannot be made without using information contained in the notes.

# BORGATA HOTEL CASINO & SPA SCHEDULE OF PROMOTIONAL EXPENSES AND ALLOWANCES

FOR THE SIX MONTHS ENDED JUNE 30, 2020  
(UNAUDITED)  
(\$ IN THOUSANDS)

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	108,365	\$17,838	0	\$0
2	Food	377,873	10,112	49,366	494
3	Beverage	1,061,571	3,450	0	0
4	Travel	0	0	2,942	735
5	Bus Program Cash	0	0	0	0
6	Promotional Gaming Credits	620,096	15,502	0	0
7	Complimentary Cash Gifts	1,417,722	35,443	0	0
8	Entertainment	17,543	702	364	36
9	Retail & Non-Cash Gifts	5,974	299	3,727	932
10	Parking	225,748	212	212,203	849
11	Other	66,063	2,029	86,301	452
12	Total	3,900,954	\$85,587	354,904	\$3,498

FOR THE THREE MONTHS ENDED JUNE 30, 2020

Line (a)	Description (b)	Promotional Allowances		Promotional Expenses	
		Number of Recipients (c)	Dollar Amount (d)	Number of Recipients (e)	Dollar Amount (f)
1	Rooms	0	\$0	0	0
2	Food	0	\$0	0	0
3	Beverage	0	\$0	0	0
4	Travel	0	\$0	0	0
5	Bus Program Cash	0	\$0	0	0
6	Promotional Gaming Credits	0	\$0	0	0
7	Complimentary Cash Gifts	615,551	15,389	0	0
8	Entertainment	0	\$0	0	0
9	Retail & Non-Cash Gifts	0	\$0	0	0
10	Parking	0	\$0	0	0
11	Other	0	(\$28)	0	0
12	Total	615,551	\$15,361	0	\$0

\*No item in this category (Other) exceeds 5%.



# BORGATA HOTEL CASINO & SPA STATEMENT OF CONFORMITY, ACCURACY, AND COMPLIANCE

FOR THE QUARTER ENDED JUNE 30, 2020

1. I have examined this Quarterly Report.
2. All the information contained in this Quarterly Report has been prepared in conformity with the Division's Quarterly Report Instructions and Uniform Chart of Accounts.
3. To the best of my knowledge and belief, the information contained in this report is accurate.
4. To the best of my knowledge and belief, except for the deficiencies noted below, the licensee submitting this Quarterly Report has remained in compliance with the financial stability regulations contained in N.J.S.A. 5:12-84a(1)-(5) during the quarter.

8/17/2020

Date



Hugh Turner

VP of Finance

Title

007833-11

License Number

On Behalf of:

BORGATA HOTEL CASINO & SPA  
Casino Licensee

# Marina District Development Company, LLC



(A Wholly-Owned Subsidiary of Marina District Development Holding Co., LLC)

Notes to Financial Statements  
(Unaudited)

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## NOTE 1. BUSINESS

### *Organization*

Marina District Development Company, LLC (“MDDC” or the “Company”), is a New Jersey limited liability company and Marina District Development Holding Company (“MDDHC”) is the sole member of MDDC. MDDHC is a wholly owned subsidiary of MGM Resorts International (“MGM”).

MDDC was incorporated in July 1998 and has been operating since July 3, 2003. The Company developed, owns and operates Borgata Hotel Casino and Spa, including The Water Club at Borgata (collectively, “Borgata”). Borgata is located on a 45.6-acre site at Renaissance Pointe in Atlantic City, New Jersey. Borgata is an upscale destination resort and gaming entertainment property.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Basis of Presentation*

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). These condensed financial statements should be read in conjunction with the notes accompanying the quarterly report for the quarter ended December 31, 2019, filed on April 30, 2020.

### *Cash and Cash Equivalents*

Cash and cash equivalents include highly liquid investments with maturities of three months or less at their date of purchase and are on deposit with high credit quality financial institutions. The carrying values of these instruments approximate their fair values due to their short maturities.

