UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **September 19, 2014**

Eldorado Resorts, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**001-36629**	**46-3657681**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

100 West Liberty Street, Suite 1150 **Reno, NV** (Address of principal executive offices)	**89501** (Zip Code)

Registrant's telephone number, including area code **(775) 328-0100**

Eclair Holding Company
c/o MTR Gaming Group, Inc.
State Route 2 South, P.O. Box 356
Chester, West Virginia 26034
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On September 19, 2014, Eldorado Resorts, Inc., formerly known as Eclair Holdings Company ("ERI") announced that MTR Gaming Group, Inc. ("MTR") and Eldorado HoldCo LLC ("HoldCo") combined their businesses through two simultaneous mergers (the "Mergers") consummated pursuant to the Agreement and Plan of Merger, dated as of September 9, 2013, as amended on November 18, 2013, February 13, 2014 and May 13, 2014, by and among MTR, HoldCo, ERI and certain affiliates of ERI and HoldCo (the "Merger Agreement"), as more fully discussed in the press release attached hereto as Exhibit 99.1 and under Item 2.01 below. In connection with the consummation of the Mergers, the Company entered into the agreements discussed below, which became effective as of the effective time of the Mergers (the "Effective Time").

Retained Interest Agreement

Recreational Enterprises, Inc. ("REI"), Hotel-Casino Management, Inc. ("HCM"), Eldorado Resorts LLC ("Resorts LLC"), Eldorado Limited Liability Company ("ELLC"), and ERI entered into a Retained Interest Agreement (the "Retained Interest Agreement"), as contemplated by the Merger Agreement.

Prior to the Effective Time, REI and HCM together owned a 3.8142% interest in ELLC, which in turn owns a 50% interest in Circus and Eldorado Joint Venture, LLC ("Silver Legacy"), which owns and operates the Silver Legacy Casino in Reno, Nevada. The remaining 96.1858% interest in ELLC had, prior

to the Effective Time, been owned by Resorts LLC. A condition to the consummation of the Mergers was that either REI and HCM completely divest their 3.8142% interest in ELLC (the "Retained Interest") or enter into the Retained Interest Agreement with Resorts LLC, ELLC and ERI. Neither REI nor HCM divested their interest in ELLC.

Pursuant to the Retained Interest Agreement, the following transactions occurred, effective as of the Effective Date:

- REI and HCM agreed to waive their rights to receive an aggregate of 373,136 shares of ERI common stock, par value $0.00001 per share ("ERI Stock"), that otherwise would have been issued to them under terms of the Merger Agreement as consideration for the consummation of the Mergers (the "Retained Consideration").

- ELLC redeemed all of Resorts LLC's interest in ELLC in exchange for a distribution to Resorts LLC of a 48.0929% interest in Silver Legacy, such that, as of the Effective Time, REI and HCM were the sole owners of ELLC, and ELLC retained a 1.9071% interest in Silver Legacy.

- HCM and REI granted to Resorts LLC a right, exercisable for three months commencing on the first business day after the first anniversary of the Effective Time, to acquire from HCM and REI all of their interests in ELLC in exchange for the issuance to HCM and REI of their respective portions of the Retained Consideration.

- Resorts LLC granted to each of HCM and REI a right, exercisable for three months commencing on the first business day after the second anniversary of the Effective Time, to put to Resorts LLC all of their interests in ELLC in exchange for the issuance to HCM and REI of their respective portions of the Retained Consideration.

Additional information regarding the terms of the Retained Interest Agreement was disclosed in "The Merger Agreement — Retained Interest Agreement" in the Registration Statement on Form S-4/A (File No. 333-192086) filed with the Securities and Exchange Commission and declared effective on June 16, 2014 (the "Registration Statement"), which information is incorporated by reference.

Non-Competition Agreement

As contemplated by the Merger Agreement, each of the prior members of HoldCo, other than NGA AcquisitionCo, LLC ("NGA"), entered into a non-competition agreement with ERI. Pursuant to such non-competition agreement, (A) each such member that owns 15% or more of the fully-diluted shares of common stock of ERI agreed, subject to specified exceptions, for a period beginning on the date that such person owns 15% or more of the fully diluted shares of common stock of ERI and ending on the first anniversary of the date that such member ceases to own at least 15% of the fully diluted shares of common stock of ERI, not to (i) own, manage, control, provide consulting services, be employed by, invest in, participate in, loan money to, or permit its name to be

used by any gaming, casino or hotel business, assets or properties located in whole or in part within 100 miles of any property owned by ERI or any of its subsidiaries (a "Competitive Activity"), (ii) hire or solicit or induce employees of ERI and its subsidiaries to leave the employ of ERI or its subsidiaries and (iii) disclose confidential information acquired by such person while an owner of an equity interest of ERI, and (B) each such member that owns 5% or more of the fully-diluted shares of common stock of ERI agreed, for a period beginning on the date that such person owns 5% or more of the fully-diluted shares of common stock of ERI and ending on the date that such member ceases to own at least 5% of the fully diluted shares of common stock of ERI, not to (i) engage in any Competitive Activity unless it has first offered the opportunity with respect to such Competitive Activity to ERI and (ii) disclose confidential information acquired by such person while an owner of an equity interest of ERI. Additional information regarding the terms of the non-competition agreement was disclosed in "The Merger Agreement — Covenants of MTR and Eldorado" in the Registration Statement, which information is incorporated by reference.

RRA Assignments

HoldCo, ERI and NGA entered into an Assignment and Assumption of Registration Rights Agreement, pursuant to which ERI assumed the obligations of HoldCo under the Registration Rights Agreement dated December 14, 2007, as amended April 1, 2009. Pursuant to the Assignment and Assumption of Registration Rights Agreement, ERI acknowledged that NGA's rights with respect to the registration of membership interests in HoldCo owned by NGA apply to the shares of ERI common stock held by NGA and assumed the obligations of HoldCo with respect to the registration of the sale of ERI common stock held by NGA. Additional information regarding the terms of the assignment and NGA's registration rights was disclosed in "Description of ERI Capital Stock— Registration Rights" in the Registration Statement, which information is incorporated by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets

On September 19, 2014, pursuant to the Merger Agreement, MTR and HoldCo combined their businesses through the consummation of the Mergers. As the result of the Mergers, MTR and HoldCo both became wholly-owned subsidiaries of ERI. In one of the Mergers (the "MTR Merger"), a wholly-owned subsidiary of ERI merged with and into MTR such that MTR was the surviving entity, and in the other of the Mergers (the "HoldCo Merger"), a different wholly-owned subsidiary of ERI merged with and into HoldCo such that HoldCo was the surviving entity. Entry into the Merger Agreement was announced by MTR on September 9, 2013, and the stockholders of MTR approved the Merger Agreement and the MTR Merger at a special meeting of MTR's stockholders held on July 18, 2014.

As a result of the Mergers, all membership interests in HoldCo, all MTR common stock, par value $0.00001 per share ("MTR Stock"), all options and rights to receive MTR Stock granted under any MTR stock plan, and all restricted stock units in respect of shares of MTR Stock (each, an "MTR RSU") that were outstanding immediately prior to the Effective Time were converted into a right to receive a total of 46,411,632 shares of ERI Stock or options to acquire ERI Stock, as follows:

- 5,785,123 shares of MTR Stock converted into a right to receive $6.05 in cash per each share of MTR Stock, and the remaining 22,600,961shares of MTR Stock issued and outstanding immediately prior to the Effective Time converted into the right to receive one share of ERI Stock per each share of MTR Stock.

- All options or other rights to acquire any number of shares of MTR Stock that had been granted under any MTR stock plan outstanding immediately prior to the Effective Time vested (to the extent not already vested) and converted into an option or right to purchase the same number of shares of ERI Stock (at the same exercise price per share as in effect prior to the Effective Time). All other terms, except vesting requirements, applicable to such MTR stock option remain the same.

- Each MTR RSU that was outstanding under any MTR stock plan (including any such MTR RSUs held in participant accounts under any employee benefit or compensation plan or arrangement of MTR) immediately prior to the Effective Time were settled in the same number of shares of ERI Stock as the number of shares of MTR Stock that were subject to such MTR RSU immediately prior to the Effective Time. No further vesting, lapse, or other restrictions under the terms of the prior award agreement applicable to such MTR RSU will apply.

- Each 1% interest in HoldCo outstanding immediately prior to the Effective Time was converted into a right to receive 236,846.28 shares of ERI Stock. Pursuant to the terms of the Retained Interest Agreement, the number of shares of ERI Stock that would have been issuable to REI and HCM in respect of their membership interest in HoldCo was reduced by an aggregate of 373,136 shares of ERI Stock, as more fully described in Item 1.01. As a result an aggregate of 23,311,492 shares of ERI Stock will be issued to the prior members of HoldCo in exchange for their respective membership interests in HoldCo. In addition, pursuant to the terms of the Merger Agreement, 330,579 of the 23,311,492 shares of ERI Stock

otherwise issuable to the prior members of HoldCo will be held in escrow to satisfy potential purchase price adjustments in favor of ERI, as more fully described in "The Merger Agreement — Merger Consideration; Conversion of Shares and Membership Interests" in the Registration Statement. If there is a purchase price adjustment in favor of ERI, a number of the escrowed shares of ERI Stock equal to the amount of the purchase price adjustment divided by $6.05 will be returned to ERI and canceled, and the remaining portion of the escrowed shares of ERI Stock, if any, will be disbursed to the prior members of HoldCo. If there is a purchase price adjustment in favor of the prior members of HoldCo, all escrowed shares of ERI Stock shall be disbursed to the prior members of HoldCo, and ERI shall issue to the prior members of HoldCo an additional number of shares of ERI Stock equal to the amount of the purchase price adjustment divided by $6.05.

The foregoing description of the Merger Agreement and the Mergers is not complete and is qualified in its entirety by reference to the Merger Agreement (as amended on November 18, 2013, February 13, 2014 and May 13, 2014) filed as Annexes A, B, C and D to the Registration Statement, each of which is incorporated herein by reference.

The issuance of the ERI Stock in the MTR Merger to the holders of MTR Stock, options and rights to receive MTR Stock and MTR RSUs was registered under the Securities Act of 1933, as amended, pursuant to the Registration Statement. The proxy statement/prospectus of MTR included in the Registration Statement contains additional information about the Mergers and is incorporated herein by reference.

The ERI Stock has been approved for listing on The NASDAQ Stock Market, LLC ("NASDAQ") under the ticker symbol "ERI" and began trading on September 19, 2014.

Item 3.02. Unregistered Sales of Equity Securities

The information set forth in Item 2.01 is incorporated by reference into this Item 3.02. The issuance of the ERI Stock in the HoldCo Merger to the prior members of HoldCo constituted a private sale and was not registered under the Securities Act of 1933, either under the Registration Statement or otherwise.

Item 3.03. Material Modification to Rights of Security Holders

In connection with the consummation of the Mergers and in accordance with the terms of the Merger Agreement as described in Item 2.01, effective as of the Effective Date, ERI's articles of incorporation and bylaws were amended and restated. Copies of the amended and restated articles of incorporation and the amended and restated bylaws are attached hereto as Exhibits 3.1 and 3.2 and are incorporated herein by reference.

The rights of the stockholders of ERI as of the Effective Time are governed by ERI's amended and restated articles of incorporation and amended and restated bylaws and the laws of the State of Nevada, including the Nevada Revised Statutes. These rights are materially different from the rights of the stockholders of MTR immediately prior to the Effective Time, which were governed by MTR's amended and restated articles of incorporation and bylaws in effect immediately prior to the Effective Time and the laws of the State of Delaware, including the Delaware General Corporate Law. A comparison of these rights was discussed in "Comparison of Stockholder Rights" in the Registration Statement, which discussion is incorporated by reference to this Item 3.03.

Item 5.01 Changes in Control of Registrant.

The information set forth in Item 2.01 and Item 5.02 is incorporated by reference into this Item 5.01.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

The Merger Agreement provides that the ERI board of directors as of the Effective Time will consist of no less than 5 persons and no more than 7 persons, each of whom are to be appointed by HoldCo, provided that at least a majority of the directors must be "independent" as defined in the rules of NASDAQ.

On September 19, 2014, each of the following persons was appointed to ERI's board of directors effective immediately prior to the Effective Time:

Gary L. Carano (Chairman)

Frank J. Fahrenkopf, Jr.
James B. Hawkins
Michael E. Pegram
Thomas Reeg
David P. Tomick
Roger P. Wagner

All of the directors, other than Gary L Carano and Thomas Reeg, are "independent" as defined in the rules of NASDAQ. No member of the MTR board of directors immediately prior the Effective Time, other than Roger P. Wagner, was appointed as a member of the ERI board of directors.

On September 19, 2014, each of the following persons was appointed to serve on the following committees of the ERI board of directors:

Name	Board Committees
Frank J. Fahrenkopf, Jr.	Nominating and Governance (chair), Compliance
James B. Hawkins	Audit, Compensation
Michael E. Pegram	Audit, Compensation, Compliance
David P. Tomick	Audit (chair), Nominating and Governance
Roger P. Wagner	Nominating and Governance, Compensation (chair)

In addition, the Compliance Committee will include two non-director members: A.J. "Bud" Hicks (who will serve as the committee chair) and Anthony Carano (general counsel of ERI and son of Gary L. Carano).

The Company expects to pay annual compensation to each of its directors equal to $50,000 in cash plus grants of equity in the Company with value equal to $75,000. The Company also expects to pay additional fees to each of its directors in connection with such director's membership or chairmanship of board committees.

On September 19, 2014, the following persons were appointed to serve as officers of ERI as of the Effective Time:

Name	Office
Gary L. Carano	Chief Executive Officer
Thomas Reeg	President
Robert M. Jones	Executive Vice President and Chief Financial Officer
Joseph L. Billhimer, Jr.	Executive Vice President and Chief Operating Officer
Anthony Carano	Executive Vice President, General Counsel and Secretary

None of executive officers of MTR immediately prior to the Effective Time, except for Joseph L. Billhimer, Jr., who had served as the President and Chief Operating Officer of MTR immediately prior to the Effective Time, was appointed as an executive officer of ERI.

Biographical and other information about Gary L. Carano, Robert M. Jones, Thomas Reeg and Joseph L. Billhimer, Jr. is provided in "The Mergers — Board of Directors and Executive Officers of ERI" in the Registration Statement, and all such information is incorporated by reference.

None of the persons named above has been party to any transaction requiring disclosure pursuant to Item 404(a) of Regulation S-K. Anthony Carano is Gary Carano's son. No other family relationships exist between any of the directors or executive officers of ERI.

The Company has not yet entered into employment agreements with any of the named executive officers, but is expected to do so following the consummation of the Mergers. Pending the consideration of the terms of the employment agreements by the compensation committee of the board of directors of ERI and finalization of employment agreements, it is expected that the Company will pay Gary L. Carano $700,000 per annum, Thomas Reeg $550,000 per annum, Robert M. Jones $400,000 per annum, Joseph L. Billhimer, Jr. $525,000 per annum and Anthony Carano $300,000 per annum. The terms of any incentive bonuses, long term incentive awards and other compensation will be set forth in the employment agreements entered into by ERI and the applicable named executive officer following consummation of the Mergers.

In accordance with the terms of the MTR Gaming Group, Inc. 2010 Long Term Incentive Plan (the "Plan") and as more fully set forth in "The Merger Agreement — Treatment of Equity-Based Awards" in the Registration Statement, upon the consummation of the Mergers, all unvested awards granted under the Plan immediately vested. In addition, in accordance with the Merger Agreement, all stock options granted under the Plan to acquire any number of shares of MTR Stock converted into stock options to acquire the same number of shares of ERI Stock on the same terms and conditions, and all MTR RSUs granted under the Plan were settled in shares of ERI Stock. Upon the consummation of the Mergers, ERI assumed the Plan from MTR in accordance with the Plan's terms.

As a result of the consummation of the Mergers and the assumption by ERI of the Plan, (x) an aggregate of 132,900 options to acquire MTR Stock held by Joseph L. Billhimer, Jr. vested (to the extent not yet vested) and were converted into stock options to acquire 132,900 shares of ERI Stock at the same exercise prices (and otherwise on the same terms); (y) an aggregate of 58,600 MTR RSUs held by Mr. Billhimer vested (to the extent not yet vested) and were settled in 40,146 shares of ERI Stock (net of tax withholding); and (z) an aggregate of 75,093 MTR RSUs held by Roger Wagner vested (to the extent not yet vested) and were settled in 75,093 shares of ERI Stock.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year

The information set forth in Item 3.03 is incorporated by reference into this Item 5.03.

Item 5.05 Amendments to the Registrant's Code of Ethics, or Waiver of a Provision of the Code of Ethics

Effective September 19, 2014, the ERI board of directors adopted a Code of Business Conduct and Ethics (the "Code of Business Conduct and Ethics"), which sets forth legal and ethical standards of conduct applicable to all directors, officers, and employees of the Company. The foregoing summary of the Code of Business Conduct and Ethics does not purport to be complete and is qualified in its entirety by reference to the full text of the Code of Business Conduct and Ethics, which is attached hereto as Exhibit 14.1 and is incorporated herein by reference. A copy of the Code of Business Conduct and Ethics may be requested, free of charge, by sending a written communication to Anthony Carano, Executive Vice President, General Counsel and Secretary, at ERI's executive offices. The Code of Business Conduct and Ethics will also be posted on the ERI's website, www.eldoradoresorts.com.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired.

HoldCo. The following audited financial statements of HoldCo (including the notes thereto) are included in the Registration Statement and are incorporated herein by reference: (i) consolidated balance sheets as of December 31, 2013 and 2012, (ii) consolidated statements of operations and comprehensive income (loss) for the years ended December 31, 2013, 2012 and 2011, (iii) consolidated statements of members' equity for the years ended December 31, 2013, 2012 and 2011, and (iv) consolidated statements of cash flows for the years ended December 31, 2013, 2012 and 2011.

The unaudited financial statements of HoldCo for the three and six months ended June 30, 2014 and 2013 are attached hereto as Exhibit 99.2.

MTR. The following audited financial statements of MTR (including the notes thereto) are incorporated by reference in the Registration Statement and also incorporated herein by reference: (i) consolidated balance sheets as of December 31, 2013 and 2012, (ii) consolidated statements of operations for the years ended December 31, 2013, 2012 and 2011, (iii) consolidated statements of comprehensive loss for the years ended December 31, 2013, 2012 and 2011, (iv) consolidated statements of stockholders' equity for the years ended December 31, 2013, 2012 and 2011, and (v) consolidated statements of cash flows for the years ended December 31,

2013, 2012 and 2011. The unaudited financial statements of MTR for the three and six months ended June 30, 2014 and 2013 are incorporated by reference from the Quarterly Report on Form 10-Q filed by MTR on August 8, 2014.

(b) Pro Forma Financial Information.

The selected unaudited pro forma condensed combined financial data for the six months ended June 30, 2014 and for the year ended December 31, 2013 will be filed pursuant to an amendment to this Current Report on Form 8-K no later than 71 days following the date of filing hereof.

(c) Shell Company Transactions.

Not Applicable

(d) Exhibits.

The following exhibits are filed with this report:

Exhibit No.	Description
3.1	Amended and Restated Articles of Incorporation of Eldorado Resorts, Inc.
3.2	Amended and Restated Bylaws of Eldorado Resorts, Inc.
14.1	Eldorado Resorts, Inc. Code of Business Conduct and Ethics
23.1	Consent of Independent Registered Public Accounting Firm of Eldorado HoldCo LLC, Ernst &Young LLP
23.2	Consent of Independent Registered Public Accounting Firm of MTR Gaming Group, Inc., Ernst & Young, LLP
99.1	Press Release
99.2	Unaudited Financial Statements of Eldorado HoldCo LLC for the three and six months ended June 30, 2014 and 2013
99.3	Selected unaudited pro forma condensed combined financial data for the six months ended June 30, 2014 and for the year ended December 31, 2013*

* To be filed by amendment.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Eldorado Resorts, Inc.

Date: September 19, 2014

By: /s/ Gary L. Carano

Name: Gary L. Carano

Title: Chief Executive Officer

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF ELDORADO RESORTS, INC.

ARTICLE I
CORPORATE NAME

The name of the corporation (the "Corporation") is Eldorado Resorts, Inc.

ARTICLE II
PRINCIPAL OFFICE

The principal office and place of business of the Corporation shall be 345 North Virginia Street, Reno, Nevada 89501 or such other location in the State of Nevada as may be determined by the Board of Directors.

ARTICLE III
CORPORATE PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the provisions of Chapter 78 of the Nevada Revised Statutes (the "NRS").

ARTICLE IV
CAPITALIZATION

A. Authorized Shares.

The Corporation is authorized to issue one hundred million (100,000,000) shares of common stock having a par value of $0.00001 per share (hereinafter referred to as "Common Stock").

B. Fully Paid and Non-Assessable.

The shares of stock issued by the Corporation, after the amount of the subscription price has been fully paid, shall not be assessable or assessed for any purpose, and no stock issued as fully paid shall ever be assessable or assessed, and these Amended and Restated Articles of Incorporation (as amended from time to time, the "Articles") shall not be amended in this particular. No stockholder of the Corporation is individually liable for the debts or liabilities of the Corporation.

C. Preemptive Rights.

No holder of shares of the Corporation shall be entitled as such, as a matter of right, whether preemptive, preferential or otherwise, to subscribe for, purchase or receive any shares of the Corporation, or any securities convertible into, exchangeable for, or carrying a right or option to purchase its shares, whether now or hereafter authorized and whether issued, sold or offered for sale by the Corporation for cash of other consideration or by way of dividend, split of shares or otherwise. This provision shall be interpreted to deny preemptive or preferential rights to the maximum extent permitted under Nevada Law.

ARTICLE V
COMMON STOCK

A. Election of Directors.

The holders of the issued and outstanding shares of Common Stock shall be entitled to notice of and to vote at any meeting of stockholders of the Corporation. Subject to Section (b) of Article VI, at any such meeting at which the directors are elected, the holders of the Common Stock shall be entitled to elect the number of directors of the Corporation who are being elected at such meeting. There shall be no right with respect to shares of stock of the Corporation to cumulate votes in the election of directors.

At all meetings of stockholders held for the purpose of electing directors, the presence, in person or by proxy, of the holders of shares representing a majority of the shares of the Common Stock entitled to vote thereat shall be required to constitute a quorum for the election of directors; provided, however, that in absence of a quorum, a majority of those holders of Common Stock who are present in person or by proxy shall have the power to adjourn the meeting for election of those directors, from time to time, without notice, other than announcement at the meeting, until the requisite number of holders of Common Stock shall be present in person or by proxy.

In the event of any vacancy among the directors elected, such vacancy may be filled by written consent or vote of a majority of the remaining directors. The term of any director elected by the remaining directors will expire at the time that the term of the director who created the vacancy would have expired.

B. Voting.

Except as otherwise provided by the NRS, each holder of Common Stock shall be entitled to one vote for each share held on all matters submitted to stockholders of the Corporation.

C. Dividends.

Subject to other provisions of these Articles or the NRS, holders of Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.

D. Liquidation Rights.

In the event of the liquidation, dissolution, or winding up of the affairs of the Corporation, whether voluntary or involuntary, holders of Common Stock shall share equally and ratably in the Corporation's assets available for distribution. A merger, conversion, exchange or consolidation of the Corporation with or into any other person or sale or transfer of all or any part of the assets of the Corporation which shall not in fact result in the liquidation of the Corporation and the distribution of assets to stockholders shall not be deemed to be a voluntary or involuntary liquidation, dissolution, or winding up of the affairs of the Corporation.

ARTICLE VI
BOARD OF DIRECTORS

A. Number of Directors.

The number of directors of the Corporation shall not be less than five (5) nor more than fifteen (15) until changed by amendment of these Articles. The exact number of members constituting the Board of Directors shall be fixed from time to time within the limits specified in these Articles by the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors.

B. Election of Directors.

Directors shall be elected by the vote of the holders of Common Stock pursuant to Article V of these Articles and as set forth in the Bylaws of the Corporation.

C. Term of Members of Board of Directors.

Each member of the Board of Directors shall serve for one year or until otherwise replaced.

D. Removal of Directors.

Notwithstanding any other provision of these Articles or the Bylaws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law), any director or the entire Board of Directors may be removed from office, with or without cause, by the affirmative vote of the holders of a majority of the outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors cast at a meeting of the stockholders called for that purpose.

ARTICLE VII
DIRECTOR AND OFFICER LIABILITY

No director or officer of the Corporation shall be liable to the Corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, except that this provision shall not eliminate or limit the liability of a director or officer for:

1. Acts of omission which involve intentional misconduct, fraud or a knowing violation of the law; or

2. In the case of directors, the payment of dividends in violation of Section 78.300 of the NRS.

If the NRS are hereafter amended to authorize the further elimination or limitation of the liability of a director or officer, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the NRS, as so amended.

Indemnification by the Corporation of directors, officers or other agents of the Corporation may be authorized by the Bylaws of the Corporation or by resolution of the Board of Directors, to the fullest extent permitted under Nevada law at the time such indemnification is granted.

The expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding shall be paid by the Corporation as they are incurred and in advance of final disposition of the action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that such director or officer is not entitled to be indemnified by the Corporation.

Any repeal or modifications of the forgoing provisions of this Article VII by the stockholders of the Corporation or of the indemnification provisions of the Bylaws by the Board of Directors or the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the liability of a director or officer of the Corporation existing prior to the time such repeal or modification becomes effective. In the event of any conflict between the provisions of this Article VII and any other provision of these Articles, the terms and provisions of this Article VII shall control.

ARTICLE VIII
INCORPORATOR

(The name and address of the incorporator is intentionally omitted)

ARTICLE IX
EXISTENCE

The Corporation shall have perpetual existence.

ARTICLE X
COMPLIANCE WITH GAMING LAWS

Section 1. Definitions. For purposes of this Article X, the following terms shall have the meanings specified below:

(a) "Affiliate" shall mean a Person who, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, a specified Person. For the purpose of this Section 1(a) of Article X, "control," "controlled by" and "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract, or otherwise. "Affiliated Companies" shall mean those partnerships, corporations, limited liability companies, trusts or other entities that are Affiliates of the Corporation, including, without limitation, subsidiaries, holding companies and intermediary companies (as those and similar terms are defined in the Gaming Laws of the applicable gaming Jurisdictions) that are registered or licensed under applicable Gaming Laws.

(b) "Gaming" or "Gaming Activities" shall mean the conduct of gaming and gambling activities, or the use of gaming devices, equipment and supplies in the operation of a gaming establishment or other enterprise, including, without limitation, race books, sports pools, slot machines, gaming devices, lottery devices, gaming tables, cards, dice, gaming chips, player tracking systems, cashless wagering systems and associated equipment and supplies.

(c) "Gaming Authorities" shall mean all federal, state, local and other regulatory and licensing bodies and agencies with authority over Gaming within any Gaming Jurisdiction in which the Corporation or any of its Affiliated Companies do business.

(d) "Gaming Laws" shall mean all laws, statutes, ordinances and regulations pursuant to which any Gaming Authority possesses regulatory and licensing authority over Gaming within any Gaming Jurisdiction, and all orders, decrees, rules and regulations promulgated by such Gaming Authority thereunder.

(e) "Gaming Licenses" shall mean all licenses, permits, approvals, authorizations, registrations, findings of suitability, franchises, concessions and entitlements issued by a Gaming Authority necessary for or relating to the conduct of Gaming Activities.

(f) "Own," "Ownership" or "Control" (and derivatives thereof) shall mean (i) ownership of record, (ii) "beneficial ownership" as defined in Rule 13d-3 promulgated by the United States Securities and Exchange Commission (as now or hereafter amended), or (iii) the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person or the disposition of Securities, by agreement contract, agency or other manner.

(g) "Person" shall mean an individual, partnership, corporation, limited liability company, trust or any other entity.

(h) "Redemption Date" shall mean the date specified in the Redemption Notice as the date on which the shares of the Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person are to be redeemed by the Corporation.

(i) "Redemption Notice" shall mean that notice of redemption given by the Corporation to an Unsuitable Person or an Affiliate of an Unsuitable Person pursuant to this Article X. Each Redemption Notice shall set forth (i) the Redemption Date, (ii) the number and type of shares of the Securities to be redeemed, (iii) the Redemption Price and the manner of payment therefor, (iv) the place where any certificates for such chares shall be surrendered for payment and (v) any other requirements of surrender of the certificates, including how they are to be endorsed, if at all.

(j) "Redemption Price" shall mean the price to be paid by the Corporation for the Securities to be redeemed pursuant to this Article X, which shall be that price (if any) required to be paid by the Gaming Authority making the finding of unsuitability, or if such Gaming Authority does not require a certain price to be paid that amount determined by the Board of Directors to be the fair value of the Securities to be redeemed; provided, however, that the price per share represented by the Redemption Price shall in no event be in excess of the closing sales price per share of the shares on the principal national securities exchange on which such shares are then listed on the trading date on the day before the Redemption Notice is deemed given by the Corporation to the Unsuitable Person or Affiliate of an Unsuitable Person or, if such shares are not then listed for trading on any national securities exchange, then the closing sales price of such shares as quoted in the NASDAQ Market or SmallCap Market or, if the shares are not then so quoted, then the mean between the representative bid and the ask price as quoted by any other generally recognized reporting system. The Redemption Price may be paid in cash, by promissory note, or both as required by the applicable Gaming Authority and, if not so required, as the Board of Directors determines. Any Promissory note shall contain such terms and conditions as the Board of Directors determines necessary or advisable, including without limitation, subordination provisions, to comply with any law or regulation applicable to the Corporation or any Affiliate of the Corporation or to prevent a default under, breach of, event of default under or acceleration of any loan, Promissory note, mortgage, indenture, line of credit of other debt or financing agreement of the Corporation or any Affiliate of the Corporation. Subject to the forgoing, the principal amount of the promissory note together with any unpaid interest shall be due and payable no later than the tenth anniversary of delivery of the note and interest on the unpaid principal thereof shall be payable annually in arrears at the rate of 2% per annum.

(k) "Securities" shall mean the capital stock of the Corporation as described in Article IV hereof.

(l) "Unsuitable Person" shall mean a Person who (i) is determined by a Gaming Authority to be unsuitable to Own or Control any Securities or unsuitable to be connected or affiliated with a Person engaged in Gaming Activities in a Gaming Jurisdiction, or (ii) causes the Corporation or any Affiliated Company to lose or to be threatened with the loss of any Gaming License, or (iii) in the sole discretion of the Board of Directors of the Corporation, is deemed likely to jeopardize the Corporation's or any Affiliated Company's

application for, receipt of approval for, right to the use of, or entitlement to, any Gaming License.

Section 2. Finding of Unsuitability.

(a) The Securities Owned or Controlled by an Unsuitable Person or an Affiliate of an Unsuitable Person shall be subject to redemption by the Corporation, out of funds legally available therefor, by action of the Board of Directors, to the extent deemed necessary or advisable by the Board of Directors. If a Gaming Authority requires the Corporation, or the Board of Directors deems it necessary or advisable, to redeem any such Securities, the Corporation shall give a Redemption Notice to the Unsuitable Person or its Affiliate and shall purchase on the Redemption Date the number of Shares of the Securities specified in the Redemption Notice for the Redemption Price set forth in the Redemption Notice. From and after the Redemption Date, such Securities shall no longer be deemed to be outstanding, such Unsuitable Person or any Affiliate of such Unsuitable Person shall cease to be a stockholder with respect to such shares and all rights of such Unsuitable Person or any Affiliate of such Unsuitable Person therein, other than the right to receive the Redemption Price, shall cease. Such Unsuitable Person or its Affiliate shall surrender all certificates representing any shares to be redeemed in accordance with the requirements of the Redemption Notice.

(b) Commencing on the date that a Gaming Authority serves notice of a determination of unsuitability or the Board of Directors determines that a Person is an Unsuitable Person, and until the Securities Owned or Controlled by such Person are Owned or Controlled by a Person who is not an Unsuitable Person, the Unsuitable Person or any Affiliate of an Unsuitable Person shall not be entitled to: (i) receive any dividend or interest with regard to the Securities, (ii) to exercise, directly or indirectly or through any proxy, trustee, or nominee, any voting or other right conferred by such Securities, and such Securities shall not for any purposes be included in the shares of capital stock of the Corporation entitled to vote, or (iii) receive any remuneration in any form from the Corporation or any Affiliated Company for services rendered or otherwise.

Section 3. Notices. All notices given by the Corporation pursuant to this Article, including Redemption Notices, shall be in writing and may be given by mail, addressed to the Person at such Person's address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed given personally or by telegram, facsimile, telex or cable.

Section 4. Indemnification. Any Unsuitable Person and any Affiliate of and Unsuitable Person shall indemnify and hold harmless the Corporation and its Affiliated Companies for any and all losses, costs and expenses, including attorney's fees, incurred by the Corporation and its Affiliated Companies as a result of, or arising out of, such Unsuitable Person's or Affiliate's continuing Ownership or Control of Securities, the neglect, refusal or other failure to comply with the provisions of this Article X, or failure to promptly divest itself of any Securities when required by the Gaming Laws or this Article X.

Section 5. Injunctive Relief. The Corporation is entitled to injunctive or other equitable relief in any court of competent jurisdiction to enforce the provisions of this Article X and each holder of the Securities of the Corporation shall be deemed to have acknowledged, by acquiring the Securities of the Corporation, that the failure to comply with this Article X will expose the Corporation to irreparable injury for which there is not adequate remedy at law and that the Corporation is entitled to injunctive or other equitable relief to enforce the provisions of this Article.

Section 6. Non-exclusivity of Rights. The Corporation's Rights of redemption provided in this Article X shall not be exclusive of any other rights the Corporation may have or hereafter acquire under any agreement, provision of the Bylaws or otherwise.

Section 7. Further Actions. Nothing contained in this Article X shall limit the Authority of the Board of Directors to take such other action to the extent permitted by law as it deems necessary or advisable to protect the Corporation or its Affiliated Companies from the denial or threatened denial or loss or threatened loss of any Gaming License of the Corporation or any of its Affiliated Companies. Without limiting the generality of the forgoing, the Board of Directors may conform any provisions of this Article X to the extent necessary to make such a provision consistent with Gaming Laws. In addition, the Board of Directors may, to the extent permitted by law, from time to time establish, modify, amend or rescind bylaws, regulations, and procedures of the Corporation not inconsistent with the express provisions of this Article X for the purpose of determining whether any Person is an Unsuitable Person and for the orderly application, administration and implementation of the provisions of this Article X. Such procedures and regulations shall be kept on file with the Secretary of the Corporation, the Secretary of its Affiliated Companies and with the transfer agent, if any, of the Corporation and any Affiliated Companies, and shall be made available for inspection by the public and, upon request mailed to any holder of Securities. The Board of Directors shall have exclusive authority and power to administer this Article X and to exercise all rights and powers specifically granted to the Board of Directors or the Corporation, or as may be necessary or advisable in the administration of this Article X. All such actions which are done or made by the Board of Directors in good faith shall be final, conclusive and binding on the Corporation and all other Persons; provided, however, that the Board of Directors may delegate all or any portion of its duties and powers under this Article X to a committee of the Board of Directors as it deems necessary or advisable.

Section 8. Severability. If any provision of this Article X or the application of any such provision to any Person or under any circumstance shall be held invalid, illegal, or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision of this Article X.

Section 9. Termination and Waivers. Except as may be required by any applicable Gaming Law or Gaming Authority, the Board of Directors may waive any of the rights of the Corporation or any restrictions contained in this Article X in any instance in which the Board of Directors determines that a waivers would be in the best interests of the Corporation. The Board of Directors may terminate any rights of the Corporation or restrictions set forth in this Article X to the extent that the Board of Directors determines that any such termination is in

the best interests of the Corporation. Except as may be required by a Gaming Authority, nothing in this Article X shall be deemed or construed to require the Corporation to repurchase any Securities Owned or Controlled by an Unsuitable Person of an Affiliate of an Unsuitable Person.

AMENDED AND RESTATED
BYLAWS OF ELDORADO RESORTS, INC.

(a Nevada corporation)

ARTICLE 1

Offices

SECTION 1.1. Principal Office. The principal offices of the corporation shall be 345 North Virginia Street, Reno, Nevada, or such other location in the State of Nevada as the Board of Directors may determine.

SECTION 1.2. Other Offices. The corporation may also have offices at such other places both within and without the State of Nevada as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE 2

Meetings of Stockholders

SECTION 2.1. Place of Meeting. All meetings of stockholders shall be held at such place, either within or without the State of Nevada, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

SECTION 2.2. Annual Meetings. The annual meeting of stockholders shall be held at such date and time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

SECTION 2.3. Special Meetings. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by the Nevada Revised Statutes (''NRS'') or by the Articles of Incorporation of the corporation, as amended (the "Articles of Incorporation"), may be called by the President or by the Board of Directors and shall be called by the President at the request in writing of stockholders owning not less than ten percent (10%) of the entire capital stock of the corporation issued and outstanding and entitled to vote. Such request shall state the purposes of the proposed meeting. The officers or directors shall fix the time and any place, either within or without the State of Nevada, as the place for holding such meeting.

SECTION 2.4. Notice of Meeting. Written notice of the annual and each special meeting of stockholders, stating the time, place and purpose or purposes thereof, shall be given to each stockholder entitled to vote thereat, not less than ten (10) nor more than sixty (60) days before the meeting and shall be signed by the Chairman of the Board, the President or the Secretary of the corporation.

SECTION 2.5. Business Conducted at Meetings. At a meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before a meeting, business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Chairman of the Board, the President or the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements, for business to be properly brought before a meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not less than forty-five (45) days nor more than

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seventy-five (75) days prior to the anniversary of the date on which the corporation first mailed its proxy materials for the previous year's annual meeting of stockholders (or the date on which the corporation mails its proxy materials for the current year if during the prior year the corporation did not hold an annual meeting or if the date of the annual meeting was changed more than thirty (30) days from the prior year). A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the meeting, (b) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Notwithstanding anything in the bylaws to the contrary, no business shall be conducted at a meeting except in accordance with the procedures set forth in this Section 2.5; provided, however, that nothing in this Section 2.5 shall be deemed to preclude discussion by any stockholder of any business properly brought before the meeting in accordance with said procedure. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 2.5, and if he or she should so determine, he or she shall so declare to the meeting. Any such business not properly brought before the meeting shall not be transacted. Nothing in this Section 2.5 shall affect the right of a stockholder to request inclusion of a proposal in the corporation's proxy statement to the extent that such right is provided by an applicable rule of the Securities and Exchange Commission ("SEC").

SECTION 2.6. Nomination of Directors. Nomination of candidates for election as directors of the corporation at any meeting of stockholders called for the election of directors, in whole or in part (an "Election Meeting"), may be made by the Board of Directors or by any stockholder entitled to vote at such Election Meeting, in accordance with the following procedures:

2.6.1. Nominations made by the Board of Directors shall be made at a meeting of the Board of Directors or by written consent of the directors in lieu of a meeting prior to the date of the Election Meeting. At the request of the Secretary of the corporation, each proposed nominee shall provide the corporation with such information concerning himself or herself as is required, under the rules of the SEC, to be included in the corporation's proxy statement soliciting proxies for his or her election as a director.

2.6.2. Not less than sixty (60) days prior to the date of the Election Meeting, any stockholder who intends to make a nomination at the Election Meeting shall deliver a notice to the Secretary of the corporation setting forth (a) the name, age, business address and the residence address of each nominee proposed in such notice, (b) the principal occupation or employment of such nominee, (c) the number of shares of capital stock of the corporation which are beneficially owned by each such nominee, and (d) such other information concerning each such nominee as would be required, under the rules of

the SEC, in a proxy statement soliciting proxies for the election of such nominees. Such notice shall include a signed consent of each such nominee to serve as a director of the corporation, if elected.

2.6.3. In the event that a person is validly designated as a nominee in accordance with this Section 2.6 and shall thereafter become unable or unwilling to stand for election to the Board of Directors, the Board of Directors or the stockholder who proposed such nominee, as the case may be, may designate a substitute nominee, provided, however, that if the date of the Election Meeting in question has been publicly disclosed prior to the requested substitution, such substitution may not, without the consent of the Board of Directors, be made unless it can be made in accordance with applicable requirements of the SEC without any resulting delay in the scheduled Election Meeting, unless such substitution is required by the NRS, SEC regulations or other laws, rules or regulations applicable to the corporation.

2.6.4. If the Chairman of the Election Meeting determines that a nomination was not made in accordance with the foregoing procedures, such nomination shall be void.

SECTION 2.7. Quorum. The holders of a majority of the shares of capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy (regardless of whether the proxy has authority to vote on each matter at such meeting), shall constitute a quorum at any meeting of stockholders for the transaction of business, except when stockholders are required to vote by class, in which event a majority of the issued and outstanding shares of the appropriate class shall be present in person or by proxy (regardless of whether the proxy has authority to vote on each matter at such meeting), and except as otherwise provided by the NRS or by the Articles of Incorporation. Notwithstanding any other provision of the Articles of Incorporation or these bylaws, the holders of a majority of the shares of capital stock entitled to vote thereat, present in person or represented by proxy (regardless of whether the proxy has authority to vote on each matter at such meeting), whether or not a quorum is present, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 2.8. Voting. When a quorum is present at any meeting of the stockholders, an action by the stockholders is approved if the number of votes cast in favor of the action exceeds the number of votes cast in opposition to the action, unless the action is one upon which, by express provision of applicable law, of the Articles of Incorporation or of these bylaws (including, without limitation, Section 3.2), a different vote is required, in which case such express provision shall govern and control the vote required to approve such action. Every stockholder having the right to vote shall be entitled to vote in person, or by proxy (a) appointed by an instrument in writing subscribed by such stockholder or by his or her duly authorized attorney or (b) authorized by the transmission of an electronic record by the stockholder to the person who will be the holder of the proxy or to a firm which solicits proxies or like agent who is authorized by the person who will be the holder of the proxy to receive the transmission subject to any procedures the Board of Directors may adopt from time to time to determine that the electronic record is authorized by the stockholder; provided, however, that no such proxy shall be valid after the expiration of six (6) months from the date of its execution, unless coupled with an interest, or unless the person executing it specifies therein the length of time for which it is to continue in force, which in no case shall exceed seven (7) years from the date of its execution. If such instrument or record shall designate two (2) or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one (1) be present, then such powers may be exercised by that one (1). Unless required by the NRS or determined by the Chairman of the meeting to be advisable, the vote on any matter need not be by written ballot. No stockholder shall have cumulative voting rights.

SECTION 2.9. Consent of Stockholders. Any action required or permitted by the NRS to be taken at any meeting of the stockholders may be taken without a meeting, without prior notice, and without a vote if the action is evidenced by one or more written consents, which may be signed in counterparts, describing the action taken, signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Any such action by written consent shall be effective upon the date specified in the consent so long as written consents signed by a sufficient number of stockholders are delivered to the corporation in the manner specified above within sixty days of the earliest dated consent. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. A written consent of the stockholders given in accordance with this section has thesame force and effect as a vote of such stockholders and may be stated as such in any document. The record date for determining stockholders entitled to take action without a meeting is set forth in Section 2.12.

SECTION 2.10. Voting of Stock of Certain Holders. Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaws of such corporation may prescribe, or in the absence of such provision, as the Board of Directors of such corporation may determine. Shares standing in the name of a deceased person may be voted by the executor or administrator of such deceased person, either in person or by proxy. Shares standing in the name of a guardian, conservator or trustee may be voted by such fiduciary, either in person or by proxy, but no such fiduciary shall be entitled to vote shares held in such fiduciary capacity without a transfer of such shares into the name of such fiduciary. Shares outstanding in the name of a receiver may be voted by such receiver. A stockholder whose shares are pledged shall be entitled to vote such shares, unless in the transfer by the pledgor on the books of the corporation, he or she has expressly empowered the pledgee to vote thereon, in which case only the pledgee, or his or her proxy, may represent the stock and vote thereon.

SECTION 2.11. Treasury Stock. The corporation shall not vote, directly or indirectly, shares of its own stock owned by it; and such shares shall not be counted in determining the total number of outstanding shares.

SECTION 2.12. Fixing Record Date. The Board of Directors may fix in advance a date for any meeting of stockholders (which date shall not be more than sixty (60) nor less than ten (10) days preceding the date of any such meeting of stockholders), a date for payment of any dividend or distribution, a date for the allotment of rights, a date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining a consent of stockholders (which date shall not precede or be more than ten (10) days after the date the resolution setting such record date is adopted by the Board of Directors), in each case as a record date (the “Record Date”) for the determination of the stockholders entitled to notice of, and to vote at, any such meeting and any adjournment thereof, to receive payment of any such dividend or distribution, to receive any such allotment of rights, to exercise the rights in

respect of any such change, conversion or exchange of capital stock, or to give such consent, as the case may be. In any such case such stockholders and only such stockholders as shall be stockholders of record on the Record Date shall be entitled to such notice of and to vote at any such meeting and any adjournment thereof, to receive payment of such dividend or distribution, to receive such allotment of rights, to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such Record Date.

ARTICLE 3

Board of Directors

SECTION 3.1. Powers. The business and affairs of the corporation shall be managed by its Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

SECTION 3.2. Number, Election and Term. The number of directors which shall constitute the whole Board of Directors shall be not less than five (5) and not more than fifteen (15). Within the limits above specified, the number of the directors of the corporation shall be determined by resolution of the Board of Directors. All directors shall be elected annually. Except as provided in Section 3.3, directors shall be elected at the annual meeting of stockholders by a plurality of the votes cast at the applicable election and each director shall hold office until his or her successor is elected and qualified. The composition of the Board of Directors and the committees thereof shall comply with applicable requirements of the NRS, the SEC and NASDAQ Stock Market, or such other organization, association or entity with which any class of the corporation's securities are listed. Directors need not be residents of Nevada or stockholders of the corporation.

SECTION 3.3. Vacancies, Additional Directors and Removal From Office. If any vacancy occurs in the Board of Directors caused by death, resignation, retirement, disqualification or removal from office of any director, or otherwise, or if any new directorship is created by an increase in the authorized number of directors, a majority of the directors then in office, though less than a quorum, or a sole remaining director, may choose a successor or fill the newly created directorship. Any director so chosen shall hold office for the unexpired term of his or her predecessor in his or her office and until his or her successor shall be elected and qualified, unless sooner displaced. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. Any director or the entire Board of Directors may be removed from office, with or without cause, by the affirmative vote of the holders of a majority of the outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors (considered for this purpose as one class) cast at a meeting of the stockholders called for that purpose.

SECTION 3.4. Regular Meetings. A regular meeting of the Board of Directors shall be held each year, without notice other than this bylaw provision, at the place of, and immediately following, the annual meeting of stockholders; and other regular meetings of the Board of Directors shall be held during each year, at such time and place as the Board of Directors may from time to time provide by resolution, either within or without the State of Nevada, without other notice than such resolution.

SECTION 3.5. Special Meeting. A special meeting of the Board of Directors may be called by the Chairman of the Board or by the President and shall be called by the Secretary on the written request of any two (2) directors. The Chairman of the Board or President so calling, or the directors so requesting, any such meeting shall fix the time and any place, either within or without the State of Nevada, as the place for holding such meeting.

SECTION 3.6. Notice of Special Meeting. Written notice of special meetings of the Board of Directors shall be given to each director at least forty-eight (48) hours prior to the time of a special meeting. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting solely for the purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, except that notice shall be given with respect to any matter when notice is required by the NRS.

SECTION 3.7. Quorum. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the act of a majority of the directors present at any meeting at which there is quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by the NRS, by the Articles of Incorporation or by these bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 3.8. Action Without Meeting. Unless otherwise restricted by the Articles of Incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof as provided in Article IV of these bylaws, may be taken without a meeting, if a written consent thereto is signed by all (or such lesser proportion as may be permitted by the NRS) of the members of the Board of Directors or of such committee, as the case may be.

SECTION 3.9. Meeting by Telephone. Any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken by means of a meeting by telephone conference or similar communications method so long as all persons participating in the meeting can

hear each other. Any person participating in such meeting shall be deemed to be present in person at such meeting.

SECTION 3.10. Compensation. Directors, as such, may receive reasonable compensation for their services, which shall be set by the Board of Directors, and expenses of attendance at each regular or special meeting of the Board of Directors; provided, however, that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving additional compensation therefor. Members of special or standing committees may be allowed like compensation for their services on committees.

ARTICLE 4

Committees of Directors

SECTION 4.1. Executive Committee. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate an executive committee of the Board of Directors (the "Executive Committee"). If such a committee is designated by the Board of Directors, it shall be composed of members who are directors, and the members of the Executive Committee shall be designated by the Board of Directors in the resolution appointing the Executive Committee. Thereafter, the Board of Directors shall designate the members of the Executive Committee on an annual basis at its first regular meeting held pursuant to Section 3.4 of these bylaws after the annual meeting of stockholders or as soon thereafter as conveniently possible. The Executive Committee shall have and may exercise all of the powers of the Board of Directors during the period between meetings of the Board of Directors except as reserved to the Board of Directors or as delegated by these bylaws or by the Board of Directors to another standing or special committee or as may be prohibited by law.