Cash and cash equivalents at June 30, 2020 and 2019 included \$11,588,000 and \$5,517,000 of patrons’ internet gaming account balances that are maintained in separate New Jersey bank accounts.

### *Use of Estimates*

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

### NOTE 3. RECEIVABLES AND PATRONS' CHECKS

Receivables and patrons' checks consist of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Casino receivables (net of an allowance for doubtful accounts – 2020 \$28,506,000 and 2019 \$22,090,000)	\$ 11,046,000	\$ 28,778,000
Other (net of an allowance for doubtful accounts – 2020 \$13,000 and 2019 \$59,000)	7,779,000	12,297,000
<b>Receivables and patrons' checks, net</b>	<b>\$ 18,825,000</b>	<b>\$ 41,075,000</b>

### NOTE 4. INVESTMENT IN UNCONSOLIDATED AFFILIATE

In 2016, MGM Resorts completed a series of transactions in which the real estate assets of the Company was ultimately transferred to the Operating Partnership in exchange for partnership units pursuant to a master contribution agreement. The Operating Partnership is controlled by MGM Growth Properties LLC (“MGP”).

The Company's investment in the Operating Partnership has been accounted for under the equity method. The Company's share of income and losses from its equity method investment is included in income from unconsolidated affiliate in the statements of operations.

The Company's ownership percentage in the Operating Partnership varies as the Operating Partnership issues or redeems additional Operating Partnership units to other partners and was 9.0% and 9.4% as of June 30, 2020 and 2019, respectively.

### NOTE 5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consists of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Building and improvements	\$ 19,761,000	\$ 15,851,000
Furniture and equipment	107,518,000	95,750,000
Construction in progress	22,823,000	9,511,000
Finance lease ROU assets	26,835,000	-
<b>Total property and equipment</b>	<b>176,937,000</b>	<b>121,112,000</b>
Less accumulated depreciation	73,546,000	59,753,000
Less Finance lease ROU asset depreciation	3,805,000	-
<b>Property and equipment, net</b>	<b>\$ 99,586,000</b>	<b>\$ 61,359,000</b>

Depreciation expense was \$4,224,000 and \$4,458,000 for the three months ended June 30, 2020 and 2019, respectively, and \$8,496,000 and \$8,932,000 for the six months ended June 30, 2020 and 2019, respectively.

### NOTE 6. OTHER ACCRUED EXPENSES

Other accrued expenses consist of the following:

	<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>
Accrued payroll and related expenses	\$ 16,862,000	\$ 26,865,000
Accrued expenses and other liabilities	34,629,000	57,114,000
Self-insurance reserves	5,094,000	11,882,000
<b>Other accrued expenses</b>	<b>\$ 56,585,000</b>	<b>\$ 95,861,000</b>

## NOTE 7. OTHER CURRENT LIABILITIES

Other current liabilities consist of the following:

	June 30,	
	2020	2019
Casino related liabilities	\$ 22,585,000	\$ 17,848,000
Due to related parties (see Note 9)	94,283,000	31,143,000
Lease liabilities – current	38,157,000	35,447,000
Other	9,360,000	14,934,000
<b>Other current liabilities</b>	<b>\$ 164,385,000</b>	<b>\$ 99,372,000</b>

## NOTE 8. COMMITMENTS AND CONTIGENCIES

### *Investment Alternative Tax*

The New Jersey state law provides, among other things, for an assessment of licensees equal to 1.25% of land-based and sports related gross gaming revenues in lieu of an investment alternative tax equal to 2.5% of land-based and sports related gross gaming revenues and for an assessment of licensees equal to 2.5% of non-sports online gross gaming revenues in lieu of an Investment Alternative Tax (“IAT”) equal to 5.0% of non-sports online gross gaming revenues. Generally, the Company may satisfy this investment obligation by investing in qualified eligible direct investments, by making qualified contributions or by depositing funds with the CRDA. Funds deposited with the CRDA may be used to purchase bonds designated by the CRDA or, under certain circumstances, may be donated to the CRDA in exchange for credits against future CRDA investment obligations. CRDA bonds have terms up to fifty years and bear interest at below market rates.