SECTION 4.2. Audit Committee. An audit committee of the Board of Directors (the "Audit Committee") shall consist of at least three (3) directors designated annually by the Board of Directors at its first regular meeting held pursuant to Section 3.4 of these bylaws after the annual meeting of stockholders or as soon thereafter as conveniently possible. The Audit Committee shall consist solely of directors who are "independent" as determined under the corporate governance standards of the NASDAQ Stock Market applicable to the corporation and satisfy the requirements of SEC Rule 10A-3. At least one of the members of the Audit Committee shall be determined by the Board of Directors to be an "audit committee financial expert" as defined in SEC Rule 407(d)(5). Members of the Audit Committee shall review and supervise the financial controls of the corporation, make recommendations to the Board of Directors regarding the corporation's auditors, review the books and accounts of the corporation, meet with the officers of the corporation regarding the corporation's financial controls, act upon recommendations of the auditors and take such further action as the Audit Committee deems necessary to complete an audit of the books and accounts of the corporation.

SECTION 4.3. Compensation and Stock Option Committee. The compensation and stock option committee of the Board of Directors (the "Compensation and Stock Option Committee") shall consist of two (2) or more directors to be designated annually by the Board of Directors at its first regular meeting held pursuant to Section 3.4 of these bylaws after the annual meeting of stockholders or as soon thereafter as conveniently possible. Each member of the Compensation and Stock Option Committee shall be "independent" as determined under the corporate governance standards of the NASDAQ Stock Market applicable to the corporation. The Compensation and Stock Option Committee shall review with management cash and other compensation policies for employees, shall determine the compensation of the Chief Executive Officer and each of the other executive officers of the corporation and shall make recommendations to the Chief Executive Officer regarding the compensation to be established for all other officers of the corporation. In addition, the Compensation and Stock Option Committee shall have full power and authority to administer the corporation's stock plans and, within the terms of the respective stock plans, determine the terms and conditions of issuances thereunder.

SECTION 4.4. Directors' Nominating Committee. A directors' nominating committee of the Board of Directors (the "Nominating Committee") shall be designated annually by the Board of Directors at its first regular meeting held pursuant to Section 3.4 of these bylaws after the annual meeting of stockholders or as soon thereafter as conveniently possible. The Nominating Committee shall consist solely of directors who are "independent" as determined under the corporate governance standards of the NASDAQ Stock Market applicable to the corporation. The members of the Nominating Committees shall evaluate and select or recommend to the Board of Directors candidates to fill positions on the Board of Directors.

SECTION 4.5. Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, designate one (1) or more additional special or standing committees, each such additional committee to consist of one (1) or more of the directors of the corporation. Each such committee shall have and may exercise such of the powers of the Board of Directors in the management of the business and affairs of the corporation as may be provided in such resolution, except as delegated by these bylaws or by the Board of Directors to another standing or special committee or as may be prohibited by law. Notwithstanding any provision to the contrary, each such committee shall comply with applicable requirements of the NRS, the SEC and NASDAQ Stock Market, or such other organization, association or entity with which any class of the corporation's securities are listed.

SECTION 4.6. Committee Operations. A majority of a committee shall constitute a quorum for the transaction of any committee business. Such committee or committees shall have such name or names and such limitations of authority as provided in these bylaws or as may be determined from time to time by resolution adopted by the Board of Directors. The corporation shall pay all expenses of committee operations. The Board of Directors may designate one (1) or more appropriate directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of any members of such committee or committees, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another appropriate member of the Board of Directors to act at the meeting in the place of any absent or disqualified member.

SECTION 4.7. Minutes. Each committee of directors shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. The corporation's Secretary, any Assistant Secretary or any other designated person shall (a) serve as the Secretary of the special or standing committees of the Board of Directors of the corporation, (b) keep regular minutes of standing or special committee proceedings, (c) make available to the Board of Directors, as required, copies of all resolutions adopted or minutes or reports of other actions recommended or taken by any such standing or special committee and (d) otherwise as requested keep the members of the Board of Directors apprised of the actions taken by such standing or special committees.

ARTICLE 5

Notices

SECTION 5.1. Methods of Giving Notice.

5.1.1. Notice to Directors or Committee Members. Whenever under the provisions of the NRS, the Articles of Incorporation or these bylaws, notice is required to be given to any director or member of any committee of the Board of Directors, personal notice is not required but such notice may be (a) given in writing and mailed to such director or member, (b) sent by electronic transmission to such director or member, or (c) given orally or by telephone or telecopy; provided, however, that any notice from a stockholder to any director or member of any committee of the Board of Directors must be given in writing and mailed to such director or member and shall be deemed to be given upon receipt by such

director or member. If mailed, notice to a director or member of a committee of the Board of Directors shall be deemed to be given when deposited in the United States mail first class, or by overnight courier, in a sealed envelope, with postage thereon prepaid, addressed, to such person at his or her business Address. If sent by electronic transmission, notice to a director or member of a committee of the Board of Directors shall be deemed to be given if by (i) telecopy, when receipt of the telecopy is confirmed electronically, (ii) electronic mail, when directed to an electronic mail address of the director or member, (iii) a posting on an electronic network together with a separate notice to the director or member of the specific posting, upon the later of (1) such posting and (2) the giving of the separate notice (which notice may be given in any of the manners provided above), or (iv) any other form of electronic transmission, when directed to the director or member.

5.1.2. Notice to Stockholders. Whenever under the provisions of the NRS, the Articles of Incorporation or these bylaws, notice is required to be given to any stockholder, personal notice is not required but such notice may be given (a) in writing and mailed to such stockholder or (b) by a form of electronic transmission consented to by the stockholder to whom the notice is given. If mailed, notice to a stockholder shall be deemed to be given when deposited in the United States mail in a sealed envelope, with postage thereon prepaid, addressed to the stockholder at the stockholder's address as it appears on the records of the corporation. If sent by electronic transmission, notice to a stockholder shall be deemed to be given if by (i) telecopy, when directed to a number at which the stockholder has consented to receive notice, (ii) electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice, (iii) a posting on an electronic network together with a separate notice to the stockholder of the specific posting, upon the later of (1) such posting and (2) the giving of the separate notice (which notice may be given in any of the manners provided above), or (iv) any other form of electronic transmission, when directed to the stockholder.

SECTION 5.2. Written Waiver. Whenever any notice is required to be given by the NRS, the Articles of Incorporation or these bylaws, a waiver thereof in a signed writing or sent by the transmission of an electronic record signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 5.3. Consent. Whenever all parties entitled to vote at any meeting, whether of directors or stockholders, consent, either by a writing on the records of the meeting or filed with the Secretary, or by presence at such meeting and oral consent entered on the minutes, or by taking part in the deliberations at such meeting without objection, the actions taken at such meeting shall be as valid as if had at a meeting regularly called and noticed. At such meeting any business may be transacted which is not excepted from the written consent or to the consideration of which no objection for lack of notice is made at the time, and if any meeting be irregular for lack of notice or such consent, provided a quorum was present at such meeting, the proceedings of such meeting may be ratified and approved and rendered valid and the irregularity or defect therein waived by a writing signed by all parties having the right to vote thereat. Such consent or approval, if given by stockholders, may be by proxy or power of attorney, but all such proxies and powers of attorney must be in writing.

ARTICLE 6

Officers

SECTION 6.1. Officers. The officers of the corporation shall include the Chairman of the Board and the President, as elected or appointed by the Board of Directors; shall further include the Secretary and the Treasurer, as elected or appointed by the Board of Directors, Chairman of the Board, Executive Committee or President; may include the Chief Executive Officer, as elected or appointed by the Board of Directors; and may further include, without limitation, such other officers and agents, including, without limitation, a Chief Financial Officer, one or more Vice Presidents (anyone or more of which may be designated Senior Executive Vice President, Executive Vice

President or Senior Vice President), Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers, as the Board of Directors, Chairman of the Board, Executive Committee or President deem necessary and elect or appoint. All officers of the corporation shall hold their offices for such terms and shall exercise such powers and perform such duties as prescribed by these bylaws, the Board of Directors, Chairman of the Board, Executive Committee or President, as applicable. Any two (2) or more offices may be held by the same person. No officer shall execute, acknowledge, verify or countersign any instrument on behalf of the corporation in more than one (1) capacity, if such instrument is required by law, by these bylaws or by any act of the corporation to be executed, acknowledged, verified or countersigned by two (2) or more officers. The Chairman of the Board shall be elected from among the directors. With the foregoing exception, none of the other officers need be a director, and none of the officers need be a stockholder of the corporation. Notwithstanding anything herein to the contrary, the Board of Directors may delegate to any officer of the corporation the power to appoint other officers and to prescribe their respective duties and powers.

SECTION 6.2. Election and Term of Office. The officers of the corporation shall be elected or ratified annually by the Board of Directors at its first regular meeting held after the annual meeting of stockholders or as soon thereafter as conveniently possible (or, in the case of those officers elected or appointed other than by the Board of Directors, ratified at the Board of Directors' first regular meeting held following their election or appointment or as soon thereafter as conveniently possible). Other than the Chairman of the Board, President and Chief Executive Officer, who shall each be elected or appointed by the Board of Directors, all other officers of the corporation may be elected or appointed by the Board of Directors, Chairman of the Board, Executive Committee or President. Each officer shall hold office until his or her successor shall have been chosen and shall have qualified or until his or her death or the effective date of his or her resignation or removal, or until he or she shall cease to be a director in the case of the Chairman of the Board.

SECTION 6.3. Removal and Resignation. Any officer or agent may be removed, either with or without cause, by the affirmative vote of a majority of the Board of Directors and, other than the Chairman of the Board, President and Chief Executive Officer, may also be removed, either with or without cause, by action of the Chairman of the Board, Executive Committee or President whenever, in its or their judgment, as applicable, the best interests of the corporation shall be served thereby, but such removal shall be without prejudice to the contractual rights, if any, of the person so removed. Any executive officer or other officer or agent may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6.4. Vacancies. Any vacancy occurring in any required office of the corporation by death, resignation, removal or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

SECTION 6.5. Compensation. The compensation of the Chief Executive Officer shall be determined by the Compensation and Stock Option Committee. Compensation of all other officers of the corporation shall be determined by the Chief Executive Officer in consultation with the Compensation and Stock Option Committee. No officer who is also a director shall be prevented from receiving such compensation by reason of his or her also being a director.

SECTION 6.6. Chairman of the Board and Chief Executive Officer. The Chairman of the Board (who may also be designated as Executive Chairman if serving as an employee of the corporation) (the "Chairman of the Board") shall preside at all meetings of the Board of Directors and of the stockholders of the corporation. In the Chairman of the Board's absence, the duties as Chairman of the Board shall be attended to by any vice chairman of the Board of Directors, or if

there is no vice chairman, or such vice chairman is absent, then by the President. The Chairman of the Board shall also hold the position of Chief Executive Officer of the corporation and shall, in general, perform such duties as usually pertain to the position of chief executive officer and such other duties as may be prescribed by the Board of Directors. He or she shall formulate and submit to the Board of Directors or the Executive Committee matters of general policy for the corporation and shall perform such other duties as usually appertain to the office or as may be prescribed by the Board of Directors. He or she may sign with the President or any other officer of the corporation thereunto authorized by the Board of Directors certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors, and any deeds or bonds, which the Board of Directors or the Executive Committee has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated or reserved by these bylaws or by the Board of Directors or the Executive Committee to some other officer or agent of the corporation, or shall be required by law to be otherwise executed.

SECTION 6.7. President. The President, subject to the control of the Board of Directors, the Executive Committee, and the Chairman of the Board, shall in general supervise and control the business and affairs of the corporation. The President shall keep the Board of Directors, the Executive Committee and the Chairman of the Board fully informed as they or any of them shall request and shall consult them concerning the business of the corporation. He or she may sign with the Chairman of the Board or any other officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of capital stock of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors, and any deeds, bonds, mortgages, contracts, checks, notes, drafts or other instruments which the Board of Directors or the Executive Committee has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these bylaws or by the Board of Directors or the Executive Committee to some other officer or agent of the corporation, or shall be required by law to be otherwise executed. In general, he or she shall perform all other duties normally incident to the office of the President, except any duties expressly delegated to other persons by these bylaws, the Board of Directors, or the Executive Committee, and such other duties as may be prescribed by the stockholders, Chairman of the Board, the Board of Directors or the Executive Committee, from time to time.

SECTION 6.8. Vice Presidents. In the absence of the President, or in the event of his or her inability or refusal to act, the Senior Executive Vice President (or in the event there shall be more than one Vice President designated Senior Executive Vice President, any Senior Executive Vice President designated by the Board of Directors), or in the event of the Senior Executive Vice President's inability or refusal to act, the Executive Vice President (or in the event there shall be more than one such officer, any such officer designated by the Board of Directors) shall perform the duties and exercise the powers of the President. Any Vice President authorized by resolution of the Board of Directors to do so, may sign with any other officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of capital stock of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors. The Vice Presidents shall perform such other duties as from time to time may be assigned to them by the Chairman of the Board, the Board of Directors, the Executive Committee or the President.

SECTION 6.9. Secretary. The Secretary shall (a) keep the minutes of the meetings of the stockholders, the Board of Directors and committees of directors; (b) see that all notices are duly given in accordance with the provisions of these bylaws and as required by law; (c) be custodian of the corporate records and of the seal of the corporation, and see that the seal of the corporation or a facsimile thereof is affixed to all certificates for shares prior to the issuance thereof and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these bylaws; (d) keep or cause to be kept a register of the post office address of each stockholder which shall be furnished by such stockholder; (e) have general charge of other stock transfer books of the corporation; and (f) in general, perform all duties normally

incident to the office of the Secretary and such other duties as from time to time may be assigned to him or her by the Chairman of the Board, the President, the Board of Directors or the Executive Committee.

SECTION 6.10. Treasurer. The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of Section 7.3 of these bylaws; (b) prepare, or cause to be prepared, for submission at each regular meeting of the Board of Directors, at each annual meeting of stockholders, and at such other times as may be required by the Board of Directors, the Chairman of the Board, the President or the Executive Committee, a statement of financial condition of the corporation in such detail as may be required; and (c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Chairman of the Board, the President, the Board of Directors or the Executive Committee. If required by the Board of Directors or the Executive Committee, the Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board of Directors or the Executive Committee shall determine.

SECTION 6.11. Assistant Secretary or Treasurer. The Assistant Secretaries and Assistant Treasurers shall, in general, perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chairman of the Board, the President, the Board of Directors or the Executive Committee. The Assistant Secretaries or Assistant Treasurers shall, in the absence of the Secretary or Treasurer, respectively, perform all functions and duties which such absent officers may delegate, but such delegation shall not relieve the absent officer from the responsibilities and liabilities of his or her office. The Assistant Treasurers shall respectively, if required by the Board of Directors or the Executive Committee, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors or the Executive Committee shall determine.

SECTION 6.12. Chief Executive Officer. The Chief Executive Officer shall, in general, perform such duties as usually pertain to the position of chief executive officer and such duties as may be prescribed by the Board of Directors.

SECTION 6.13. Chief Financial Officer. The Chief Financial Officer shall, in general, perform such duties as usually pertain to the position of chief financial officer and such duties as may be prescribed by the Board of Directors.

ARTICLE 7

Execution of Corporate Instruments and Voting of Securities Owned by the Corporation

SECTION 7.1. Contracts. Subject to the provisions of Section 6.1, the Board of Directors or the Executive Committee may authorize any officer, officers, agent or agents to enter into any contract or execute and deliver an instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 7.2. Checks, etc. All checks, demands, drafts or other orders for the payment of money, and notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers or such agent or agents of the corporation, and in such manner, as shall be determined by the Board of Directors or the Executive Committee.

SECTION 7.3. Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Chairman of the Board, the President or the Treasurer may be empowered by the

Board of Directors or the Executive Committee to select or as the Board of Directors or the Executive Committee may select.

SECTION 7.4. Voting of Securities Owned by Corporation. All stock and other securities of any other corporation owned or held by the corporation for itself, or for other parties in any capacity, and all proxies with respect thereto shall be executed by the person authorized to do so by resolution of the Board of Directors or, in the absence of such authorization, by the Chairman of the Board, the Chief Executive Officer, the President or any Vice President.

ARTICLE 8

Shares of Stock

SECTION 8.1. Issuance. Each stockholder of this corporation shall be entitled to a certificate or certificates showing the number of shares of stock registered in his or her name on the books of the corporation. The certificates shall be in such form as may be determined by the Board of Directors or the Executive Committee, shall be issued in numerical order and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and the number of shares and shall be signed by the Chairman of the Board and the President or such other officers as may from time to time be authorized by resolution of the Board of Directors. Any or all the signatures on the certificate may be a facsimile. The seal of the corporation shall be impressed, by original or by facsimile, printed or engraved, on all such certificates. In case any officer who has signed or whose facsimile signature has been placed upon any such certificate shall have ceased to be such officer before such certificate is issued, such certificate may nevertheless be issued by the corporation with the same effect as if such officer had not ceased to be such officer at the date of its issue. If the corporation shall be authorized to issue more than one (1) class of stock or more than one (1) series of any class, the designation, preferences and relative participating, option or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class of stock; provided that except as otherwise provided by the NRS, in lieu of the foregoing requirements there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish to each stockholder who so requests the designations, preferences and relative participating, option or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and rights. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in the case of a lost, stolen, destroyed or mutilated certificate a new certificate (or uncertificated shares in lieu of a new certificate) may be issued therefor upon such terms and with such indemnity, if any, to the corporation as the Board of Directors may prescribe. In addition to the above, all certificates (or uncertificated shares in lieu of a new certificate) evidencing shares of the corporation's stock or other securities issued by the corporation shall contain such legend or legends as may from time to time be required by the NRS, the Nevada Gaming Commission Regulations, or the statutes and regulations of any other gaming jurisdiction in which the corporation or any of its affiliates has operations, which are then in effect.

SECTION 8.2. Lost Certificates. The Board of Directors may direct that a new certificate or certificates (or uncertificated shares in lieu of a new certificate) be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates (or uncertificated shares in lieu of a new certificate), the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his or her legal representative, to advertise the same in such manner as it shall require or to give the corporation a bond in such sum as it may direct as indemnity against any

claim that may be made against the corporation with respect to the certificate or certificates alleged to have been lost, stolen or destroyed, or both.

SECTION 8.3. Transfers. In the case of shares of stock represented by a certificate, upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books. Transfers of

shares shall be made only on the books of the corporation by the registered holder thereof, or by his or her attorney thereunto authorized by power of attorney and filed with the Secretary of the corporation or the transfer agent.

SECTION 8.4. Registered Stockholders. The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Nevada.

SECTION 8.5. Uncertificated Shares. The Board of Directors may approve the issuance of uncertificated shares of some or all of the shares of any or all of its classes or series of capital stock.

ARTICLE 9

Dividends

SECTION 9.1. Declaration. Dividends upon the capital stock of the corporation, subject to the provisions of the Articles of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of capital stock, subject to the provisions of the Articles of Incorporation.

SECTION 9.2. Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE 10

Indemnification

SECTION 10.1. Third Party Actions. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including amounts paid in settlement and attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best

interests of the corporation, and with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 10.2. Actions by or in the Right of the Corporation. The corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation. No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged by a court of competent jurisdiction to be liable to the corporation or for amounts paid in settlement to the corporation, unless and only to the extent that the court in which such action or suit was brought or other court of competent jurisdiction shall determine upon application that in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

SECTION 10.3. Successful Defense. To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 10.1 or 10.2, or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection with the defense.

SECTION 10.4. Determination of Conduct. Any indemnification under Section 10.1 or 10.2 (unless ordered by a court or advanced pursuant to Section 10.5) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. Such determination shall be made (a) by the stockholders, (b) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, (c) by independent legal counsel in a written opinion if a majority vote of a quorum consisting of directors who were not parties to the act, suit or proceedings so orders, or (d) by independent legal counsel in a written opinion if a quorum consisting of directors who were not parties to the act, suit or proceeding cannot be obtained.

SECTION 10.5. Payment of Expenses in Advance. Expenses incurred in defending a civil or criminal action, suit or proceeding shall be paid by the corporation as they are incurred and in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it is ultimately determined by a court of competent jurisdiction that he or she is not entitled to be indemnified by the corporation. The provisions of this Section 10.5 do not affect any rights to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law.

SECTION 10.6. Indemnity Not Exclusive. The indemnification and advancement of expenses authorized herein or ordered by a court shall not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the Articles of Incorporation, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in his or her official capacity or an action in another capacity while holding his or her office, except that indemnification, unless ordered by a court pursuant to Section 10.2 or for the advancement of expenses made pursuant to Section 10.5, may not be made to or on behalf of any director or officer if a final adjudication establishes that his or her acts or omissions involved intentional

misconduct, fraud or a knowing violation of the law and was material to the cause of action. The indemnification and advancement of expenses shall continue for a person who has ceased

to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

SECTION 10.7. The Corporation. For purposes of this Article 10, references to "the corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers and employees or agents. Accordingly, any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under and subject to the provisions of this Article 10 (including, without limitation, the provisions of Section 10.4*)* with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE 11

Miscellaneous

SECTION 11.1. Seal. The corporate seal shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Nevada." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

SECTION 11.2. Books. The books of the corporation may be kept within or without the State of Nevada (subject to any provisions contained in the NRS) at such place or places as may be designated from time to time by the Board of Directors or the Executive Committee.

SECTION 11.3. Fiscal Year. The fiscal year of the corporation shall begin the first day of January of each year or upon such other day as may be designated by the Board of Directors.

SECTION 11.4. Certain Acquisitions by Fiduciaries. The provisions of NRS 78.378 to NRS 78.3793 do not apply to (i) an Acquisition by a person acting in a fiduciary capacity from another person acting in a fiduciary capacity for the same beneficiaries (and pursuant to the same instrument) or (ii) an Acquisition by the spouse of a person acting in a fiduciary capacity or by a relative of such fiduciary within the first, second or third degree of consanguinity, provided that such Acquisition is pursuant to the instrument creating such fiduciary relationship. "Acquisition" has the meaning set forth in NRS 78.3783, and the term "fiduciary" has the meaning set forth in the Uniform Fiduciaries Act as adopted in the State of Nevada.

ARTICLE 12

Amendment

These bylaws may be altered, amended, or repealed at any regular meeting of the stockholders (or at any special meeting thereof duly called for such purpose) by the affirmative vote of holders of a majority of the entire capital stock of the corporation issued and outstanding and entitled to vote. Subject to the laws of the State of Nevada, the Board of Directors may, by majority vote of those present at any meeting at which a quorum is present, alter, amend or repeal these bylaws, or enact such other bylaws as in their judgment may be advisable for the regulation of the conduct of the affairs of the corporation, unless the stockholders, in altering, amending or repealing a particular bylaw, provide expressly that the directors may not alter, amend or repeal such bylaw.

Eldorado Resorts, Inc.

Code of Ethics and Business Conduct

This Code of Ethics and Business Conduct, which includes our Conflicts of Interest Policy attached as Exhibit A hereto (collectively, the "Code"), embodies the commitment of Eldorado Resorts, Inc. and its subsidiaries (the "Company") to conduct business in accordance with all applicable laws, rules and regulations, and ethical standards. All employees, officers, and members of our Board of Directors are expected to adhere to those principals and procedures set forth in the Code that apply to them. We also expect the consultants that we retain generally to abide by the Code.

The Code includes standards that are designed to deter wrongdoing and to promote:

(1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

(2) Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "SEC") and in other public communications made by the Company;

(3) Compliance with applicable governmental laws, rules and regulations;

(4) The prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and

(5) Accountability for adherence to the Code.

Section I

A. Implementation and Oversight of The Code

The Company's Board of Directors (the "Board") is ultimately responsible for the implementation of the Code. The Board has designated the Company's General Counsel to be the compliance officer (such person, or such other person as the Board may subsequently designate as the compliance officer, the "Compliance Officer") for the implementation and administration of the Code, provided, however, that notwithstanding any provision to the contrary in this Code, any matter submitted to the Audit Committee of the Company's Board of Directors pursuant to the Company's Whistleblower Hotline Policy and Procedures shall not be reviewed or otherwise administered by the Compliance Officer unless so directed by the Audit Committee.

Questions regarding the application or interpretation of the Code are inevitable. Directors, officers, employees and consultants of the Company should direct all questions to the Compliance Officer.

The Code, and all amendments of the Code, will be included in the Company's periodic filings with the SEC and will be available on the Company's website.

Statements in the Code to the effect that certain actions may be taken only with the "Company's approval" mean that the Compliance Officer must give prior written approval before the proposed action may be undertaken. The Compliance Officer will act in a manner that is consistent with the requirements and spirit of the Code.

The Code should be read in conjunction with the Company's other policy statements, including, without limitation, the Company's Whistleblower Hotline Policy and Procedures, Conflicts of Interest Policy, Company's Securities Trading Policy and Gaming Compliance Policy.

Periodic training may be provided regarding the contents and importance of the Code and related policy statements and the manner in which violations must be reported and waivers must be requested.

B. Honest and Ethical Conduct

One person's dishonest or unethical conduct can harm the Company's reputation and compromise the trust that the public and our shareholders have in the Company. For that reason, each director, officer, employee and consultant must be familiar with and comply with the Code. Compliance with the Code - and therefore all laws and regulations - forms the foundation of honest and ethical conduct. Accordingly, compliance with the Code is not simply expected; it is mandatory. In addition, the Company expects that directors, officers, employees and consultants of the Company will:

- Establish an example by their behavior as a model for others subject to the Code.
- Sustain a culture where honest and ethical conduct is recognized, valued and exemplified by all directors, officers, employees, consultants and other representatives of the Company.
- Personally participate in, and where applicable, lead compliance efforts through meetings with others subject to the Code and monitor compliance matters and programs.
- Raise and encourage others to raise concerns and questions about ethical conduct and integrity.

The Company will take such disciplinary or preventive action as it deems appropriate to address any existing or potential violation of the Code brought to its attention. The Company's Conflicts of Interest Policy, which is attached to the Code as Exhibit A, is an integral part of the Code and all Company directors, officers, employees and consultants should conduct themselves in accordance with its requirements and spirit.

A personal conflict of interest occurs when an individual's private interest improperly interferes with the interests of the Company. Personal conflicts of interest are prohibited as a matter of Company policy, unless they have been approved by the Company. In particular, a

director, officer, employee, or consultant must never use his or her position with the Company to obtain any improper personal benefit for himself or herself, for his or her family members, or for any other person, including loans or guarantees of obligations, from any person or entity, provided, however, that the Code is not intended to prohibit doing business with vendors, service providers, licensed lenders and the like who do business with the Company, so long as one does not exploit his or her position with the Company to obtain preferential treatment and so long as any such actions are not in violation of any applicable law or regulation (including, without limitation, SEC and Nasdaq rules).

Service to the Company should never be subordinated to personal gain and advantage. Conflicts of interest, unless properly waived by the Company, must be avoided.

Any director, officer, employee or consultant who is aware of a transaction or relationship that could reasonably be expected to give rise to a conflict of interest should disclose and discuss the matter fully and promptly with the Compliance Officer, provided however, that alternatively, any complaint may be reported anonymously as provided by the Company's Whistleblower Policy and Procedures referenced herein.

C. Full, Fair, Accurate, Timely and Understandable Public Disclosure

It is the Company's policy that the information in its public communications, including SEC filings, be full, fair, accurate, timely, and understandable. All directors, officers, employees and consultants who are involved in the Company's disclosure process are responsible for acting in furtherance of this policy. In particular, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors. Our disclosures should comply with the letter and the spirit of applicable law.

All directors, officers, employees and consultants must follow these guidelines:

- Act honestly, ethically and with integrity.
- Comply with the Code.
- Endeavor to ensure full, fair, timely, accurate and understandable disclosure in the Company's filings with the SEC.
- Through communication, make sure that others at the Company understand the Company's obligations to the public and under the law with respect to its disclosures, including that results are never more important than compliance with the law.
- Encourage others at the Company to raise questions and concerns regarding the Company's public disclosures and ensure that such questions and concerns are appropriately addressed.

- Provide the Company's directors, officers, employees, consultants and advisors involved in the preparation of the Company's disclosures to the public with information that is accurate, complete, objective, relevant, timely and understandable.
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing such person's independent judgment to be subordinated by others.
- Proactively promote honest and ethical behavior among peers in the work environment.
- Achieve proper and responsible use of and control over Company assets and resources.
- Record or participate in the recording of entries in the Company's books and records that are accurate.
- Comply with the Company's disclosure controls and procedures, internal controls and procedures for financial reporting and other policy statements.

D. Compliance with Laws, Rules, and Regulations

It is the Company's policy to comply with all applicable laws, rules, and regulations. Some laws carry criminal penalties. It is the personal responsibility of each director, officer, employee and consultant to adhere to the standards and restrictions imposed by those laws, rules, and regulations. The Company expects each director, officer, employee and consultant to refrain from any illegal, dishonest, or unethical conduct.

Generally, it is both illegal and against Company policy for any director, officer, employee and consultant who is aware of material nonpublic information relating to the Company, any of the Company's customers or any other private or governmental issuer of securities to buy or sell any securities of those issuers, or recommend that another buy, sell or hold the securities of those issuers. It is the Company's policy for all directors, officers, employees and consultants to comply with the Company's Securities Trading Policy. Any director, officer, employee or consultant with questions regarding these types of transactions should contact the Compliance Officer.

E. Internal Reporting Procedure

Each director, officer, employee, and consultant must report promptly to the Compliance Officer the existence of any outside association, interest, relationship or activity, as it arises, that actually, potentially or apparently involves a conflict of interest violation (or suspected violation) of the Code. Failure

to report such relationships, activities, interests or violations will be a ground for disciplinary action.

Subject to the provisions of the Code, the Compliance Officer will review disclosures of any actual, potential or apparent violation of the Code and determine the appropriate manner by which the Company's approval or disapproval would be provided. Each director, officer, employee, and consultant must cooperate fully in the review process by providing all information that the Compliance Officer deems necessary to conduct an effective review. Company actions

with respect to the conflict of interest or potential conflict of interest will take into account the spirit of the Code.

Upon becoming employed by or associated with the Company each director, officer, employee, and consultant must sign a statement reflecting awareness and understanding of the Code, including the Conflicts of Interest Policy ("Ethics Statement"). At the same time, each director, officer, employee and consultant must report either the absence or presence of actual, potential or apparent conflicts of interest. The Company may from time to time request that any such person affirm his or her awareness of the Code and Conflicts of Interest Policy by delivering an updated Ethics Statement. A form of Ethics Statement is attached as Exhibit B hereto.

All interests, relationships or participation in transactions disclosed by any director, officer, employee or consultant in accordance with this policy shall be held in confidence unless the best interests of the Company dictate otherwise.

F. Accountability

All who are subject to the Code are responsible for complying with it and for reporting any known or suspected violations of it. The Company recognizes that such a mandate may not be meaningful without an accompanying provision for accountability and discipline of violations of the Code.

Subject to the terms of the Code, reported violations of the Code will be investigated, addressed promptly and treated confidentially to the extent possible. The Company will strive to impose discipline for each Code violation that fits the nature and particular facts of the violation. The Company uses a system of progressive discipline and generally will issue warnings or letters of reprimand for less significant, first-time violations. Violations of a more serious nature may result in termination of employment or suspension without pay, demotion, loss or reduction of bonus or option awards, or any combination of such disciplinary measures.

Violations of the Code that go unaddressed are treated by the SEC as implicit waivers of the Code. Accordingly, any violation that is discovered and not addressed will have to be disclosed in accordance with the rules and regulations of the SEC or applicable listing standards. In such cases, the SEC's rules will require disclosure of the nature of any violation, the date of the violation and the name of the person who committed the violation. Such disclosure would be harmful to the Company and the individuals involved in the violation.

Subject to the provisions of the Code and the Company's Whistleblower Policy and Procedures, all investigations of reported violations of the Code will be supervised by the Compliance Officer. A violation shall be deemed to have occurred and appropriate consequences shall be determined only by the Board of Directors, any of its committees, or such other person designated by the Board to act on its behalf.

Section II

A. Corporate Opportunities

Directors, officers and employees owe a duty to the Company to advance the Company's legitimate business interests when the opportunity to do so arises. Directors, officers and employees are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information, or position unless previously approved by the Board. More generally, directors, officers, employees and consultants are prohibited from using corporate property, information, or position for personal gain or competing with the Company.

Sometimes the line between personal and Company benefits may be difficult to discern. The only prudent course of conduct for our directors, officers, employees and consultants is to make sure that any use of Company property or services that is not solely for the benefit of the Company is approved beforehand through the Compliance Officer.

B. Confidentiality

In carrying out the Company's business, directors, officers, employees and consultants often learn confidential or proprietary information about the Company, its customers, or other third parties. Directors, officers, employees and consultants must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information includes, among other things, any non-public information concerning the Company, including its business relationships, financial performance, results or prospects, personnel information, guest information, compensation data, computer processes, customer lists, marketing strategies, pending projects or proposals, and any non-public information provided by a third party with the expectation that the information be kept confidential and used solely for the business purpose for which it was conveyed. Directors, officers, employees and consultants should refer to the Company's Legal Department for more detailed guidance on this topic.

C. Fair Dealing

The successful business operation and reputation of the Company are built upon the principals of fair dealing and ethical conduct. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations as well as a scrupulous regard for standards of conduct and personal integrity consistent with this Code. We do not seek competitive advantages through illegal or unethical business practices. Each director, officer, employee and consultant should endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors, and other

employees. No director, officer, employee or consultant should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

D. Equal Employment Opportunity and Harassment

Our focus in personnel decisions is on merit and contribution to the Company's success. Concern for the personal dignity and individual worth of every person is an indispensable element in the standard of conduct that we have set for ourselves. The Company affords equal employment opportunity to all qualified persons without regard to any impermissible criterion or

circumstances. This means equal opportunity in regard to each individual's terms and conditions of employment and in regard to any other matter that affects in any way the working environment of the employee. We do not tolerate or condone any type of discrimination prohibited by law, including harassment.

E. Protection and Proper Use of Company Assets

All employees, officers, directors, and consultants should protect the Company's assets and ensure their efficient use. All Company assets should be used for legitimate business purposes only.

F. Outside Activities/Employment

Any outside association, including activities with other entities, should not encroach on the time and attention any director, officer or employee is expected to devote to his or her Company duties and responsibilities, adversely affect the quality or quantity of his or her work product or entail his or her use of any Company assets, including its real and personal property, or imply (without the Company's approval) the Company's sponsorship or support. In addition, under no circumstances is any director, officer or employee permitted to compete with the Company.

Section III

Waivers and Amendments of The Code

From time to time, the Board may amend the Code or waive certain provisions of the Code. Any such amendment shall be disclosed in the manner and within the time required by applicable laws, regulations, rules and listing standards. Any requests for a waiver of any provision of the Code must be submitted in writing to the Compliance Officer for review. If a waiver of any provision of the Code is granted, the Company must publicly disclose the nature of the granted waiver, including any implicit waiver, the name of the person requesting the waiver, the date of the waiver and any other disclosures as and to the extent required by any rule of the SEC or applicable listing standard. Waivers of any provision of the Code may be made only by the Board.

Section IV

Anonymous Reporting of Violations

Any violation of the Code and any violation by the Company or its directors, officers, employees or consultants of the securities laws, rules or regulations or other laws, rules or regulations applicable to the Company may be reported anonymously using any one of the methods described in the Company's Whistleblower Hotline Policy and Procedures, including, without limitation, the making of a phone call to a whistleblower hotline at 800-418-6482, extension 687. All such calls shall be subject to the Company's Whistleblower Hotline Policy and Procedures. A copy of the Company's Whistleblower Hotline Policy and Procedures is available on the Company's website, in employee break rooms and on employee bulletin boards.

Section V

Certain Relationships and Related Transactions

Any proposed transaction between the Company and a related party, or in which a related party would have a direct or indirect material interest, must be promptly disclosed to the Compliance Committee of the Company. The Compliance Committee is required to disclose such proposed transactions promptly to the Company's Audit Committee.

Transactions with related parties must be approved by the Audit Committee of the Board of Directors. Any director having an interest in the transaction is not permitted to vote on such transaction. The Audit Committee will determine whether or not to approve such transaction on a case by case basis and in accordance with the provisions of the Audit Committee Charter and the Code. A "related party" is any of the following:

- an executive officer of the Company;
- a director (or director nominee) of the Company;
- an immediate family member of any executive officer or director (or director nominee);
- a beneficial owner of five percent or more of any class of the Company's voting securities;
- an entity in which one of the above described persons has a substantial ownership interest or control of such entity; or
- any other person or entity that would be deemed to be a related person under Item 404 of SEC Regulation S-K or applicable Nasdaq rules and regulations.

EXHIBIT A

ELDORADO RESORTS, INC.

CONFLICTS OF INTEREST POLICY

I. GENERAL STATEMENT OF POLICY

It is the policy of Eldorado Resorts, Inc. and its subsidiaries (the "Company") that directors, officers and employees ("covered persons") at all levels be free from any interest, influence or relationship that might conflict, or appear to conflict, with the best interests of the Company, and that they perform their work with undivided loyalty as measured by the highest standards of law and ethics. The existence of an actual or potential conflict of interest depends on specific facts. The principles discussed here are intended to alert covered persons to the possibilities and furnish general guidance. In any uncertain situation, the covered persons should immediately discuss the matter fully and frankly with his/her supervisor. Where there is any doubt as to the existence of a conflict of interest, the situation should be disclosed fully, in writing, to the Company Compliance Officer.

II. SCOPE OF COVERAGE

This policy applies to both direct and indirect interests of a covered person and members of his or her immediate family. It extends to transactions by any person who may act on behalf of such covered person or family members in connection with such interests. In general, a covered person will be regarded as having a beneficial interest in any property owned or any transactions entered into by such covered person's spouse or minor children.

Further, this policy is applicable to all parts of the Company including all domestic and foreign subsidiaries and affiliated companies.

A. Common Conflict of Interest Situations

The following sections describe a number of common categories of conflicts of interest. They illustrate the application of Company policy to certain particular situations where conflicts are most likely to arise. They are not all-inclusive, however, and do not cover all possible situations where conflicts might occur in violation of Company policy:

B. Relationships with Vendors, Purchasers and Competitors of the Company

Any covered person who holds any position or employment with, or who receives any compensation, credits or loans from, or who owns or acquires, directly or indirectly, a beneficial interest in, or rights to the profits of income of, any concern he or she has reason to believe may supply products or services to, or purchase from, or compete with, the Company, is required to disclose the full details concerning such interest or relationship. In such circumstances, a conflict may arise if such covered person is in a position to influence decisions with respect to any Company transaction involving such other party and if the interest or relationship is such that it might bring into question such covered person's continued ability to make independent, impartial judgments in the Company's best interest. In this connection, the mere ownership of

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securities of a vendor, purchaser or competitor which are listed on a stock exchange or publicly traded in a recognized over-the-counter market and amounting to less than one percent of the class outstanding, need not be reported.

C. Gifts or Favors

Acceptance of money, gifts or favors from an individual or concern which a covered person has reason to believe may transact business, or may seek to transact business, with the Company, will constitute violation of this policy, unless such gift or favor is of a nominal nature and extent ($100 or less) and is considered normal and customary under the circumstances. All offers of gifts or favors beyond this policy should be immediately reported to the employee's supervisor, in the case of a covered person who is an employee, and to the Company's Compliance Officer.

D. Sensitive Payments

The use of the Company funds or assets by employees for any unlawful purpose is strictly prohibited. Covered persons shall not:

1. Establish for any purpose undisclosed or unrecorded funds or assets of the Company.

2. Make false or artificial entries in the books and records of the Company for any reason.

3. Engage in any arrangement that results in such prohibited acts.

Any covered person having information or knowledge of any unrecorded fund or asset or any prohibited act shall promptly report such matter to the Compliance Officer.

E. Foreign Transactions and Payments

Having due regard for the responsibilities relating to international operations, it is the Company's policy that all covered persons and agents comply with the ethical standards and applicable legal requirements of the Foreign Corrupt Practices Act and of each foreign country in which business is conducted.

The Foreign Corrupt Practices Act makes it a criminal offense for a United States company or agent acting on its behalf to pay anything of value to any foreign government official to influence any official action in securing, retaining, or directing business. This prohibition applies to bribes, kick-backs or

like payments made directly to such foreign officials or indirectly through seemingly legitimate payments such as commissions or consulting fees paid to overseas agents or representatives.

F. Political Campaign Contributions

Political campaign contributions include direct expenditures or contributions, in cash or property, to candidates for nomination or election to public office or to political parties, as well as indirect assistance or support such as the furnishing of goods, services or equipment, or other political fund-raising events.

No political campaign contributions shall be made by the Company in cash or by any other means whereby the amount or origin of the contribution cannot be readily established by reference to the documents and records of the Company. All contributions shall be made to the candidates authorized campaign committee, or to a political party, or to other recipients who may legally receive such contributions and all reporting requirements of the state or local jurisdictions shall be complied with. Each contribution shall be clearly recorded on the Company's books as a political campaign contribution or its equivalent and shall not be deducted for federal, state or local income tax purposes unless authorized under applicable law.

The Foreign Corrupt Practices Act also prohibits contributions to foreign political parties or candidates for foreign political office for the purpose of influencing their actions to secure, retain or direct business. The prohibition applies regardless of whether the contribution is lawful under the laws of the country in which it is made. Accordingly, company policy strictly prohibits any payments with corporate funds, to, or any use of corporate assets for the benefit of, any foreign political party or candidate for political office.

III. SUMMARY OF GENERAL OBLIGATIONS OF EMPLOYEES

Under this policy, covered persons are responsible for:

- Full and immediate disclosure of any interest which they or members of their immediate families have at the time of association with the Company, or acquire during such covered person's association with the Company, which create or appear to create a possible conflict with the Company's interests. In furtherance of this, all new employees will be routinely provided a copy of the Conflicts of Interest Policy and will be required to execute a signed acknowledgement of its receipt; and

- Taking any actions regarded by the company as being necessary to eliminate or satisfactorily regulate a conflict of interest situation.

IV. FAILURE TO COMPLY

Failure to comply with this policy and procedures can result in disciplinary actions up to and including termination of employment, and/or initiation of appropriate legal action.

V. FURNISHING DISCLOSURE INFORMATION

With respect to any disclosure information furnished in accordance with the Company's Conflicts of Interest Policy, the Company will endeavor to properly protect such information.

EXHIBIT B

ELDORADO RESORTS, INC.

CODE OF ETHICS AND BUSINESS CONDUCT CONFIRMATION STATEMENT

Date:

I, hereby confirm the following statements to Eldorado Resorts, Inc. (the "Company"):

(1) I am a director, officer, employee or consultant of the Company and/or one of its subsidiaries.

(2) I have read and I understand the Company's Code of Ethics and Business Conduct (the "Code"), including its Conflicts of Interest Policy.

(3) There is no actual, potential or apparent conflict of interest between myself or any of my immediate family members and the Company (or any of its subsidiaries) that would violate the Code, except

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(4) I understand that the Code and all amendments to the Code are available for my review on the Company's website and upon request from the Company's Corporate Secretary.

_____

(Signature)

(Name)

(Title)

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Current Report on Form 8-K of Eldorado Resorts, Inc. of our report dated March 14, 2014, with respect to the consolidated financial statements of Eldorado HoldCo LLC and subsidiary for the year ended December 31, 2013 included in the Registration Statement on Form S-4/A (No. 333-192086) of Eclair Holdings Company, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Las Vegas, Nevada
September 17, 2014

EXHIBIT 23.2

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in this Current Report on Form 8-K of Eldorado Resorts, Inc. of our reports dated March 14, 2014, with respect to the consolidated financial statements and schedule of MTR Gaming Group, Inc., and the effectiveness of internal control over financial reporting of MTR Gaming Group, Inc., included in its Annual Report (Form 10-K) for the year ended December 31, 2013, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Pittsburgh, Pennsylvania
September 17, 2014

FOR IMMEDIATE RELEASE

Eldorado Resorts Completes Merger with MTR Gaming Group

Reno, NV — September 19, 2014 — Eldorado Resorts, Inc. (NASDAQ: ERI) ("Eldorado" or the "Company") announced today that it has successfully completed its merger with MTR Gaming Group, Inc. ("MTR").

The combined company, which has been renamed Eldorado Resorts, Inc., will trade on the NASDAQ Global Select Market beginning today under the ticker symbol "ERI." MTR Gaming has ceased to be a publicly traded company and its common stock has discontinued trading on NASDAQ.

With the completion of the merger, the combined company owns and operates six properties across Nevada, Ohio, West Virginia, Louisiana, and Pennsylvania with a combined 3,300 hotel rooms, 280 table games, 32 restaurants, and approximately 10,000 slot machines and video lottery terminals.

"We are pleased to have completed the merger with MTR and are excited to embark on a new chapter in Eldorado's history," said Gary Carano, Chairman and Chief Executive Officer of Eldorado. "Foremost, we are thrilled to welcome the MTR team into the Eldorado family. With a diversified platform of gaming assets across the United States and a strengthened balance sheet, we believe Eldorado is well positioned to take advantage of future growth opportunities in the industry. In addition, we remain committed to providing a premier guest experience to our valued customer base as well as creating long-term value for our stockholders."

"With the combined portfolio of Eldorado and MTR, we are better prepared to face an increasingly competitive regional gaming landscape," said Joseph L. Billhimer, Executive Vice President and Chief Operating Officer of Eldorado and former President and Chief Operating Officer of MTR Gaming Group, Inc. "We are excited to join Eldorado and want to thank both the Eldorado and MTR teams, our customers, stockholders and various regulatory bodies for their invaluable support throughout the merger process."

Agreement Information

As previously announced, Eldorado, MTR, Eldorado HoldCo LLC and certain of their affiliates entered into a merger agreement, pursuant to which Eldorado HoldCo LLC and MTR became wholly-owned subsidiaries of Eclair Holdings Company, which was renamed "Eldorado Resorts, Inc." Under the merger agreement, MTR stockholders were entitled to elect to receive one share of Eldorado common stock or $6.05 of cash for each share of MTR common stock, subject to a cap of $35 million of total cash consideration. As previously disclosed on August 13, 2014, the cash election was oversubscribed. Accordingly, approximately 24.6% of the shares of MTR common stock for which a cash election was made will be distributed cash

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as merger consideration, and approximately 75.4% of the shares of MTR common stock for which a cash election was made will receive shares of ERI common stock as merger consideration.

Former members of Eldorado Holdco LLC will own approximately 50.2% of Eldorado common stock and the former stockholders of MTR will own approximately 49.8% of Eldorado common stock, subject to a post-closing adjustment to the number of shares issued to former members of Eldorado HoldCo LLC (as further described in the merger agreement).

Leadership and Organization

Gary L. Carano has been appointed to serve as Chairman and Chief Executive Officer of Eldorado. Thomas Reeg now serves as President of Eldorado, and Joseph L. Billhimer, former President and Chief Operating Officer of MTR Gaming, serves as Executive Vice President and Chief Operating Officer of Eldorado. Robert M. Jones now serves as the Company's Executive Vice President and Chief Financial Officer.

The members of the Board of Directors of Eldorado are Gary Carano, Frank Fahrenkopf, Jr., James Hawkins, Michael Pegram, Thomas Reeg, David Tomick and Roger Wagner.

Advisors

Milbank, Tweed, Hadley & McCloy LLP served as legal counsel to Eldorado Resorts. Macquarie Capital served as MTR Gaming's exclusive financial advisor, and Stevens & Lee, P.C. served as legal counsel to MTR Gaming.

About Eldorado Resorts, Inc.