### *PILOT Agreement*

On February 15, 2017, the Company, the Department of Community Affairs of the State of New Jersey and Atlantic City entered into an interim PILOT financial agreement, effective January 1, 2017. Under the PILOT agreement, commencing in 2017 and for a period of ten (10) years, Atlantic City casino gaming properties will be required to pay a prorated share of PILOT payments totaling \$120,000,000 based on a formula that accounts for gaming revenues, the number of hotel rooms and the square footage of each casino gaming property. Commencing in 2018 and each year thereafter, the \$120,000,000 base year aggregate payment may either increase to as high as \$165,000,000 (based upon industry gross gaming revenue (“GGR”) of between \$3.0 billion and \$3.4 billion) or decrease to a low of \$90,000,000 (based upon industry GGR less than \$1.8 billion) and further taking into account certain non-GGR revenue streams, with the base year \$120,000,000 industry GGR set at between \$2.2 billion and \$2.6 billion. In years in which the industry PILOT payments do not increase based upon an increase in GGR above the base year or other bracketed amounts, PILOT payments will increase 2%. For casinos whose PILOT payment exceeds their 2015 real estate tax assessment, they will receive a credit against the IAT for the first five (5) years of the PILOT agreement. As our 2015 tax assessment was \$29,087,000, we will receive quarterly reimbursements for payment amounts that are projected to cause us to exceed \$29,087,000 annually for the years 2017 through 2021.

On February 11, 2019, the Company, the Department of Community Affairs of the State of New Jersey and Atlantic City entered into an interim PILOT financial agreement, effective January 1, 2019, establishing our prorated share as \$29,200,000 for calendar year 2019.

On March 19, 2020, the Company, the Department of Community Affairs of the State of New Jersey and Atlantic City entered into an interim PILOT financial agreement, effective January 1, 2020, establishing our prorated share as \$38,992,000 for calendar year 2020.

### *Legal Matters*

The Company is subject to various claims and litigation in the ordinary course of business. In management’s opinion, all pending legal matters are either adequately covered by insurance, or if not insured, will not have a material impact on the Company’s financial position, results of operations or cash flows.

## NOTE 9. RELATED PARTY TRANSACTIONS

The Company does not pay a management fee to MGM. The Company is engaged in certain transactions with MGM and

some of its wholly owned subsidiaries. Related party balances are non-interest bearing and are included in “Other Current Liabilities” on the balance sheets.

#### **NOTE 10. SUBSEQUENT EVENTS**

The Company has evaluated subsequent events through August 17, 2020, the date these financial statements were available to be issued, and no events other than that discussed below were identified requiring further discussion in these financial statements.

The novel coronavirus (“COVID-19”) pandemic has caused, and is continuing to cause, significant economic disruption both globally and in the United States, and has, and we expect will continue to have, a significant impact on the Company’s business, financial condition and results of operations. On March 16, 2020, the property was temporarily closed to the public pursuant to state and local government requirements as a result of the unprecedented public health crisis from the COVID-19 pandemic. On July 23, 2020, the property was re-opened with limited amenities, and the Company expects to open additional venues as demand builds and if conditions permit. In addition, while the property has been able to re-open, it may be subject to temporary, complete or partial shutdowns in the future due to COVID-19. The Company has also implemented certain measures to mitigate the spread of COVID-19, including limits on the number of gaming tables allowed to operate and on the number of seats at each table game, as well as slot machine spacing, temperature checks, mask protection and other measures to enforce social distancing, including property capacity and amenity restrictions.

While the Company has engaged in cost reduction efforts in connection with the impact of COVID-19, the Company still has significant fixed and variable expenses, which will adversely affect its profitability. In addition, the Company has seen, and expects to continue to see, weakened demand as a result of continued domestic and international travel restrictions or warnings, consumer fears and reduced consumer discretionary spending and general economic uncertainty. In light of the foregoing, the Company is unable to determine when the property will return to pre-pandemic demand and pricing, or if the property will remain re-opened, but it expects that the impact of COVID-19 will have a material impact on its consolidated results of operations during 2020 and potentially thereafter.