Eldorado Resorts, Inc. (NASDAQ: ERI) is a casino entertainment company that owns and operates six properties in five states, including Eldorado Resort Casino and Silver Legacy Resort Casino (a 50/50 joint venture with MGM Resorts International) in Reno, NV; Eldorado Resort Casino in Shreveport, LA; Scioto Downs Racino in Columbus, OH; Mountaineer Casino Racetrack & Resort in Chester, WV; and Presque Isle Downs & Casino in Erie, PA. For more information, please visit www.eldoradoresorts.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations of management of Eldorado and are subject to uncertainty and changes in circumstances. These forward-looking statements include, among others, statements regarding the completed merger of Eldorado with MTR; the anticipated benefits of geographic diversity that will result from the merger; expectations about future business plans, prospective performance and opportunities. These forward-looking statements may be

identified by the use of words such as “expect,” “anticipate,” “believe,” “estimate,” “potential,” “should”, “will” or similar words intended to identify information that is not historical in nature. The inclusion of such statements should not be regarded as a representation that such plans, estimates or

expectations will be achieved. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements made herein. These risks and uncertainties include (a) the ability of Eldorado and MTR to promptly and effectively integrate their respective businesses; (b) the outcome of any legal proceedings that may be, or have been, instituted in connection with the transaction; (c) the ability to retain certain key employees of Eldorado or MTR; (d) the possibility and impact of any material adverse change affecting Eldorado or MTR; (e) the risk factors disclosed in Eldorado’s filings with the Securities and Exchange Commission (the “SEC”), and; (f) the risk factors disclosed in the Proxy Statement/Prospectus mailed to MTR stockholders on or about June 18, 2014. Forward-looking statements reflect Eldorado’s analysis as of the date of this release. Eldorado does not undertake to revise these statements to reflect subsequent developments, except as required under the federal securities laws. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

For Additional Information, Please Contact:

Investor Relations

Thomas Reeg
President
Eldorado Resorts Inc.
(775) 328-0112
investorrelations@eldoradoresorts.com

Media Relations

Phil Denning
ICR
(646) 277-1258
phil.denning@icrinc.com

EXHIBIT 99.2

QUARTERLY REPORT

of

ELDORADO HOLDCO LLC

(and its wholly owned subsidiary, ELDORADO RESORTS LLC)

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014

345 North Virginia Street, Reno, Nevada 89501
(Address of principal executive offices, including zip code)

(775) 786-5700
(Telephone number, including area code)

Because Eldorado HoldCo LLC ("HoldCo") and its wholly owned subsidiary, Eldorado Resorts LLC ("Resorts"), and Resorts' wholly owned subsidiary, Eldorado Capital Corp. ("Capital" and along with Resorts, the "Issuers"), are not required to file periodic reports with the Securities and Exchange Commission (the "SEC") pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, this report has not been filed with the SEC. The content is not intended to, and does not, include all requirements of the consolidated entity as would be required in an SEC filing on Form 10-Q. However, for the convenience of the reader, the information included in this report, which relates to HoldCo and its Subsidiaries, has been organized and presented under captions that generally correspond to those in Form 10-Q. This report is furnished to U.S. Bank National Association, as Trustee, under that certain Indenture, dated as of June 1, 2011 by and among Resorts and Capital, as issuers, and U.S. Bank National Association, as Trustee, and Capital One, N.A., as Collateral Trustee (the "Indenture").

Basis of Presentation. The unaudited condensed consolidated financial statements included herein include the accounts of HoldCo, the Issuers and their respective consolidated subsidiaries, including the subsidiaries that are "restricted" as well as those that are "unrestricted" under the provisions of the Indenture. Effective April 1, 2009, HoldCo was formed to be the holding company for Resorts. The members of Resorts contributed all of their respective membership interests in Resorts in return for proportionate membership interests in HoldCo. Other than the membership interest in Resorts, HoldCo has no assets, liabilities or revenues and conducts no operations. In accordance with Section 4.03 of the Indenture, also included in Item 2 to this Quarterly Report is an unaudited presentation of consolidated Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA as derived from the unaudited condensed consolidated financial statements.

ELDORADO HOLDCO LLC
(and its wholly owned subsidiary ELDORADO RESORTS LLC)

QUARTERLY REPORT FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2014

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements.

ELDORADO HOLDCO LLC
(and its wholly owned subsidiary ELDORADO RESORTS LLC)

CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	June 30, 2014 (unaudited)	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 31,611	$ 29,813
Restricted cash	305	305
Accounts receivable, net	4,257	3,240
Due from members and affiliates	361	430
Inventories	3,262	3,109
Prepaid expenses	2,383	2,532
Total current assets	42,179	39,429
RESTRICTED CASH	5,000	5,000
INVESTMENT IN AND ADVANCES TO UNCONSOLIDATED AFFILIATES	19,637	18,349
PROPERTY AND EQUIPMENT, net	174,117	180,342
GAMING LICENSE	20,574	20,574
OTHER ASSETS, net	5,923	6,488
Total assets	$ 267,430	$ 270,182
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	$ —	$ 2,500
Current portion of capital lease obligations	93	225
Accounts payable	6,262	6,762
Interest payable	604	633
Accrued other liabilities	15,383	14,779
Due to members and affiliates	105	248
Total current liabilities	22,447	25,147
LONG-TERM DEBT, less current portion	168,000	168,000
CAPITAL LEASE OBLIGATIONS, less current portion	8	35
OTHER LIABILITIES	1,511	1,425
Total liabilities	191,966	194,607
COMMITMENTS AND CONTINGENCIES (Note 6)		
EQUITY:		
Members' equity	75,464	75,575
Total liabilities and members' equity	$ 267,430	$ 270,182

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ELDORADO HOLDCO LLC
(and its wholly owned subsidiary ELDORADO RESORTS LLC)

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
OPERATING REVENUES:				
Casino	$ 48,154	$ 51,382	$ 92,823	$ 100,652

Food, beverage and entertainment	15,544	16,312	30,546	31,853
Hotel	7,305	7,437	13,192	13,558
Other	1,722	1,733	3,247	3,408
	72,725	76,864	139,808	149,471
Less—promotional allowances	(10,976)	(11,036)	(21,029)	(21,464)
Net operating revenues	61,749	65,828	118,779	128,007
OPERATING EXPENSES:				
Casino	29,447	30,018	56,928	59,206
Food, beverage and entertainment	7,963	8,045	15,519	15,483
Hotel	1,914	2,053	3,859	4,056
Other	980	1,025	1,876	1,922
Selling, general and administrative	11,664	11,797	23,324	23,379
Depreciation and amortization	4,086	4,363	8,274	8,703
Total operating expenses	56,054	57,301	109,780	112,749
(LOSS) GAIN ON SALE/DISPOSITION OF LONG LIVED ASSETS AND PROPERTY AND EQUIPMENT	—	(8)	—	2
ACQUISITION CHARGES	(1,081)	—	(2,453)	—
EQUITY IN INCOME OF UNCONSOLIDATED AFFILIATES	2,161	1,981	1,781	1,265
OPERATING INCOME	6,775	10,500	8,327	16,525
OTHER INCOME (EXPENSE):				
Interest income	4	4	8	8
Interest expense	(3,870)	(3,956)	(7,759)	(7,898)
Total other expense	(3,866)	(3,952)	(7,751)	(7,890)
NET INCOME	2,909	6,548	576	8,635
LESS NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	—	—	—	—
NET INCOME ATTRIBUTABLE TO THE COMPANY				
OTHER COMPREHENSIVE INCOME — Minimum Pension Liability Adjustment of Unconsolidated Affiliate	(111)	—	(111)	—
COMPREHENSIVE INCOME	$ 2,798	$ 6,548	$ 465	$ 8,635

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ELDORADO HOLDCO LLC
(and its wholly owned subsidiary ELDORADO RESORTS LLC)

UNAUDITED CONSOLIDATED STATEMENT OF MEMBERS' EQUITY
(dollars in thousands)

BALANCE, January 1, 2014	$ 75,575
Net income	576
Other comprehensive income - Minimum Pension Liability Adjustment of Unconsolidated Affiliate	(111)
Cash distributions	(576)
BALANCE, June 30, 2014	$ 75,464

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ELDORADO HOLDCO LLC
(and its wholly owned subsidiary ELDORADO RESORTS LLC)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Six Months Ended June 30,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 576	$ 8,635
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,274	8,703
Amortization of debt issue costs	427	427
Equity in income of unconsolidated affiliates	(1,781)	(1,265)

Distributions from unconsolidated affiliate	382	297
Gain on sale/disposition of long lived assets and property and equipment	—	(2)
(Provision for) Recoveries of bad debt expense	(18)	207
(Increase) Decrease in -		
Accounts receivable	(930)	(844)
Inventories	(153)	(336)
Prepaid expenses	149	207
(Decrease) Increase in -		
Accounts payable	(635)	235
Interest payable	(29)	29
Accrued and other liabilities and due to members and affiliates	547	928
Net cash provided by operating activities	6,809	17,221
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,914)	(3,624)
Proceeds from sale of property and equipment	—	19
Decrease (increase) in other assets, net	138	(380)
Net cash used in investing activities	(1,776)	(3,985)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments of long-term debt	(2,500)	(2,500)
Principal payments on capital leases	(159)	(236)
Cash distributions	(576)	(3,224)
Net cash used in financing activities	(3,235)	(5,960)
INCREASE IN CASH AND CASH EQUIVALENTS	1,798	7,276
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,813	25,303
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 31,611	$ 32,579
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during period for interest	$ 7,350	$ 7,442
Payables for purchase of furniture and equipment	135	810
Equipment acquired under capital leases	—	88

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

ELDORADO HOLDCO LLC
(and its wholly owned subsidiary ELDORADO RESORTS LLC)

CONDENSED NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies and Basis of Presentation

Principles of Consolidation/Operations

The accompanying unaudited condensed consolidated financial statements include the accounts of (1) Eldorado HoldCo LLC ("HoldCo"), a Nevada limited liability company formed in April 2009; (2) Eldorado Resorts LLC ("Resorts"), a Nevada limited liability company that is a wholly owned subsidiary of HoldCo; (3) Eldorado Capital Corp. ("Capital"), a Nevada Corporation that is a wholly owned subsidiary of Resorts; (4) Eldorado Shreveport #1, LLC ("ES#1") and Eldorado Shreveport #2, LLC ("ES#2"), two Nevada limited liability companies that are wholly owned subsidiaries of Resorts; (5) Eldorado Casino Shreveport Joint Venture, a Louisiana general partnership (the "Louisiana Partnership") in which ES#1 and ES#2 own all of the partnership interests; (6) Shreveport Capital Corp. ("Shreveport Capital"), a Louisiana corporation that is a wholly owned subsidiary of the Louisiana Partnership; and (7) Eldorado Limited Liability Company, a Nevada limited liability company that is a 96% owned subsidiary of Resorts ("ELLC" and, collectively with HoldCo, Resorts, Capital, ES#1, ES#2, the Louisiana Partnership and Shreveport Capital, the "Company"). Intercompany accounts and transactions have been eliminated in consolidation.

Effective April 1, 2009, HoldCo was formed to be the holding company for Resorts. The members of Resorts contributed all their respective membership interests in Resorts in return for proportionate membership interests in HoldCo. Other than the membership interest in Resorts, HoldCo has no assets, liabilities or revenues and conducts no operations.

Resorts was formed in 1996 and became the successor to a predecessor partnership that constructed the Eldorado Hotel and Casino, a premier hotel/casino and entertainment facility centrally located in downtown Reno, Nevada (the "Eldorado Reno"), which opened for business in 1973. Resorts owns and operates the Eldorado Reno. Eldorado Reno is easily accessible both to vehicular traffic from Interstate 80, the principal highway linking Reno to its primary visitor markets in northern California, and to pedestrian traffic from nearby casinos.

Capital was incorporated with the sole purpose of serving as co-issuer of certain debt co-issued by Resorts and Capital. Capital holds no significant assets and conducts no business activity.

Resorts indirectly owns 100% of the partnership interests of the Louisiana Partnership. The Louisiana Partnership owns, and Resorts manages, a 403-room all suite art deco-style hotel and a tri-level riverboat dockside casino complex situated on the Red River in Shreveport, Louisiana, which commenced operations under its previous owners in December 2000. Resorts acquired a majority ownership interest in the hotel and riverboat casino complex in July 2005, began operating it as the Eldorado Resort Casino Shreveport ("Eldorado Shreveport") on October 26, 2005 and acquired the remaining minority interest in March 2008. Each of ES#1, ES#2, the Louisiana Partnership and its subsidiaries, including Shreveport Capital, is a "guarantor", as defined in the Indenture, dated as of June 1, 2011, by and among Resorts and Capital, as issuers, and U.S. Bank National Association, as Trustee, and Capital One, N.A., as Collateral Trustee (the "Indenture").

Resorts also owns 96.1858% of ELLC. ELLC is a 50% partner in a joint venture (the "Silver Legacy Joint Venture") which owns the Silver Legacy Resort Casino (the "Silver Legacy"), a major themed hotel/casino situated between, and seamlessly connected at the casino level to, the Eldorado Reno and Circus Circus-Reno, a hotel casino owned and operated by Galleon, Inc. ("Galleon"), an indirect, wholly owned subsidiary of MGM Resorts International, the other partner in the Silver Legacy Joint Venture.

Resorts also owns a 21.25% interest in Tamarack Crossing, LLC ("Tamarack"), a Nevada limited liability company that owns and operates Tamarack Junction, a casino in south Reno which commenced operations on September 4, 2001. Tamarack Junction is situated on approximately 62,000 square feet of land with approximately 13,230 square feet of gaming space and 465 slot machines. As a closing condition to the merger transaction discussed below, the Company will be required to dispose of its interest in Tamarack prior to closing which is expected to occur in late third quarter of 2014.

The Company accounts for ELLC's 50% joint venture interest and its 21.25% interest in Tamarack, affiliates that it does not control, but over which it does exert significant influence, using the equity method of accounting.

Since the Company operates in the same line of business as the Silver Legacy and Tamarack Junction, each with casino and/or hotel operations, the Company's equity in the income of such joint ventures is included in operating income.

The Company considers whether the fair values of any of its equity method investments have declined below their carrying value whenever adverse events or changes in circumstances indicate that recorded values may not be recoverable. Estimated fair value is determined using a discounted cash flow analysis based on estimated future results of the investee and market indicators of terminal year capitalization rate. If the Company were to consider any such decline to be other than temporary, a write-down to estimated fair value would be recorded. In the second half of 2011, as a result of the Company's identification of triggering events, non-cash impairment charges of $33.1 million were recognized for its investment in the Silver Legacy Joint Venture. Such impairment charges eliminated the Company's remaining investment in the Silver Legacy Joint Venture. As a result of the elimination of the Company's remaining investment in the Silver Legacy Joint Venture, the Company discontinued the equity method of accounting for its investment in the Silver Legacy Joint Venture until the fourth quarter of 2012 when additional investments in the Silver Legacy Joint Venture were made. At such time, the Company recognized its share of the Silver Legacy Joint Venture's suspended net losses not recognized during the period the equity method of accounting was discontinued and resumed the equity method of accounting for its investment. There were no impairments of the Company's equity method investments during the three or six months ended June 30, 2014 or 2013.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, all of which are normal and recurring, necessary to present fairly the financial position of the Company as of June 30, 2014, the results of its operations and comprehensive income for the three and six months ended June 30, 2014 and 2013 and its cash flows for the six months ended June 30, 2014 and 2013. The results of operations for such periods are not necessarily indicative of the results to be expected for a full year.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the annual report of HoldCo for the year ended December 31, 2013.

Entry into Material Definitive Agreements

The Merger Agreement

On September 9, 2013, HoldCo; MTR Gaming Group, Inc. ("MTR"); Eclair Holdings Company, a wholly owned subsidiary of MTR ("NewCo"); Ridgeline Acquisition Corp., a wholly owned subsidiary of NewCo ("Merger Sub A"); Eclair Acquisition Company, LLC, a wholly owned subsidiary of NewCo ("Merger Sub B"); and Thomas Reeg, Robert Jones, and Gary Carano, as the representatives of the members of HoldCo, entered into an Agreement and Plan of Merger as amended on November 18, 2013, further amended on February 13, 2014 and further amended on May 13, 2014 (the "Merger Agreement") pursuant to which Merger Sub A will merge with and into MTR, with MTR surviving the merger (the "MTR Merger"), and Merger Sub B will merge with and into HoldCo, with HoldCo surviving the merger (the "Holdco Merger" and together with the MTR Merger, the "Mergers"). As a result of the Mergers, NewCo will become the holding company for MTR and HoldCo and be renamed "Eldorado Resorts, Inc." and shares of NewCo common stock will be listed on The Nasdaq Stock Market ("Nasdaq"). Consummation of the Mergers is subject to numerous conditions. Accordingly, there can be no assurances that the transactions contemplated by the Merger Agreement will be consummated on the terms described herein or at all.

The Merger Agreement provides that, upon completion of the Mergers, MTR stockholders will have the right to receive, at their election (but subject to customary procedures applicable to oversubscription for cash consideration), either (i) one share of NewCo common stock, or (ii) $6.05 in cash in exchange for each share of MTR common stock they own immediately prior to completion of the Mergers (the "MTR Exchange Ratio"); provided that the total amount of cash consideration is limited to $35.0 million, and if the cash election is oversubscribed, the cash consideration will be payable to the MTR stockholders making the cash election only with respect to a portion of their shares selected by an equitable, pro rata procedure determined by NewCo. The members of HoldCo will collectively receive, in the aggregate, an amount of merger consideration (the "HoldCo Valuation") equal to the product of (a) HoldCo's adjusted EBITDA for the twelve months ending on the most recent month end preceding the closing date by at least twenty days (the "Report Date") and (b) 6.81, with such amount being adjusted for HoldCo's excess cash, outstanding debt, and working capital relative to an agreed upon working capital target for HoldCo, an amount equal to certain transaction expenses of MTR which is capped at $7.0 million, the value of HoldCo's interest in the Silver Legacy Joint Venture, and the amount of restricted cash on HoldCo's balance sheet (if any) relating to

the credit support required in connection with the Silver Legacy Joint Venture's credit facility. The value of HoldCo's interest in the Silver Legacy Joint Venture is equal to the product of (x) ELLC's proportionate ownership interest in the Silver Legacy Joint Venture which is currently 50%, and (y) the product of (A) the Silver Legacy Joint Venture's adjusted EBITDA for the twelve months ending on the Report Date and (B) 6.81, with such amount being adjusted for the Silver Legacy Joint Venture's excess cash, outstanding debt, and working capital relative to an agreed upon working capital target for the Silver Legacy Joint Venture (each such adjustment in proportion to ELLC's ownership interest), the amount of the subordinated notes made by HoldCo to the Silver Legacy Joint Venture, and ELLC's portion of the difference between the capital accounts of the members of the Silver Legacy Joint Venture. As a result, the members of HoldCo will receive, in the aggregate, the number of shares of NewCo common stock equal to the quotient obtained by dividing the merger consideration as calculated in the two preceding sentences by an implied price per share of $6.05 for NewCo common stock (the "Eldorado Merger Shares"). The number of Eldorado Merger Shares issued to HoldCo members is subject to a post-closing adjustment based on a final calculation of the components of the HoldCo Valuation as of the closing date. The MTR Exchange Ratio and the number of Eldorado Merger Shares are subject to customary anti-dilution adjustments in the event of stock splits, stock dividends and similar transactions involving MTR common stock. For federal income tax purposes, MTR common stockholders and Eldorado members are not expected to realize gain or loss with respect to the exchange of MTR common stock or Eldorado membership interests for NewCo common stock, but gain or loss might be realized with respect to any merger consideration received in the form of cash.

Following completion of the Mergers, HoldCo and MTR will each continue to operate as a separate subsidiary of NewCo. The initial board of directors of NewCo is expected to include Gary L. Carano, Thomas Reeg, Frank J. Fahrenkopf, Jr., James B. Hawkins, Michael E. Pegram, David P. Tomick, and Roger P. Wagner, with Gary L. Carano acting as the chairman of the board. It is expected that all directors other than Gary L. Carano and Thomas Reeg will qualify as Independent Directors under applicable Nasdaq rules. In addition, following completion of the mergers, the officers of NewCo will include Gary L. Carano, the current President and Chief Operating Officer of HoldCo, as the Chief Executive Officer, Robert M. Jones, the current Chief Financial Officer of HoldCo, as the Chief Financial Officer, Thomas Reeg as President and Joseph L. Billhimer, Jr., the current President and a director of MTR, as the Chief Operating Officer.

Resorts owns 96.1858% of ELLC. The remaining interests in ELLC are owned by Recreational Enterprises, Inc., a Nevada corporation ("REI"), and Hotel Casino Management, Inc., a Nevada corporation ("HCM"), both of whom are members of HoldCo. A condition to closing the Mergers is that HCM and REI will have transferred their respective interests in ELLC to Resorts; provided that HCM and REI may retain in aggregate up to 3.8142% of ELLC if, on or before the closing date of the Merger, HCM and REI have entered into an agreement with NewCo and HoldCo (a "Retained Interest Agreement"), providing for the following transaction: (i) concurrently with, or prior to, the consummation of the HoldCo Merger, ELLC shall redeem all of Resorts' interest in ELLC in exchange for a distribution to Resorts of a percentage of ELLC's interest in Silver Legacy Joint Venture equal to Eldorado Resorts' interest in ELLC immediately prior to such redemption such that (x) Resorts' direct interest in Silver Legacy Joint Venture through such interest distributed by ELLC is equal to Resorts' indirect interest in Silver Legacy Joint Venture immediately prior to such redemption, and (y) immediately after such redemption by ELLC, HCM and REI shall be the sole owners of ELLC; (ii) HCM and REI shall each grant to Resorts a right, exercisable for three months commencing on the first business day after the first anniversary of the closing date of the Mergers, to acquire from HCM and REI all of their interests in ELLC in exchange for the payment to HCM and REI of their respective pro rata portions of the Retained Consideration (defined below); and (iii) Resorts shall grant to each of HCM and REI a right, exercisable for three months commencing on the first business day after the second anniversary of the closing date of the Mergers, to put to Resorts all of their interests in ELLC in exchange for the payment to HCM and REI of their respective pro rata portions of the Retained Consideration. The "Retained Consideration" means a number of shares of NewCo common stock equal to (A) the estimated value of HoldCo's interest in Silver Legacy Joint Venture as of the date that the HoldCo Merger is consummated, multiplied by (B) the portion of the outstanding interests in ELLC (expressed as a percentage) represented by the interests in ELLC held by HCM and REI, divided by (C) $6.05. In addition, the number of shares of NewCo common stock issuable at the closing as Eldorado Merger Shares shall be reduced by the number of shares equal to the Retained Consideration.

The Merger Agreement contains representations and warranties of MTR, NewCo, Merger Sub A, and Merger Sub B, on the one hand, and HoldCo, on the other hand, that are qualified by the confidential disclosures provided to the other party in connection with the Merger Agreement. The Merger Agreement includes other affirmative and negative covenants of the parties, including covenants by MTR not to solicit alternative transactions or to enter into discussions concerning, or to provide confidential information in connection with, an alternative transaction, except under the circumstances permitted in the Merger Agreement. HoldCo covenants that, unless the Merger Agreement

is otherwise terminated, it will not solicit an alternative transaction or initiate or enter into discussions concerning, or provide confidential information in connection with, an alternative transaction. However, HoldCo (through its subsidiaries) will be permitted to participate in any "buy-sell" procedure initiated with respect to the Silver Legacy Joint Venture in accordance with the Silver Legacy Joint Venture's operating agreement. Additionally, HoldCo shall, at its own expense, dispose of, or sell or assign to a third party, all of its interests in Tamarack.

NewCo filed a proxy statement and prospectus on Form S-4 (as amended, the "Registration Statement") with the Securities and Exchange Commission (the "SEC") to solicit proxies from MTR stockholders in connection with the MTR stockholder vote necessary to approve the MTR Merger and to register the shares of NewCo common stock to be issued in connection with the Mergers. The Registration Statement was declared effective by the SEC on June 16, 2014. Within forty days after the Registration Statement is declared effective by the SEC, the Merger Agreement provides that MTR will take all action necessary to call and hold a meeting of its stockholders to approve the Merger Agreement. A special meeting of MTR's stockholders was held on July 18, 2014 at which time the stockholders approved the Merger Agreement. HoldCo members have unanimously approved the Merger Agreement. The Board of Directors of MTR has also approved the Merger Agreement.

Completion of the Mergers is subject to a number of conditions, including the receipt of approval for listing the shares of NewCo common stock on Nasdaq and the receipt of regulatory approvals from gaming regulators in Pennsylvania and customary closing conditions.. On July 24, 2014, the Nevada State Gaming Control Board and the Nevada Gaming Commission approved the proposed combination. On June 19, 2014, the Louisiana Gaming Control Board approved the proposed combination. The combination has also been approved by horse racing regulators in West Virginia and the Ohio Lottery Commission. . The obligation of HoldCo and MTR to complete the Mergers is also conditioned on the combined adjusted EBITDA of MTR and HoldCo exceeding $115.0 million during the twelve months ending on the Report Date. Management currently expects the Mergers to close in late third quarter of 2014.

The Merger Agreement, in addition to providing that the parties can mutually terminate the Merger Agreement, contains termination rights for MTR and HoldCo, as the case may be, including, among others, upon: (1) final, nonappealable denial of required regulatory approvals or injunction prohibiting the

transactions contemplated by the Merger Agreement; (2) June 9, 2014, if the Mergers have not been completed by that time, provided that either party may extend the Merger Agreement for an additional 180 days, which on June 9, 2014, was extended by both parties, if the only unsatisfied conditions to closing are receipt of required regulatory approvals and/or receipt of required MTR stockholder approval (but only if the party exercising the extension has complied with its covenants under the Merger Agreement related to filing the Registration Statement and holding the MTR stockholder meeting where such approval is to be voted on); (3) the failure of HoldCo and MTR to achieve a combined adjusted EBITDA of $115.0 million during the twelve months ending on the Report Date; or (4) a breach by the other party that is not or cannot be cured within 30 days' notice if such breach would result in a failure of the conditions to closing set forth in the Merger Agreement to be satisfied. MTR has the right to terminate the Merger Agreement under certain circumstances if MTR receives a superior acquisition proposal from a third party and, in the event of such termination, MTR would be obligated to pay HoldCo a termination fee of $6.0 million (the "Termination Fee") plus HoldCo's actual fees and expenses incurred in connection with the Mergers (the "Expense Reimbursement") not to exceed $1.0 million. MTR would also be obligated to pay HoldCo the Expense Reimbursement, not to exceed $1.0 million, in the event that MTR stockholders do not approve the transaction at the meeting of MTR stockholders called for that purpose.

HoldCo has the right to terminate the Merger Agreement under certain other circumstances, including the amount of certain specified fees charged in connection with transferring certain gaming licenses is materially higher than such fees historically charged in connection with transactions of this type, unless MTR pays to HoldCo in cash the amount by which such amount exceeds such historically charged amount and increases the merger consideration payable to the HoldCo members by the amount of such excess.

The Mergers will be accounted for as a reverse acquisition of MTR by HoldCo under accounting principles generally accepted in the United States. As a result, HoldCo will be considered the acquirer of MTR for accounting purposes.

During the six months ended June 30, 2014 and the year ended December 31, 2013, HoldCo incurred acquisition related expenses of $2.5 million and $3.2 million, respectively. Because HoldCo maintains no bank accounts or operations, these expenses were paid by Resorts on behalf of HoldCo. The 2014 amounts have been expensed in the accompanying unaudited consolidated statements of operations and comprehensive income in accordance with the applicable accounting guidance for business combinations; none of the 2013 expenses were

incurred during the six months ended June 30, 2013. In conjunction with the Mergers, certain members of senior management were rewarded, in August 2014, bonuses aggregating $2.4 million in connection with the performance of their obligations under the Merger Agreement. Additionally, HoldCo agreed that each of the members of HoldCo and certain officers and senior managers of HoldCo would enter into non-competition agreements with NewCo to become effective at the closing of the Merger, which is currently expected to occur in the late third quarter of 2014.

Additional information regarding MTR, HoldCo, NewCo, Merger Sub A, Merger Sub B, and the Mergers are included in the Registration Statement. The Registration Statement (and other relevant materials that might be filed with the SEC from time to time) may be obtained free of charge at the SEC's website at www.sec.gov. HoldCo, MTR and NewCo and their respective executive officers and directors may be deemed to be participants in the solicitation of proxies from the security holders of MTR in connection with the proposed transaction. Information regarding the participants and other persons who may be deemed participants and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the Registration Statement.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. Significant estimates incorporated into the Company's unaudited condensed consolidated financial statements include estimated useful lives for depreciable and amortizable assets, the estimated allowance for doubtful accounts receivable, estimated cash flows in assessing the recoverability of long-lived assets, self insurance reserves, players' club liabilities, contingencies and litigation, claims and assessments, and fair value measurements related to the Company's long-term debt. Actual results could differ from these estimates.

Federal Income Taxes

As a limited liability company, HoldCo is not subject to income tax liability. Therefore, holders of membership interests will include their respective shares of HoldCo's taxable income in their income tax returns and HoldCo will continue to make distributions for such tax liabilities. ES#2 has elected as a single member limited liability company to be taxed as a C Corporation. Current and deferred income taxes associated with ES#2 were not material.

Under the applicable accounting standards, the Company may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The accounting standards also provide guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and disclosure requirements for uncertain tax positions. The Company has recorded no liability associated with uncertain tax positions at June 30, 2014 and December 31, 2013.

The operating agreement of HoldCo dated April 1, 2009 (the "HoldCo Operating Agreement") obligates HoldCo to distribute each year for as long as it is not taxed as a corporation to each of its members an amount equal to such members' allocable share of the taxable income of HoldCo multiplied by the highest marginal combined Federal, state and local income tax rate applicable to individuals for that year. During the three and six months ended June 30, 2014 and 2013, distributions of $0.6 million and $3.2 million, respectively, were made by Resorts, on behalf of HoldCo, to its members. No distributions were made in the first quarter of each year.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-9, "Revenue from Contracts with Customers", which provides guidance for revenue recognition. The new standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is designed to create greater

comparability for financial statement users across industries and jurisdictions and also requires enhanced disclosures. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is not permitted. The Company is currently evaluating the impact of the adoption of ASU 2014-09 on its consolidated financial statements.

Fair Value of Financial Instruments

Fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Accordingly, fair value is a market based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, there is a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair values as follows:

· Level 1: Quoted market prices in active markets for identical assets or liabilities.

· Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

· Level 3: Unobservable inputs that are not corroborated by market data.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practical to estimate fair value:

Cash and Cash Equivalents: The carrying amounts approximate the fair values given its characteristics.

Restricted Cash: The credit support deposit is classified as Level 1 as its carrying value approximates market prices.

Advances to Unconsolidated Affiliate: The $7.5 million note receivable due to ELLC from the Silver Legacy Joint Venture (see Note 2) is classified as Level 2 based upon market-based inputs.

Long-term Debt: The 8.625% Senior Secured Notes due 2019 (the "Senior Secured Notes" — see Note 5) are classified as Level 2, as there is limited market activity. The fair values of the Company's long-term debt have been calculated based on management's estimates of the borrowing rates available as of June 30, 2014 and December 31, 2013 for debt with similar terms and maturities.

Term Loan: Our term loan under the credit facility (see Note 5) is classified as Level 2 as it is tied to market rates of interest and its carrying value approximates market value.

The estimated fair values of the Company's financial instruments are as follows (amounts in thousands):

	June 30, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets:				
Cash and cash equivalents	$ 31,611	$ 31,611	$ 29,813	$ 29,813
Restricted cash	5,305	5,305	5,305	5,305
Advance to Silver Legacy Joint Venture	—	4,434	—	4,004
Financial liabilities:				
Long-term debt	168,000	180,180	168,000	178,080
Term loan	—	—	2,500	2,500

Subsequent Events

The Company has evaluated subsequent events through the date of this report and determined there was no subsequent event identified during the evaluation.

2. Investment in Unconsolidated Affiliates

Effective March 1, 1994, ELLC and Galleon, (each a "Partner" and, together, the "Partners"), entered into the Silver Legacy Joint Venture pursuant to a joint venture agreement (the "Original Joint Venture Agreement" and, as amended to date, the "Joint Venture Agreement") to develop the Silver Legacy. The Silver Legacy consists of a casino and hotel located in Reno, Nevada, which began operations on July 28, 1995. Each partner owns a 50% interest in the Silver Legacy Joint Venture.

On March 5, 2002, the Silver Legacy Joint Venture and its wholly owned finance subsidiary, Silver Legacy

Capital Corp., issued $160 million principal amount of $10^{1}/_{8}$% mortgage notes due March 1, 2012 (the "Silver Legacy Notes"). The Silver Legacy Notes were secured by a security interest in substantially all of the existing and future assets and pledges of each of the Partners' interests in the Silver Legacy Joint Venture and were nonrecourse to the Company. The Silver Legacy Notes matured on March 1, 2012 and the Silver Legacy Joint Venture did not make the principal and interest payment due on such date. On May 17, 2012, the Silver Legacy Joint Venture and Silver Legacy Capital Corp. (the "Silver Legacy Debtors") filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code and on June 1, 2012 the Silver Legacy Debtors filed a joint plan of reorganization, which was subsequently amended on June 29, 2012 and August 8, 2012 (the "Plan of Reorganization"). On October 23, 2012, an

order of confirmation relating to the Plan of Reorganization was entered by the bankruptcy court. The effective date, as defined in the Plan of Reorganization, occurred on November 16, 2012. Concurrently, the Silver Legacy Joint Venture closed on its new debt facilities and issued its new subordinated debt owed to its partners. All creditors were paid under the terms of the Plan of Reorganization (with the exception of the quarterly installment payments to certain general unsecured creditors which were paid in full by November 16, 2013) and the Silver Legacy Joint Venture emerged from bankruptcy. A final hearing was held and the Chapter 11 case closed on March 20, 2013.

On December 16, 2013, the Silver Legacy Joint Venture entered into a new senior secured term loan facility totaling $90.5 million (the "New Silver Legacy Credit Facility") to refinance its indebtedness under its then existing senior secured term loan and Silver Legacy Second Lien Notes. The proceeds from the New Silver Legacy Credit Facility, in addition to $7.0 million of operating cash flows, were used to repay $63.8 million representing principal and interest outstanding under the Silver Legacy Credit Facility, $31.7 million representing principal and interest related to the extinguishment of the Silver Legacy Second Lien Notes and $2.0 million in fees and expenses associated with the transactions. The New Silver Legacy Credit Facility consists of a $60.5 million first-out tranche term loan and a $30.0 million last-out tranche term loan. The New Silver Legacy Credit Facility matures on November 16, 2017 which was the maturity date of the original Silver Legacy credit facility.

Under the Plan of Reorganization, each of ELLC and Galleon retained its 50% interest in the Silver Legacy Joint Venture, but was required to advance $7.5 million to the Silver Legacy Joint Venture pursuant to a subordinated loan and provide credit support by depositing $5.0 million of cash into a bank account as collateral in favor of the lender under the Silver Legacy Joint Venture credit agreement. The $7.5 million note receivable from ELLC to the Silver Legacy Joint Venture was issued on November 16, 2012 with a stated interest rate of 5% per annum and a maturity date of May 16, 2018 and is included on the accompanying unaudited consolidated balance sheets in Investment in and Advances to Unconsolidated Affiliates at June 30, 2014 and December 31, 2013. Payment of any interest or principal under the loan is subordinate to the senior indebtedness of the Silver Legacy Joint Venture. Accrued interest under the loan will be added to the principal amount of the loan and may not be paid unless principal of the loan may be paid in compliance with the terms of the senior indebtedness outstanding or at maturity. The $5.0 million collateral deposit by ELLC is included as non-current restricted cash in the accompanying unaudited consolidated balance sheets at June 30, 2014 and December 31, 2013.

As a result of the Company's identification of triggering events, a non-cash impairment charges of $33.1 million was recognized in 2011 for its investment in the Silver Legacy Joint Venture. Such impairment charges eliminated the Company's remaining investment in the Silver Legacy Joint Venture. As a result of the elimination of its remaining investment in the Silver Legacy Joint Venture, the Company discontinued the equity method of accounting for its investment in the Silver Legacy Joint Venture until the fourth quarter of 2012 when additional investments in the Silver Legacy Joint Venture were made. At such time, the Company recognized its share of the Silver Legacy Joint Venture's suspended net losses not recognized during the period the equity method of accounting was discontinued and resumed the equity method of accounting for its investment.

Equity in income related to the Silver Legacy Joint Venture for the three and six months ended June 30, 2014 amounted to $1.9 million and $1.3 million, respectively. Equity in income related to the Silver Legacy Joint Venture for the three and six months ended June 30, 2013 amounted to $1.7 million and $0.7 million, respectively.

Summarized information for the Company's investment in and advances to the Silver Legacy Joint Venture for the six months ended June 30, 2014 and year ended December 31, 2013 are as follows (in thousands):

	June 30, 2014 (unaudited)	December 31, 2013
Beginning balance	$ 13,081	$ (2,198)
Equity in income of unconsolidated affiliate	1,289	2,261
Gain on early extinguishment of debt of unconsolidated affiliate	—	11,980
Other comprehensive income - minimum pension liability adjustment of unconsolidated affiliate	(111)	1,772
Member's distribution	—	(734)
Ending balance	$ 14,259	$ 13,081

Certain reclassifications have been made to the Silver Legacy 2013 balance sheet which had no effect on previously reported net income, Summarized balance sheet information for the Silver Legacy Joint Venture is as follows (in thousands):

	June 30, 2014 (unaudited)	December 31, 2013
Current assets	$ 34,928	$ 29,565
Property and equipment, net	194,442	198,150
Other assets, net	7,280	8,201
Total assets	$ 236,650	$ 235,916
Current liabilities	$ 27,528	$ 27,475
Long-term liabilities	90,868	92,541
Partners' equity	118,254	115,900
Total liabilities and partners' equity	$ 236,650	$ 235,916

Summarized results of operations for the Silver Legacy Joint Venture are as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net revenues	$ 35,516	$ 34,886	$ 63,093	$ 61,704
Operating expenses	(28,876)	(29,158)	(55,022)	(55,757)
Operating income	6,640	5,728	8,071	5,947
Other expense	(2,758)	(2,035)	(5,495)	(4,150)

Reorganization items	—	(287)	—	(323)
Net income	$ 3,882	$ 3,406	$ 2,576	$ 1,474

Resorts owns a 21.25% interest in Tamarack, which owns and operates Tamarack Junction, a small casino in south Reno, Nevada. Donald L. Carano ("Carano"), who is the presiding member of Resorts' Board of Managers and the Chief Executive Officer of Resorts, owns a 26.25% interest in Tamarack. Four members of Tamarack, including Resorts and three unaffiliated third parties, manage the business and affairs of Tamarack Junction. At June 30, 2014 and December 31, 2013, Resorts' financial investment in Tamarack was $5.4 million and $5.3 million, respectively. Resorts' capital contribution to Tamarack represents its proportionate share of the total capital contributions of the members. Additional capital contributions of the members, including Resorts, may be required for certain purposes, including the payment of operating costs and capital expenditures or the repayment of loans, to the extent such costs are not funded by prior capital contributions and earnings. The Company's investment in Tamarack is accounted for using the equity method of accounting. Equity in income related to Tamarack for the three and six months ended June 30, 2014 of $0.2 million and $0.5 million, respectively, and for the three and six months ended June 30, 2013 of $0.3 million and $0.5 million, respectively, is included as a component of operating income.

As a closing condition to the merger transaction discussed in Note 1, the Company will be required to dispose of its interest in Tamarack prior to closing which is expected to occur in the late third quarter of 2014.

Summarized information for the Company's equity in Tamarack for the six months ended June 30, 2014 and year ended December 31, 2014 are as follows (in thousands):

	June 30, 2014 (unaudited)	December 31, 2013
Beginning balance	$ 5,268	$ 5,066
Member's distribution	(382)	(892)
Equity in net income of unconsolidated affiliate	492	1,094
Ending balance	$ 5,378	$ 5,268

Summarized balance sheet information for Tamarack is as follows (in thousands):

	June 30, 2014 (unaudited)	December 31, 2013
Current assets	$ 6,475	$ 6,165
Property and equipment, net	21,898	22,065
Other assets	19	19
Total assets	$ 28,392	$ 28,249
Current liabilities	$ 1,973	$ 2,020
Notes payable and capital lease obligations	1,117	1,443
Partners' equity	25,302	24,786
Total liabilities and partners' equity	$ 28,392	$ 28,249

Summarized unaudited results of operations for Tamarack is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Net revenues	$ 4,613	$ 4,662	$ 9,359	$ 9,435
Operating expenses	(3,560)	(3,319)	(6,961)	(6,761)
Operating income	1,053	1,343	2,398	2,674
Interest expense	(17)	(35)	(35)	(57)
Net income	$ 1,036	$ 1,308	$ 2,363	$ 2,617

3. Other and Intangible Assets, net

Other and intangible assets, net, include the following amounts (in thousands):

	June 30, 2014	December 31, 2013
Gaming license (Indefinite-lived)	$ 20,574	$ 20,574
Land held for development	$ 906	$ 906
Bond offering costs, 8.625% Senior Secured Notes	6,851	6,851
Other	819	957
	8,576	8,714
Accumulated amortization bond costs 8.625% Senior Secured Notes	(2,653)	(2,226)
Total Other Assets, net	$ 5,923	$ 6,488

Amortization of bond and loan costs is computed using the straight-line method, which approximates the effective interest method, over the term of the bonds or loans, respectively, and is included in interest expense on the accompanying unaudited consolidated statements of operations and comprehensive income. Amortization expense with respect to deferred financing costs amounted to $213,000 for each of the three months ended June 30, 2014 and 2013 and $427,000 for each of the six months ended June 30, 2014 and 2013. Such amortization expense is expected to be $427,000 during the remainder of 2014, $854,000 during each of the years ended December 31, 2015 through 2018 and $355,000 during 2019.

The Eldorado Shreveport gaming license, recorded at $20.6 million at both June 30, 2014 and December 31, 2013, is an intangible asset acquired from the purchase of a gaming entity located in a gaming jurisdiction where competition is limited, such as when only a limited number of gaming operators are allowed to operate. Gaming license rights are not subject to amortization as the Company has determined that they have an indefinite useful life.

4. Accrued and Other Liabilities

Accrued and other liabilities consist of the following (in thousands):

	June 30, 2014	December 31, 2013
Accrued payroll, vacation and benefits	$ 4,665	$ 4,568
Accrued insurance and medical claims	1,262	1,285
Accrued taxes	3,664	2,447
Unclaimed chips	1,195	1,482
Progressive slot liability and accrued gaming promotions	2,882	3,044
Other	1,715	1,953
	$ 15,383	$ 14,779

5. Long-Term Debt

Long-term debt consists of the following (in thousands):

	June 30, 2014	December 31, 2013
8.625% Senior Secured Notes	$ 168,000	$ 168,000
Term Loan under Secured Credit Facility	—	2,500
	168,000	170,500
Less—Current portion	—	2,500
	$ 168,000	$ 168,000

Scheduled maturities of long-term debt are $168.0 million in 2019.

On June 1, 2011, Resorts and Capital completed the issuance of $180 million of 8.625% Senior Secured Notes due June 15, 2019 (the “Senior Secured Notes”). Interest on the Senior Secured Notes is payable semiannually each June 15 and December 15 (commencing on December 15, 2011) to holders of record on the preceding June 1 or December 1, respectively.

The indenture relating to the Senior Secured Notes contains various restrictive covenants including, restricted payments and investments, additional liens, transactions with affiliates, covenants imposing limitations on additional debt, dispositions of property, mergers and similar transactions. As of June 30, 2014, the Company was in compliance with all of the covenants under the indenture relating to the Senior Secured Notes.

The Senior Secured Notes are unconditionally guaranteed, jointly and severally, by all of the Company’s current and future domestic restricted subsidiaries other than Capital (collectively, the “Guarantors”). ELLC is the only unrestricted subsidiary as of the closing date. The Silver Legacy Joint Venture and Tamarack are not subsidiaries and did not guarantee the Senior Secured Notes. The Senior Secured Notes are secured by a first priority security interest on substantially all of the Company’s current and future assets (other than certain excluded assets, including gaming licenses and the Company’s interests in ELLC, the Silver Legacy Joint Venture and Tamarack). Such security interests are junior to the security interests with respect to obligations of Resorts and the Guarantors under

the Secured Credit Facility. In addition, all of the membership interests in Resorts and equity interests in the Guarantors are subject to a pledge for the benefit of the holders of the Senior Secured Notes.

The Company may redeem some or all of the Senior Secured Notes prior to June 15, 2015 at a redemption price of 100% of the principal amount thereof plus a “make whole premium” together with accrued and unpaid interest thereon. On or after June 15, 2015, the Company may redeem the Senior Secured Notes at the following redemption prices (expressed as a percentage of principal amount) plus any accrued and unpaid interest thereon:

Year beginning June 15,	Percentage
2015	104.313%
2016	102.156%
2017 and thereafter	100.000%

On June 1, 2011, Resorts entered into a new $30 million senior secured revolving credit facility (the “Secured Credit Facility”) available until May 30, 2014 consisting of a $15 million term loan requiring principal payments of $1.25 million each quarter beginning September 30, 2011 (the “Term Loan”) and a $15 million revolving credit facility. The Term Loan was repaid during the second quarter of 2014. At December 31, 2013, outstanding principal amount under on the Term Loan was $2.5 million. Resorts did not renew the Secured Credit Facility when it matured on May 30, 2014.

6. Commitments and Contingencies

The Company is subject to various legal and administrative proceedings relating to personal injuries, employee actions and employment matters, commercial transactions and other matters arising in the normal course of business. In addition, the Company maintains what it believes is adequate insurance coverage to further mitigate the risks of such proceedings. However, such proceedings can be costly, time consuming and unpredictable and, therefore, no assurance can be given that the final outcome of such proceedings may not materially impact its consolidated financial position, results of operations or cash flows. Further, no assurance can be given that the amount or scope of existing insurance coverage will be sufficient to cover expenses arising from such matters. The Company does not believe that the final outcome of these matters will have a material adverse effect on its consolidated financial position, results of operations or cash flows.

Since the announcement of the Mergers, three class action lawsuits have been filed by purported stockholders of MTR challenging the Mergers. All three cases were filed in the Delaware Court of Chancery. The first case was filed on September 23, 2013 and is captioned *Harris v. MTR Gaming Group, Inc., et al.*, Case No. 8937-VCG (the "Harris Case"); the second case was filed on September 27, 2013 and is captioned *Julian v. MTR Gaming Group, Inc., et al.*, Case No. 8950-VCG (the "Julian Case"); and the third case was filed on October 14, 2013 and is captioned *Morse v. MTR Gaming, Inc., et al.*, Case No. 9001 (the "Morse Case"). These cases, which purport to be brought as class actions on behalf of all MTR stockholders, excluding the members of MTR's board of directors, alleges that the consideration that stockholders will receive in connection with the merger is inadequate and that MTR's directors breached their fiduciary duties to stockholders in negotiating and approving the merger agreement. The complaint in the Harris Case also alleges that MTR and the Company aided and abetted the alleged breaches by MTR's directors. The complaints in the Julian and Morse Cases alleged that MTR, NewCo, Merger Sub A, Merger Sub B, HoldCo, Gary Carano, Thomas Reeg and Robert T. Jones aided and abetted the alleged breaches by MTR's directors. The three complaints, which are now consolidated, seek various forms of relief including injunctive relief that would, if granted, prevent the merger from being consummated in accordance with the agreed-upon terms. The defendants believe that the allegations are without merit and intend to defend the actions vigorously. On April 16, 2014, the defendants filed a motion to dismiss the consolidated complaint.

In March 2008, the Nevada Supreme Court ruled, in a case involving another gaming company, that food and non-alcoholic beverages purchased for use in providing complimentary meals to customers and to employees were exempt from use tax. The Company had previously paid use tax on these items and had generally filed for refunds for the periods from January 2001 to February 2008 related to this matter, which refunds had not been paid. The Company claimed the exemption on sales and use tax returns for periods after February 2008 in light of this Nevada Supreme Court decision and had not accrued or paid any sales or use tax for those periods. In June 2013, the Company and other similarly situated companies entered into a global settlement agreement with the Nevada Department of Taxation (the "Taxation Department") that, when combined with the contemporaneous passage of legislation governing the prospective treatment of complimentary meals ("AB 506"), resolved all matters concerning

the prior and future taxability of such meals. AB 506 provides that complimentary meals provided to customers and employees after the effective date of the bill are not subject to either sales or use tax. Under the terms of the global settlement, the Company agreed to withdraw its refund requests and the Taxation Department agreed to drop its assertion that sales tax was due on such meals up to the effective date of AB 506. Since the Company did not previously accrue either the claims for refund of use taxes or any liability for sales taxes that the Taxation Department may have asserted prior to entering the global settlement agreement, there is no financial statement impact of entering into the settlement agreement.

In 2002, the Company entered into a professional services agreement on a contingency fee basis arrangement with a third party advisory group to obtain refunds or credits for the aforementioned overpaid sales and use taxes. In August 2013, the Company received a letter from the advisory group seeking payment of approximately $890,000 for unsubstantiated services rendered in connection with the settlement agreement reached in AB 506 and is seeking contingency fees for taxes resolved by legislation from February 2008 and for future taxes through 2019 that will not materialize. The Company denies any obligations under the contingent fee basis claim as no amounts were recovered by the Company under the terms of the agreement.

7. Related Parties

As of June 30, 2014, the Company's receivables and payables to related parties amounted to $0.4 million and ($0.1) million, respectively. As of December 31, 2013, the Company's receivables and payables to related parties amounted to $0.4 million and ($0.2) million, respectively.

8. Segment Information

The following table sets forth, for the period indicated, certain operating data for our reportable segments. Management reviews our operations by our geographic gaming market segments: Eldorado Reno and Eldorado Shreveport.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(in thousands)			
Revenues and expenses				
Eldorado Reno				
Net operating revenues (a)	$ 29,620	$ 29,896	$ 52,786	$ 53,963
Expenses, excluding depreciation	(24,781)	(24,739)	(47,264)	(46,936)
(Loss) on sale/disposition of long-lived assets and property and equipment	—	(6)	—	(6)
Acquisition charges	(1,081)	—	(2,453)	—
Equity in net income of unconsolidated affiliates	2,161	1,981	1,781	1,265
Depreciation	(1,964)	(2,103)	(3,992)	(4,239)
Operating income — Eldorado Reno	$ 3,955	$ 5,029	$ 858	$ 4,047
Eldorado Shreveport				
Net operating revenues	$ 32,879	$ 36,682	$ 67,493	$ 75,544
Expenses, excluding depreciation and amortization (a)	(27,937)	(28,949)	(55,742)	(58,610)
(Loss) gain on sale/disposition of long-lived assets and property	—	(2)	—	8

and equipment				
Depreciation and amortization	(2,122)	(2,260)	(4,282)	(4,464)
Operating income — Eldorado Shreveport	$ 2,820	$ 5,471	$ 7,469	$ 12,478

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(in thousands)			
Total Reportable Segments				
Net operating revenues (a)	$ 62,499	$ 66,578	$ 120,279	$ 129,507
Expenses, excluding depreciation and amortization (a)	(52,718)	(53,688)	(103,006)	(105,546)
(Loss) gain on sale/disposition of long-lived assets and property and equipment	—	(8)	—	2
Acquisition charges	(1,081)	—	(2,453)	—
Equity in net income of unconsolidated affiliates	2,161	1,981	1,781	1,265
Depreciation and amortization	(4,086)	(4,363)	(8,274)	(8,703)
Operating income — Total Reportable Segments	$ 6,775	$ 10,500	$ 8,327	$ 16,525
Reconciliations to Consolidated Net Income				
Operating Income - Total Reportable Segments	$ 6,775	$ 10,500	$ 8,327	$ 16,525
Unallocated income and expenses:				
Interest income	4	4	8	8
Interest expense	(3,870)	(3,956)	(7,759)	(7,898)
Net income	$ 2,909	$ 6,548	$ 576	$ 8,635

(a) Before the elimination of $0.8 million for each of the three month periods ended June 30, 2014 and 2013 and $1.5 million for each of the six month periods ended June 30, 2014 and 2013 for management fees to Eldorado Reno and expense to Eldorado Shreveport.

	Six Months Ended June 30,	
	2014	2013
	(in thousands)	
Capital Expenditures		
Eldorado Reno	$ 738	$ 1,066
Eldorado Shreveport	1,176	2,558
Total	$ 1,914	$ 3,624

	As of June 30, 2014	As of December 31, 2013
	(in thousands)	
Total Assets		
Eldorado Reno	$ 247,419	$ 252,066
Eldorado Shreveport	150,356	150,766
Eliminating entries (a)	(130,345)	(132,650)
Total	$ 267,430	$ 270,182

(a) Reflects the following eliminations for the periods indicated:

Proceeds from Senior Secured Notes loaned to Eldorado Shreveport	$ 116,308	$ 118,038
Accrued interest on the above intercompany loan	418	418
Intercompany receivables/payables	92	91
Net investment in and advances to Eldorado Shreveport	13,527	14,103
	$ 130,345	$ 132,650

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General

Eldorado HoldCo LLC ("HoldCo"), a Nevada limited liability company, was formed in April 2009 to be the holding company for Eldorado Resorts LLC ("Resorts"). The members of Resorts contributed all their respective membership interests in Resorts in return for proportionate membership interests in HoldCo. Other than the membership interest in Resorts, HoldCo has no assets, liabilities or revenues and conducts no operations. Resorts owns and operates a hotel and riverboat gaming complex that includes a 403-room, all suite, art deco-style hotel and a tri-level riverboat dockside casino situated on the Red River in Shreveport, Louisiana ("Eldorado Shreveport") and the Eldorado Hotel & Casino, a premier hotel/casino and entertainment facility in Reno, Nevada ("Eldorado Reno"). Resorts owns the Eldorado Shreveport indirectly through two wholly owned subsidiaries which own 100% of the partnership interests in the Eldorado Shreveport Joint Venture, a Louisiana general partnership ("Louisiana Partnership"). In addition, Resorts' 96.1858% owned subsidiary, Eldorado Limited Liability Company, a Nevada limited liability company ("ELLC"), owns a 50% interest in a joint venture ("Silver Legacy Joint Venture") which owns the Silver Legacy Resort Casino ("Silver Legacy"), a major, themed hotel/casino located adjacent to the Eldorado Reno. Resorts also owns a

21.25% interest in Tamarack Junction, a small casino in south Reno. HoldCo, Resorts, the Louisiana Partnership, ELLC and Eldorado Capital Corp. ("Capital"), a wholly owned subsidiary of Resorts which holds no significant assets and conducts no business activity, are collectively referred to as "we," "us," "our" or the "Company." Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide information to assist in better understanding and evaluating our financial condition and results of operations. We recommend that you read this MD&A in conjunction with our unaudited condensed consolidated financial statements and the notes to those statements included in Item 1 of this Quarterly Report, as well as our Annual Report for the year ended December 31, 2013.

This MD&A contains forward-looking information. Without limitation, when we use the words "believe," "estimate," "plan," "expect," "intend," "anticipate," "continue," "may," "probably," "should," "could," "will" and similar expressions in this Quarterly Report, we are identifying forward-looking statements. These forward-looking statements are subject to risks, uncertainties and assumptions about us and our operations that are subject to change based on various important factors, some of which are beyond our control, including our ability to consummate the transactions contemplated by the Merger Agreement, our substantial indebtedness, the effects of competition, the impact of gaming and other regulations, general economic and market conditions, weather conditions, geographic concentration of our operations and our reliance on management and key employees. We undertake no obligation to update any forward-looking statements. It is not possible to foresee or identify all factors that could cause actual results to differ from expected or historic results. Therefore, the reader should not consider this discussion to be an exhaustive statement of all risks, uncertainties, or factors that could potentially cause actual results to differ from forward-looking statements.

The Company accounts for its investment in the Silver Legacy Joint Venture and Tamarack utilizing the equity method of accounting. Except as discussed below, the Company's consolidated net income includes our proportional share of the net income before taxes of the Silver Legacy Joint Venture and Tamarack. As a result of our identification of triggering events, we recognized non-cash impairment charges of $33.1 million in 2011 for our investment in the Silver Legacy Joint Venture. Such impairment charges eliminated our remaining investment in the Silver Legacy Joint Venture. As a result of the elimination of the Company's remaining investment in the Silver Legacy Joint Venture, we discontinued the equity method of accounting for our investment in the Silver Legacy Joint Venture until the fourth quarter of 2012 when additional investments in the Silver Legacy Joint Venture were made. At such time, the Company recognized its share of the Silver Legacy Joint Venture's suspended net losses not recognized during the period the equity method of accounting was discontinued and resumed the equity method of accounting for its investment.

As a privately held company, we have not been required to maintain internal control over financial reporting in a manner that meets the standards of publicly traded companies required by Section 404(a) of the Sarbanes-Oxley Act. We anticipate that we will be required to meet these standards in the course of preparing our financial statements in the future. Our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting on an annual basis. The rules governing the standards that must be met for our management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with accounting principles

generally accepted in the United States, or GAAP. We are currently in the process of reviewing, documenting and testing our internal controls over financial reporting, but we are not currently in compliance with, and we cannot be certain when we will be able to implement the requirements of Section 404(a). If we cannot favorably assess the effectiveness of our internal control over financial reporting, or if our independent registered public accounting firm is unable to provide an unqualified attestation report on our internal controls, confidence in our financial information could be lost.

Significant Factors Impacting Operating Trends

Our operating results are highly dependent on the volume of customers visiting and staying at our resort. Key volume indicators include table games drop and slot handle, which refer to amounts wagered by our customers. The amount of volume we retain, which is not fully controllable by us, is recognized as casino revenues and is referred to as our win or hold. In addition, hotel occupancy and price per room designated by average daily rate ("ADR") are key indicators for our hotel business. Our calculation of ADR consists of the average price of occupied rooms per day, including the impact of complimentary rooms. Complimentary room rates are determined based on an analysis of retail or "cash" rates for each customer segment and each type of room product to estimate complimentary rates which are consistent with retail rates. Complimentary rates are reviewed at least annually and on an interim basis if there are significant changes in market conditions. Complimentary rooms are treated as occupied rooms in our calculation of hotel occupancy.

Our marketing strategy is designed to take advantage of our proximity to the large population base of the greater San Francisco, Sacramento and Dallas/Ft. Worth metropolitan areas and other major markets by targeting the local day-trip market and by utilizing our hotel rooms to expand our patron mix to include overnight visitors. We also coordinate our restaurant and entertainment promotions to encourage overnight stays. By utilizing the data in our casino information systems, we are able to identify our premium patrons, encourage their participation in our casino player's card program and design promotions and special events to target this market.

Economic Impact

The economic downturn and the slow pace of recovery, especially in Nevada and California, continue to adversely influence consumers' confidence, discretionary spending levels and travel patterns. We believe the weak demand, high unemployment, record number of home foreclosures, increased competition and volatility of the economy have had a significant negative impact on the gaming and tourism industries, and, as a result, our operating performance over the past several years. In response to the difficult economic environment, our management has implemented cost savings measures and will continue to review our operations to look for opportunities to further reduce expenses and maximize cash flows. We believe the current economic conditions will continue to negatively affect our operating results for some period of time. We remain uncertain as to the duration and magnitude of the impact on our operations and the length of any future recovery period.

Expansion of Native American Gaming and Other Gaming

A significant portion of our revenues and operating income are generated from patrons who are residents of northern California and northeastern Texas, and as such, our operations have been adversely impacted by the growth in Native American gaming in northern California and, to a lesser extent, in Oklahoma.

Many existing Native American gaming facilities in northern California are modest compared to Eldorado Reno. However, a number of Native American tribes have established large-scale gaming facilities in California and some Native American tribes have announced that they are in the process of expanding, developing, or are considering establishing, large-scale hotel and gaming facilities in northern California. As northern California Native American gaming operations have expanded, we believe the increasing competition generated by these gaming operations has had a negative impact, principally on drive-in, day-trip visitor traffic from our main feeder markets in northern California.

Under their current compacts, most Native American tribes in California may operate up to 2,000 slot machines and up to two gaming facilities on any one reservation. However, under action taken by the National Indian Gaming Commission, gaming devices similar in appearance to slot machines, but which are deemed to be technological enhancements to bingo style gaming, are not subject to such limits and may be used by tribes without state permission. The number of slot machines the tribes may be allowed to operate could increase as a result of any new or amended compacts the tribes may enter into with the State of California that receive the requisite approvals. Such increases have occurred with respect to a number of new or amended compacts which have been executed and approved.

Casino gaming is currently prohibited in several jurisdictions from which the Shreveport/Bossier City market draws customers, primarily Texas. Although casino gaming is currently not permitted in Texas, the Texas legislature has from time to time considered proposals to authorize casino gaming and there can be no assurance that casino gaming will not be approved in Texas in the future, which would have a material adverse effect on our business. Eldorado Shreveport competes with several Native American casinos located in Oklahoma, certain of which are located near our core Texas markets. Because we draw a significant amount of our customers from the Dallas/Fort Worth area, but are located approximately 190 miles from that area, we believe we will continue to face increased competition from gaming operations in Oklahoma, including the WinStar and Choctaw casinos, and would face significant competition that may have a material adverse effect on our business and results of operations if casino gaming is approved in Texas.

In June 2013, construction was completed on a new 30,000 square foot casino and 400-room hotel project in Bossier City across the Red River from Eldorado Shreveport. The facility, which also includes several restaurants and a 950-seat entertainment arena, received final approval from the Louisiana Gaming Control Board and opened on June 15, 2013. In addition, a new 320,000 square foot gaming facility located in Sonoma County, California opened on November 5, 2013.

We believe any future growth of Native American and other gaming establishments, including the addition of hotel rooms and other amenities, could place additional competitive pressure on our operations. While we cannot predict the extent of any future impact, it could be significant.

Severe Weather

Eldorado Reno's operations are subject to seasonal variation, with the weakest results generally occurring during the winter months. Eldorado Shreveport's operations were negatively impacted during the first quarter of 2014 due to poor weather conditions during this period. Periods of severe weather could negatively impact our future operating results.

Major Bowling Tournaments in the Reno Market

The National Bowling Stadium, located one block from Eldorado Reno, is one of the largest bowling complexes in North America and has been selected to host multi-month tournaments in Reno every year through 2018 except for 2017. It has also been selected to host ten United States Bowling Congress ("USBC") tournaments from 2019 through 2030. During this period, two of the ten USBC Tournaments may be held in the same year. Through a one-time agreement, the National Bowling Stadium hosted the USBC Open Tournament in Reno in 2014; usually an off-year for Reno. Historically, these multi-month bowling tournaments have attracted a significant number of visitors to the Reno market and have benefited business in the downtown area, including Eldorado Reno. The USBC Tournaments brought approximately 73,000 bowlers to the Reno area during the 2013 tournament period which began on March 1st and continued through July 7th. Both tournaments returned to Reno in 2014 and brought approximately 62,000 bowlers to the Reno area during the 2014 tournament period which began on February 28th and continued through July 12th.

Summary Financial Results

Three Months Ended June 30, 2014 Compared to the Three Months Ended June 30, 2013

The following table highlights the results of our operations (dollars in thousands):

	Three Months Ended June 30,		
	2014	2013	Percent Change
Net operating revenues	$ 61,749	$ 65,828	(6.2)%
Operating expenses	56,054	57,301	(2.2)%
Equity in income of unconsolidated affiliates	2,161	1,981	9.1%
Operating income	6,775	10,500	(35.5)%
Net income	2,909	6,548	(55.6)%

Net Operating Revenues. Net operating revenues decreased by 6.2% for the three months ended June 30, 2014 as decreases in all components of operating revenues at Eldorado Shreveport and decreases in food, beverage and entertainment revenues at Eldorado Reno were only partially offset by slight increases in casino, food, hotel and other revenues at Eldorado Reno compared to the same period in 2013. As more fully explained below, the decrease in casino revenues at Eldorado Shreveport primarily reflects reductions in both slot machine wagering and table

game drop partially offset by improvement in the table games hold percentage in the 2014 period compared to the prior year period. The decline in wagering at Eldorado Shreveport was attributable to increased competition in its market.

Equity in Income of Unconsolidated Affiliates. Income from the Company's unconsolidated affiliates, the Silver Legacy Joint Venture and Tamarack, increased approximately $0.2 million for the three months ended June 30, 2014 as compared to the same period in 2013. Our equity in the income of the Silver Legacy Joint Venture during the second quarter of 2014 and 2013 amounted to $1.9 million and $1.7 million, respectively. Equity in the income of Tamarack for the three months ended June 30, 2014 decreased by less than $0.1 million compared to the same period in the prior year.

Operating Income and Net Income. In the 2014 second quarter period, we experienced a decrease in operating income of $3.7 million due primarily to decreases in operating margins. Consolidated net operating revenues decreased by approximated $4.1 million which was partially offset by a $1.2 million decrease in consolidated operating expenses. In addition, we incurred $1.1 million of acquisition charges during the current year period in connection with our proposed merger with MTR Gaming Group, Inc. ("MTR"). The resulting net decrease was partially offset by a $0.2 million increase in our equity in the income of unconsolidated affiliates. Net income decreased by $3.6 million in the 2014 period compared to the prior year period due to the factors negatively impacting operating income previously noted partially offset by a $0.1 million decrease in interest expense.

Revenues

The following table highlights our sources of net operating revenues (dollars in thousands):

	Three Months Ended June 30,		
	2014	2013	Percent Change
Casino:			
Eldorado Reno	$ 17,905	$ 17,677	1.3%
Eldorado Shreveport	30,249	33,705	(10.3)%
Total	48,154	51,382	(6.3)%
Food, beverage and entertainment:			
Eldorado Reno	9,323	9,645	(3.3)%
Eldorado Shreveport	6,221	6,667	(6.7)%
Total	15,544	16,312	(4.7)%
Hotel:			
Eldorado Reno	5,164	5,123	0.8%
Eldorado Shreveport	2,141	2,314	(7.5)%
Total	7,305	7,437	(1.8)%
Other:			
Eldorado Reno	855	817	4.7%
Eldorado Shreveport	867	916	(5.6)%
Total	1,722	1,733	(0.6)%
Promotional allowances:			
Eldorado Reno	(4,378)	(4,117)	6.3%
Eldorado Shreveport	(6,598)	(6,919)	(4.6)%
Total	(10,976)	(11,036)	(0.5)%

Casino Revenues. Consolidated casino revenues decreased by 6.3% during the 2014 second quarter period compared to the same period in 2013. The increase in such revenues at Eldorado Reno of 1.3% was due to increases in the table games drop and table games hold percentage. Casino revenues at Eldorado Shreveport decreased in the 2014 second quarter period by 10.3% as a result of a decrease in slot machine coin-in coupled with a decline in the slot machine hold percentage. The decrease in casino revenues from slot machine operations was compounded by a decrease in table games drop partially offset by an increase in the table games hold percentage. The results of operations of Eldorado Shreveport have been negatively impacted by the addition of a new competitor in the Shreveport/Bossier City market that has reduced the market share of all of the other casino operators in the market, including Eldorado Shreveport.

Food, Beverage and Entertainment Revenues. Consolidated food, beverage and entertainment revenues decreased by 4.7% for the three months ended June 30, 2014 as compared to the 2013 second quarter period. Such

revenues decreased by 3.3% at Eldorado Reno. While food revenues increased 2.7% in the 2014 period compared to 2013 primarily due to an increase in our average check price as a result of selective price increases in our restaurants partially offset by a 3.8% decrease in customer counts. Beverage revenues decreased primarily due to decreased complimentary sales on the casino floor and in the BuBinga nightclub, which was closed in the second quarter for rebranding. Also negatively impacting revenues was a 31.1% decrease in entertainment revenues in the Eldorado Reno theatre in the 2014 period due to a less popular show. Food, beverage and entertainment revenues decreased by 6.7% at Eldorado Shreveport for the three months ended June 30, 2014 as compared to the same period in 2013 primarily due to the decrease in customer volume as evidenced by the decrease in meals served during the second quarter of 2014 compared to the second quarter of 2013. The average check price at Eldorado Shreveport also decreased slightly during the 2014 second quarter period.

Hotel Revenues. Consolidated hotel revenues decreased 1.8% during the 2014 second quarter period compared to the same period in 2013. Hotel revenues at Eldorado Reno increased by less than 1.0% due to increases in the hotel occupancy rate to 91.1% in the three months ended June 30, 2014 from 90.7% in the 2013 second quarter period and offset a decrease in the hotel ADR of $67 in the three months ended June 30, 2014 from $68 in the 2013 second quarter period. Other hotel revenue increased 22% due to an increase in our resort fee from $6 to $8 in August 2013. Hotel revenues at Eldorado Shreveport decreased by 7.5% due to a decline in the occupancy rate to 91.0% in the three months ended June 30, 2014 from 93.8% in the 2013 second quarter period and a decrease in the ADR to $64 in the three months ended June 30, 2014 from $67 in the 2013 second quarter period.

Other Revenues. Other revenues are comprised of revenues generated by our retail outlets and other miscellaneous items. Other revenues at Eldorado Reno increased 4.7% during the three months ended June 30, 2014 compared to the prior year period primarily as a result of increased complimentary retail sales. Other revenues decreased by 5.6% at Eldorado Shreveport during the three months ended June 30, 2014 compared to the same period in 2013 due to lower ATM commission revenues and retail sales.

Promotional Allowances. Consolidated promotional allowances, expressed as a percentage of casino revenues, increased to 22.8% in the 2014 period compared to 21.5% in the 2013 period. The overall amount of promotional allowances incurred decreased by less than 1.0%. Such costs at Eldorado Reno experienced a 6.3% increase reflecting, in part, the 1.3% increase in casino revenues, whereas such costs decreased by 4.6% at Eldorado Shreveport reflecting, in part, the 10.3% decrease in casino revenues. Management actively reviews the effectiveness of its promotions, and endeavors to expand successful promotions while eliminating or reducing less profitable promotions. Promotional activities at Eldorado Shreveport reflect, in part, our efforts to maintain the property's share of the Shreveport/Bossier City gaming market in light of increased competition.

Operating Expenses

The following table highlights our operating expenses (dollars in thousands):

	Three Months Ended June 30, 2014	2013	Percent Change
Casino:			
Eldorado Reno	$ 9,347	$ 9,236	1.2%
Eldorado Shreveport	20,100	20,782	(3.3)%
Total	29,447	30,018	(1.9)%
Food, beverage and entertainment:			
Eldorado Reno	6,581	6,633	(0.8)%
Eldorado Shreveport	1,382	1,412	(2.1)%
Total	7,963	8,045	(1.0)%
Hotel:			
Eldorado Reno	1,634	1,742	(6.2)%
Eldorado Shreveport	280	311	(10.0)%
Total	1,914	2,053	(6.8)%
Other:			
Eldorado Reno	689	730	(5.6)%
Eldorado Shreveport	291	295	(1.4)%
Total	980	1,025	(4.4)%
Selling, general and administrative	11,514	11,647	(1.1)%
Management fee	150	150	—%
Depreciation and amortization	4,086	4,363	(6.3)%

Casino Expenses. Casino expenses at Eldorado Reno increased slightly in the three months ended June 30, 2014 as compared to the same period in 2013 primarily reflecting the costs associated with the increase in the revenues for such period. Casino expenses at Eldorado Shreveport decreased 3.3% during the 2014 period compared to the same period in 2013 primarily as a result of lower gaming taxes and personnel costs reflecting the lower customer volume experienced.

Food, Beverage and Entertainment Expenses. For the second quarter of 2014, Eldorado Reno food expenses increased due to higher cost of sales partially offset by lower payroll expenditures, while beverage expenses decreased primarily as a result of the closing of our nightclub. Entertainment expenses increased slightly as a result of increased advertising expenses. Food, beverage and entertainment expenses decreased slightly at Eldorado Shreveport during the second quarter of 2014 as increased food and beverage costs were offset by the decline in customers served as reflected by the 6.7% decrease in food and beverage sales.

Hotel Expenses. Hotel expenses at Eldorado Reno decreased by 6.2% due to lower group insurance for the three months ended June 30, 2014 and increased rebates and complimentary expenses associated with Sales groups in the 2013 period. For the three months ended June 30, 2014, hotel expenses at Eldorado Shreveport decreased by 10.0% due to decreases in payroll expenditures reflecting lower occupancy levels as reflected in the decrease in its occupancy percentage from 93.8% in the 2013 period to 91.0% in the 2014 period.

Other Expenses. Other expenses decreased by 5.6% at Eldorado Reno in the 2014 period as compared to the 2013 period as a result of transportation expenses associated with the USBC tournament during the 2013 second quarter period. Other expenses at Eldorado Shreveport did not change significantly during the 2014 second quarter period.

Selling and General and Administrative Expenses and Management Fees. For the second quarter of 2014, as compared to the same period in 2013, selling, general and administrative expenses did not change significantly. Historically, the Company pays management fees to Recreational Enterprises, Inc. ("REI") and Hotel Casino Management, Inc. ("HCM"), the owners of 47% and 25% of the Company's equity interests, respectively. In connection with the refinancing of our debt obligations in June 2011, the management agreement was amended which, among other things, placed a maximum management fee payment allowed at $600,000 annually. In the second quarters of both 2014 and 2013, we paid an aggregate $0.2 million in management fees to REI and HCM.

Depreciation and Amortization Expense. Depreciation expense decreased by 6.3% for the three months ended June 30, 2014 as more assets became fully depreciated.

Acquisition Charges

During the 2014 second quarter period, we incurred $1.1 million in acquisition charges in connection with our proposed merger with MTR. Because HoldCo maintains no bank accounts or operations, these expenses were paid by Resorts on behalf of HoldCo. The amounts have been expensed in accordance with the applicable accounting guidance for business combinations.

Interest Expense

For the three months ended June 30, 2014, interest expense decreased by less than $0.1 million, or 2.2%, due to principal reductions on our credit facility which matured May 30, 2014 and was not renewed.

Six Months Ended June 30, 2014 Compared to the Six Months Ended June 30, 2013

The following table highlights the results of our operations (dollars in thousands):

	Six Months Ended June 30,		
	2014	2013	Percent Change
Net operating revenues	$ 118,779	$ 128,007	(7.2)%
Operating expenses	109,780	112,749	(2.6)%
Equity in income of unconsolidated affiliates	1,781	1,265	40.8%
Operating income	8,327	16,525	(49.6)%
Net income	576	8,635	(93.3)%

Net Operating Revenues. Net operating revenues decreased by 7.2% for the six months ended June 30, 2014 as both Eldorado Reno and Eldorado Shreveport experienced decreases in all components of operating revenues compared to the same period in 2013. As more fully explained below, the decrease in casino revenues at Eldorado Shreveport primarily reflects reductions in both slot machine wagering and table game drop partially offset by improvement in the table games hold percentage in the 2014 period compared to the prior year period. The decline in wagering at Eldorado Shreveport is attributable to increased competition in its market.

Equity in Income of Unconsolidated Affiliates. Income from the Company's unconsolidated affiliates, the Silver Legacy Joint Venture and Tamarack, increased approximately $0.5 million for the six months ended June 30, 2014 as compared to the same period in 2013. Our equity in the income of the Silver Legacy Joint Venture during the six months of 2014 and 2013 amounted to $1.9 million and $1.3 million, respectively. Equity in the income of Tamarack for the six months ended June 30, 2014 decreased by less than $0.1 million compared to the same period in the prior year.

Operating Income and Net Income. In the 2014 six-month period, we experienced a decrease in operating income of $8.2 million due primarily to decreases in operating margins. Consolidated net operating revenues decreased by approximated $9.2 million which was partially offset by a $3.0 million decrease in consolidated operating expenses. In addition, we incurred $2.5 million of acquisition charges during the current year six-month period in connection with our proposed merger with MTR. The resulting net decrease was partially offset by a $0.5 million increase in our equity in the income of unconsolidated affiliates. Net income decreased by $8.1 million in the 2014 period compared to the prior year period due to the factors negatively impacting operating income previously noted partially offset by a $0.1 million decrease in interest expense.

Revenues

The following table highlights our sources of net operating revenues (dollars in thousands):

	Six Months Ended June 30,		
	2014	2013	Percent Change
Casino:			
Eldorado Reno	$ 30,771	$ 31,103	(1.1)%
Eldorado Shreveport	62,052	69,549	(10.8)%
Total	92,823	100,652	(7.8)%
Food, beverage and entertainment:			
Eldorado Reno	17,844	18,370	(2.9)%
Eldorado Shreveport	12,702	13,483	(5.8)%
Total	30,546	31,853	(4.1)%
Hotel:			
Eldorado Reno	8,919	9,054	(1.5)%
Eldorado Shreveport	4,273	4,504	(5.1)%
Total	13,192	13,558	(2.7)%
Other:			
Eldorado Reno	1,591	1,604	(0.8)%
Eldorado Shreveport	1,656	1,804	(8.2)%
Total	3,247	3,408	(4.7)%
Promotional allowances:			
Eldorado Reno	(7,840)	(7,668)	2.2%
Eldorado Shreveport	(13,189)	(13,796)	(4.4)%
Total	(21,029)	(21,464)	(2.0)%

Casino Revenues. Consolidated casino revenues decreased by 7.8% during the 2014 six-month period compared to the same period in 2013. The decrease in such revenues at Eldorado Reno of 1.1% was primarily due to decreases in slot coin-in. Casino revenues at Eldorado Shreveport decreased in the 2014 six-month period by 10.8% as a result of a decrease in slot machine coin-in coupled with a small decrease in the slot machine hold percentage. The decrease in casino revenues from slot machine operations was compounded by a decrease in table games drop partially offset by an increase in the table games hold percentage. The results of operations of Eldorado Shreveport have been negatively impacted by the addition of a new competitor in the Shreveport/Bossier City market that has reduced the market share of all of the other casino operators in the market, including Eldorado Shreveport.

Food, Beverage and Entertainment Revenues. Consolidated food, beverage and entertainment revenues decreased by 4.1% for the six months ended June 30, 2014 as compared to the 2013 six-month period. Such revenues decreased by 2.9% at Eldorado Reno. Food revenues decreased 0.5% in the 2014 period compared to 2013 primarily due to a 4.9% decrease in customer counts partially offset by an increase in our average check price as a result of selective price increases in our restaurants. Beverage revenues decreased primarily due to decreased complimentary sales on the casino floor and the closure of the BuBinga nightclub. Also negatively impacting revenues was a 22.3% decrease in entertainment revenues in the Eldorado Reno theatre in the 2014 period due to a less popular show. Food, beverage and entertainment revenues decreased by 5.8% at Eldorado Shreveport for the six months ended June 30, 2014 as compared to the same period in 2013 primarily due to the decrease in customer volume as evidenced by the 4.5% decline in meals served during the first half of 2014 compared to the first half of 2013. The average check price also decreased slightly during the 2014 six-month period. Beverage revenues at Eldorado Shreveport decreased primarily due to decreased complimentary sales.

Hotel Revenues. Consolidated hotel revenues decreased 2.7% during the 2014 six-month period compared to the same period in 2013. Hotel revenues at Eldorado Reno decreased by 1.5% due to decreases in the hotel occupancy rate to 82.9% in the six months ended June 30, 2014 from 84.2% in the 2013 six-month period and in the hotel ADR of $63 in the six months ended June 30, 2014 from $65 in the 2013 six-month period. Other hotel revenue increased 22% due to an increase in our resort fee from $6 to $8 in August 2013. Hotel revenues at Eldorado Shreveport decreased by 5.1% due to a decline in the occupancy rate to 89.9% in the six months ended June 30, 2014 from 92.3% in the 2013 six-month period and a decrease in the ADR to $65 in the six months ended June 30, 2014 from $67 in the 2013 six-month period.

Other Revenues. Other revenues are comprised of revenues generated by our retail outlets and other miscellaneous items. Other revenues at Eldorado Reno decreased by less than 1.0% during the six months ended June 30, 2014 compared to the prior year period. Other revenues decreased by 8.2% at Eldorado Shreveport during the six months ended June 30, 2014 compared to the same period in 2013 due to lower ATM commission revenues and retail sales, partially offset by improved spa revenues.

Promotional Allowances. Consolidated promotional allowances, expressed as a percentage of casino revenues, increased to 22.7% in the 2014 six month period compared to 21.3% in the 2013 period. The overall amount of promotional allowances incurred decreased by 2.0%. Such costs at Eldorado Reno increased by 2.2% reflecting an increase in our casino direct mail program. Such costs decreased by 4.4% at Eldorado Shreveport which decrease is associated with the 10.8% decrease in casino revenues. Management actively reviews the effectiveness of its promotions, and endeavors to expand successful promotions while eliminating or reducing less profitable promotions. Promotional activities at Eldorado Shreveport reflect, in part, our efforts to maintain the property's share of the Shreveport/Bossier City gaming market in light of increased competition.

Operating Expenses

The following table highlights our operating expenses (dollars in thousands):

	Six Months Ended June 30,		Percent Change
	2014	2013	
Casino:			
Eldorado Reno	$ 16,926	$ 16,840	0.5%
Eldorado Shreveport	40,002	42,366	(5.6)%
Total	56,928	59,206	(3.8)%
Food, beverage and entertainment:			
Eldorado Reno	12,681	12,601	0.6%
Eldorado Shreveport	2,838	2,882	(1.5)%
Total	15,519	15,483	0.2%
Hotel:			
Eldorado Reno	3,269	3,443	(5.1)%
Eldorado Shreveport	590	613	(3.8)%
Total	3,859	4,056	(4.9)%
Other:			
Eldorado Reno	1,307	1,337	(2.2)%
Eldorado Shreveport	569	585	(2.7)%
Total	1,876	1,922	(2.4)%
Selling, general and administrative	23,024	23,079	(0.2)%
Management fee	300	300	—%
Depreciation and amortization	8,274	8,703	(4.9)%

Casino Expenses. Casino expenses at Eldorado Reno increased slightly in the six months ended June 30, 2014 as compared to the same period in 2013 as a result of the increased cost of the aforementioned direct mail program. Casino expenses at Eldorado Shreveport decreased 5.6% during the 2014 six-month period compared to the same period in 2013 primarily as a result of lower gaming taxes and personnel costs reflecting the lower customer volume experienced.

Food, Beverage and Entertainment Expenses. For the six months of 2014, food, beverage and entertainment expenses at Eldorado Reno increased slightly despite a decrease of 2.9% in the associated revenues. Increases in food cost of sales were partially offset by decreases in beverage costs primarily as a result of the closing of the BuBinga nightclub. Food, beverage and entertainment expenses also decreased slightly at Eldorado Shreveport during the six months of 2014 as increased food and beverage costs were offset by the decline in customers served as reflected by the 5.8% decrease in food and beverage sales.

Hotel Expenses. Hotel expenses at Eldorado Reno decreased by 5.1% due to lower group insurance for the six months ended June 30, 2014 and decreased rebates associated with group sales in 2014. For the six months ended June 30, 2014, hotel expenses at Eldorado Shreveport decreased by 3.8%

due to decreases in payroll expenditures resulting from lower occupancy levels as reflected in the decrease in its occupancy percentage from 92.3% in the 2013 period to 89.9% in the 2014 period.

Other Expenses. Other expenses did not change significantly at Eldorado Reno in the 2014 period as compared to the 2013 period. Other expenses at Eldorado Shreveport decreased slightly for the 2014 six-month period primarily due to the decrease in cost of goods sold associated with reduced retail sales.

Selling and General and Administrative Expenses and Management Fees. For the six months of 2014, as compared to the same period in 2013, selling, general and administrative expenses did not change significantly. Historically, the Company pays management fees to REI and HCM, the owners of 47% and 25% of the Company's equity interests, respectively. In connection with the refinancing of our debt obligations in June 2011, the management agreement was amended which, among other things, placed a maximum management fee payment allowed at $600,000 annually. In the first six months of both 2014 and 2013, we paid an aggregate $0.3 million in management fees to REI and HCM.

Depreciation and Amortization Expense. Depreciation expense decreased by 4.9 % for the six months ended June 30, 2014 as more assets became fully depreciated.

Acquisition Charges

During the 2014 six-month period, we incurred $2.5 million in acquisition charges in connection with our proposed merger with MTR. Because HoldCo maintains no bank accounts or operations, these expenses were paid by Resorts on behalf of HoldCo. The amounts have been expensed in accordance with the applicable accounting guidance for business combinations.

Interest Expense

For the six months ended June 30, 2014, interest expense decreased by slightly more than $0.1 million, or 1.8%, due to principal reductions on our credit facility which matured May 30, 2014 and was not renewed.

Supplemental Unaudited Presentation of Consolidated Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA for the Three and Six Months Ended June 30, 2014 and 2013

EBITDA is defined as earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, and other non-operating income (expense), such as acquisition charges, equity in income of unconsolidated affiliates and gain or loss on the disposition of assets. EBITDA and Adjusted EBITDA are presented solely as supplemental disclosure because we believe that they are widely utilized by, and are presented to assist, investors in understanding our performance and operating results. Adjusted EBITDA is not intended to represent cash flow from operations as defined by U.S. generally accepted accounting principles ("GAAP"), and is not necessarily indicative of cash available to fund cash flow needs. While we believe certain items excluded from Adjusted EBITDA may be recurring in nature and should not be disregarded in evaluation of the Company's performance, it is useful to exclude such items when analyzing current results and trends compared to other periods because these items can vary significantly depending on specific underlying transactions or events that may not be comparable between the periods presented. Also, we believe excluded items may not relate specifically to current operating trends or be indicative of future results. Furthermore, Adjusted EBITDA should not be considered as an alternative to net income under GAAP for purposes of evaluating our results of operations. The Company's calculation of Adjusted EBITDA may be different from the calculation methods used by other companies and may not be comparable to similar non-GAAP financials measures presented by other issuers. Therefore, comparability may be limited.

The reconciliation between net income, EBITDA and Adjusted EBITDA for the Company on a consolidated basis is as follows for the periods indicated (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
	(unaudited)			
Net income	$ 2,909	$ 6,548	$ 576	$ 8,635
Interest expense	3,870	3,956	7,759	7,898
Interest income	(4)	(4)	(8)	(8)
Depreciation and amortization	4,086	4,363	8,274	8,703
EBITDA	10,861	14,863	16,601	25,228
Acquisition charges	1,081	—	2,453	—
Equity in income of unconsolidated affiliate	(2,161)	(1,981)	(1,781)	(1,265)
Loss (gain) on sale/disposition of long-lived assets	—	8	—	(2)
Adjusted EBITDA	$ 9,781	$ 12,890	$ 17,273	$ 23,961

Liquidity and Capital Resources

The Company's primary sources of liquidity and capital resources have been through cash flow from operations, borrowings under various credit agreements and, where necessary, the issuance of debt obligations.

Cash Flows

At June 30, 2014, we had $31.6 million of cash and cash equivalents. During the six months ended June 30, 2014, we generated cash flows from operating activities of $6.8 million as compared to $17.2 million in the same period in 2013. The 2014 amount was comprised primarily of (1) net income of $0.6 million compared to net income of $8.6 million in the 2013 period; (2) non-cash reconciling items of $8.7 million, primarily due to depreciation and amortization; (3) income of unconsolidated affiliates of ($1.8) million; (4) net decreases in current and other liability accounts and increases in current asset accounts aggregating ($1.1) million; and (5) distributions received from an unconsolidated affiliate of $0.4 million.

Net cash flows used in investing activities totaled ($1.8) million during the 2014 six-month period compared to ($4.0) million during the 2013 period. Net cash flows used in investing activities during 2014 consisted of ($1.9) million for capital expenditures less $0.1 million from decreases in other assets.

Net cash flows used in financing activities during the first six months of 2014 amounted to ($3.2) million as compared to ($6.0) million in the 2013 period. Net repayments on our Secured Credit Facility (see below) amounted to ($2.5) million. Other financing activity expenditures included the repayment of capital lease obligations of less than ($0.2) million and distributions to our members amounting to ($0.6) million.

Insurance Programs

In August 2014, we renewed our property and liability insurance policies each covering a 12-month period. Under these policies, Eldorado Reno and the Silver Legacy have combined per occurrence earthquake coverage of $100 million and combined aggregate flood coverage of $250 million. In the event that an earthquake causes damage only to Eldorado Reno's property, Eldorado Reno is eligible to receive up to $100 million in coverage, depending on the replacement cost. However, in the event that both properties are damaged, Eldorado Reno is entitled to receive, to the extent of any replacement cost incurred, any portion of the $100 million remaining after satisfaction of the claim of the Silver Legacy with respect to its property. In the event that a flood causes damage only to Eldorado Reno's property, Eldorado Reno is eligible to receive up to $250 million in coverage, depending on the replacement cost. However, in the event that both properties are damaged, Eldorado Reno is entitled to receive, to the extent of any replacement cost incurred, up to $106 million of the coverage amount (based on our percentage of the total reported property values) and the portion of the other $144 million, if any, remaining after satisfaction of the claim of the Silver Legacy with respect to its property. Eldorado Shreveport is eligible to receive up to $100 million of flood coverage independently and irrespective of any losses at the other properties.

Our insurance policy also includes combined terrorism coverage for Eldorado Reno and the Silver Legacy up to $800 million. In the event that an act of terrorism causes damage only to Eldorado Reno's property, Eldorado Reno is eligible to receive up to $800 million in coverage, depending on the replacement cost. However, in the event that both properties are damaged, Eldorado Reno is entitled to receive, to the extent of any replacement cost incurred, up to $340 million of the coverage amount (based on our percentage of the total reported property values) and the portion of the other $460 million, if any, remaining after satisfaction of the claim of the Silver Legacy. This policy also covers Eldorado Shreveport. In the event that an act of terrorism causes damage to Eldorado Reno, Silver Legacy and Eldorado Shreveport, Eldorado Reno is entitled to receive, to the extent of any replacement cost incurred, up to $248 million of the coverage amount (based on our percentage of the total reported property values) and the portion of the other $552 million, if any, remaining after satisfaction of the claims of the other two properties.

Capital and Financing Expenditures

We spent approximately $1.9 million during the first half of 2014 for, among other things, slot machines at Eldorado Shreveport. We are planning to spend approximately $7.4 million during the remainder of 2014, including $4.1 million at Eldorado Reno, primarily for slot machine purchases and hotel remodeling, and $3.3 million at Eldorado Shreveport, primarily for additional slot machine purchases and facility upgrades.

Under the Plan of Reorganization, each of ELLC and Galleon retained its 50% interest in the Silver Legacy Joint Venture, but was required to advance $7.5 million to the Silver Legacy Joint Venture pursuant to a subordinated loan and provide credit support by depositing $5.0 million of cash into bank accounts that are subject to a security interest in favor of the lender under the Silver Legacy Joint Venture credit agreement. The $7.5 million note receivable from ELLC to the Silver Legacy Joint Venture was issued on November 16, 2012 with a stated interest rate of 5% per annum and a maturity date of May 16, 2018. Payment of any interest or principal under the loan is subordinate to the senior indebtedness of the Silver Legacy Joint Venture. Accrued interest under the loan will be added to the principal amount of the loan and may not be paid unless principal of the loan may be paid in compliance with the terms of the senior indebtedness outstanding or at maturity.

Our future sources of liquidity are anticipated to be from our operating cash flow and capital lease financing for certain fixed asset purchases. We believe our capital resources are adequate to meet our obligations, including the funding of our debt service and recurring capital expenditures, for the foreseeable future. We cannot provide assurance, however, that we will generate sufficient income and liquidity to meet all of our liquidity requirements or other obligations.

Senior Secured Notes

On June 1, 2011, we completed the issuance of $180 million of 8.625% Senior Secured Notes due June 15, 2019 (the "Senior Secured Notes"). Interest on the Senior Secured Notes is payable semiannually each June 15 and December 15 (commencing on December 15, 2011) to holders of record on the preceding June 1 or December 1, respectively.

The indenture relating to the Senior Secured Notes contains various restrictive covenants including covenants imposing limitations on additional debt, restricted payments and investments, additional liens, transactions with affiliates, dispositions of property, mergers and similar transactions. As of June 30, 2014, the Company was in compliance with all of the covenants under the indenture relating to the Senior Secured Notes.

The Senior Secured Notes are unconditionally guaranteed, jointly and severally, by all of our current and future domestic restricted subsidiaries other than Capital (collectively, the "Guarantors"). ELLC is the only unrestricted subsidiary as of the closing date. The Silver Legacy Joint Venture and Tamarack are not subsidiaries and did not guarantee the Senior Secured Notes. The Senior Secured Notes are secured by a first priority security interest in substantially all of our current and future assets (other than certain excluded assets, including gaming licenses and our interests in ELLC, the Silver Legacy Joint Venture and Tamarack). Such security interests are junior to the security interests with respect to obligations of Resorts and the Guarantors under the Secured Credit

Facility. In addition, all of the membership interests in Resorts and equity interests in the Guarantors are subject to a pledge for the benefit of the holders of the Senior Secured Notes.

We may also redeem some or all of the Senior Secured Notes prior to June 15, 2015 at a redemption price of 100% plus a "make whole premium" together with accrued and unpaid interest. On or after June 15, 2015, we may redeem the Senior Secured Notes at the following redemption prices (expressed as a percentage of principal amount) plus any accrued and unpaid interest:

Year beginning June 15,	Percentage
2015	104.313%
2016	102.156%
2017 and thereafter	100.000%

Secured Credit Facility

On June 1, 2011, we entered into a new $30 million senior secured revolving credit facility (the "Secured Credit Facility") which was available until May 30, 2014 consisting of a $15 million term loan requiring principal payments of $1.25 million each quarter beginning September 30, 2011 (the "Term Loan") and a $15 million revolving credit

facility. The Term Loan was repaid during the second quarter of 2014. Resorts did not renew the Secured Credit Facility when it matured on May 30, 2014.

Contractual Obligations and Off-Balance Sheet Arrangements

There have been no material changes during the three months ended June 30, 2014 to our contractual obligations as disclosed in our annual report for the year ended December 31, 2013.

The Company does not currently have any off-balance sheet arrangements.

Critical Accounting Policies

A description of our critical accounting policies can be found in Item 7 of our annual report for the year ended December 31, 2013. There have been no material changes to these policies for the three months ended June 30, 2014.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-9, "Revenue from Contracts with Customers", which provides guidance for revenue recognition. The new standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle of the revenue model is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard is designed to create greater comparability for financial statement users across industries and jurisdictions and also requires enhanced disclosures. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is not permitted. We are currently evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements.

Federal Income Taxes

As a limited liability company, we are not subject to federal income taxes. Therefore, holders of our membership interests will include their respective shares of our taxable income in their income tax returns and we will continue to make distributions for such tax liabilities. ES#2 has elected as a single member limited liability company to be taxed as a C Corporation. Current and deferred income taxes associated with ES#2 were not material.

Under the applicable accounting standards, we may recognize the tax benefit from an uncertain tax position only if it is more-likely-than-not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The accounting standards also provide guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and disclosure requirements for uncertain tax positions. We have recorded no liability associated with uncertain tax positions at June 30, 2014 or December 31, 2013.

The operating agreement of HoldCo dated April 1, 2009 obligates HoldCo to distribute each year for as long as it is not taxed as a corporation to each of its members an amount equal to such members' allocable share of the taxable income of HoldCo multiplied by the highest marginal combined Federal, state and local income tax rate applicable to individuals for that year. During the three and six months ended June 30, 2014 and 2013, distributions of $0.6 million and $3.2 million, respectively, were made by Resorts, on behalf of HoldCo, to its members. No distributions were made in the first quarter of each year. The amount that will be required to be distributed for the year ending December 31, 2014 will depend on the results for the entire year and the timing of the closing of the merger with MTR and, accordingly, cannot be determined at this time.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We are exposed to market risk in the form of fluctuations in interest rates and their potential impact on our variable rate debt outstanding, of which we have none outstanding at June 30, 2014. The Company evaluates its exposure to market risk by monitoring interest rates in the marketplace and

has, on occasion, utilized derivative financial instruments to help manage this risk. The Company does not utilize derivative financial instruments for trading purposes. There were no material quantitative changes in our market risk exposure, or how such risks are managed, during the six months ended June 30, 2014.

Item 4. Controls and Procedures

In December 2013, we determined that an error in our financial statements occurred related to the recognition of our share of the net losses of the Silver Legacy Joint Venture under the equity method of accounting. The previously issued audited consolidated financial statements did not properly reflect the Company's share of the net losses from the joint venture after making additional investments in the joint venture during the fourth quarter of 2012. The error was the result of our failure to design proper controls to identify, evaluate and properly account for the equity in earnings (losses) of unconsolidated affiliates, and the lack of proper controls resulted in a material weakness in internal control over financial reporting as defined in Public Company Accounting Oversight Board Auditing Standard No. 5. A "material weakness" is a deficiency in internal controls such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis.

In December 2013, Eldorado's management adopted procedures to enhance its interpretation and application of the required accounting guidance to its investment in Silver Legacy. Additionally, management implemented a greater level of management review controls including increased focus on the assessment and application of accounting guidance to its financial statements. Accordingly, Eldorado believes that the material weakness was remediated by its management as of December 31, 2013. However, we cannot assure you that our internal control over financial reporting will not be subject to additional material weaknesses in the future. If our remedial measures are insufficient to address the material weakness or if additional material weaknesses or significant deficiencies in our internal control are discovered or occur in the future, our consolidated financial statements may contain material misstatements and we could be required to restate our financial results. Additionally, we may encounter problems or delays in implementing any changes necessary to make a favorable assessment of our internal control over financial reporting. In addition, we may encounter problems or delays in completing the implementation of any necessary improvements and receiving an unqualified opinion on the effectiveness of the internal controls over financial reporting in connection with the attestation provided by our independent registered public accounting firm. If we cannot favorably assess the effectiveness of our internal control over financial reporting, or if our independent registered public accounting firm is unable to provide an unqualified attestation report on our internal controls confidence in our financial information could be lost.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its subsidiaries are defendants in various lawsuits relating to routine matters incidental to their business. As with all litigation, no assurance can be provided as to the outcome of such litigation. However, the Company does not expect that such litigation will have a material adverse effect on its financial position or results of operations.

Item 1A. Risk Factors

A description of our risk factors can be found in our Annual Report for the Year Ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

None.

SIGNATURES

Eldorado Resorts LLC and Eldorado Capital Corp. have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

ELDORADO HOLDCO LLC

Date: August 14, 2014

By: /s/ Donald L. Carano
Donald L. Carano
Chief Executive Officer and
Presiding Manager

Date: August 14, 2014

By: /s/ Robert M. Jones
Robert M. Jones
Chief Financial Officer of
Eldorado HoldCo LLC (Principal
Financial and Accounting Officer)

ELDORADO RESORTS LLC

Date: August 14, 2014

By: /s/ Donald L. Carano
Donald L. Carano
Chief Executive Officer

Date: August 14, 2014

By: /s/ Robert M. Jones
Robert M. Jones
Chief Financial Officer (Principal
Financial and Accounting Officer)