UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

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

Date of Report (Date of earliest event reported): **November 24, 2015**

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	**89501**
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
(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))

Explanatory Note

On November 24, 2015, Eldorado Resorts, Inc. ("ERI"), filed a Current Report on Form 8-K to report the completion of ERI's acquisition (the "Circus Reno/Silver Legacy Purchase") of (i) all of the assets and properties of Circus Circus Hotel and Casino-Reno ("Circus Reno") and (ii) the 50% membership interest in Circus and Eldorado Joint Venture, LLC (the "Silver Legacy") owned by Galleon, Inc. As a result of the Circus Reno/Silver Legacy Purchase the Silver Legacy became an indirect wholly-owned subsidiary of ERI. ERI is filing this amendment on Form 8-K/A to amend such Current Report to include the financial information required by Item 9.01(a) and Item 9.01(b) that was not included in such Current Report.

Item 9.01. **<u>Financial Statements and Exhibits</u>.**

(a) Financial Statements of Properties Acquired.

The unaudited consolidated financial statements of the Silver Legacy and Circus Reno for the nine months ended September 30, 2014 and 2015, audited financial statements of Silver Legacy for the years ended December 31, 2014, 2013 and 2012, and audited financial statements of Cirus Reno for the year ended December 31, 2014 required by Item 9.01(a) of Form 8-K are included herewith.

(b) Pro forma financial information (unaudited)

The pro forma financial information of Eldorado Resorts Inc. for the nine months ended September 30, 2015 and the year ended December 31, 2014 required by Item 9.01(b) are included herewith.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of Ernst & Young LLP (as filed herewith).
23.2	Consent of Deloitte & Touche LLP (as filed herewith).
99.1	Unaudited financial statements of Silver Legacy and Circus Reno for the nine months ended September 30, 2014 and 2015, audited financial statements of Silver Legacy for the years ended December 31, 2014, 2013 and 2012 and audited financial statements of Circus Reno for the year ended December 31, 2014 (filed herewith).
99.2	Pro forma financial information of Eldorado Resorts Inc. for the nine months ended September 30, 2015 and the year ended December 31, 2014 (filed herewith).

SIGNATURES

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

ELDORADO RESORTS, INC., a Nevada corporation

Date: January 14, 2016

By:	/s/ Gary L. Carano
Name:	Gary L. Carano
Title:	Chief Executive Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS – ERNST & YOUNG LLP

We consent to the incorporation by reference in Registration Statement No. 333-198830 on Form S-8 of our report dated March 24, 2015, with respect to the consolidated financial statements of Circus and Eldorado Joint Venture, LLC at December 31, 2014 and 2013, and for each of the three years in the period ended December 31, 2014, included in the Current Report on Form 8-K/A filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Las Vegas, Nevada
January 13, 2016

Exhibit 23.2

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement No. 333-198830 on Form S-8 of Eldorado Resorts, Inc. of our report dated October 20, 2015, relating to the financial statements of Circus Circus Hotel and Casino-Reno as of and for the year ended December 31, 2014, appearing in this Current Report on Form 8-K/A of Eldorado Resorts, Inc. dated January 14, 2016.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
January 14, 2016

CIRCUS AND ELDORADO JOINT VENTURE, LLC
(the “Silver Legacy”)
AND
CIRCUS CIRCUS HOTEL AND CASINO-RENO
(“Circus Reno”)
INDEX TO FINANCIAL STATEMENTS

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated balance sheets
(In thousands)

	September 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 24,791	$ 17,454
Accounts receivable, net	3,088	3,266
Inventories	2,035	2,016
Prepaid expenses and other	3,286	2,827
Total current assets	33,200	25,563
RESTRICTED CASH—CREDIT SUPPORT DEPOSIT	10,000	5,000
PROPERTY AND EQUIPMENT, NET	184,319	190,592
OTHER ASSETS, NET	4,935	6,412
Total Assets	$ 232,454	$ 227,567
LIABILITIES AND MEMBERS’ EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 3,948	$ 3,852
Accrued interest	508	323
Accrued and other liabilities	10,222	9,532
Current portion of long-term debt	5,000	5,000
Total current liabilities	19,678	18,707
LONG-TERM DEBT	75,500	79,500
MEMBER NOTES, NET	11,244	9,822
Total liabilities	106,422	108,029
COMMITMENTS AND CONTINGENCIES (Note 6)		
MEMBERS’ EQUITY	126,032	119,538
Total Liabilities and Members’ Equity	$ 232,454	$ 227,567

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

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated statements of operations
(In thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
OPERATING REVENUES:				
Casino	$ 21,718	$ 19,781	$ 57,474	$ 56,660
Rooms	10,761	9,337	25,798	25,428
Food and beverage	9,480	8,757	25,068	25,231
Other	2,515	2,353	6,077	6,020
	44,474	40,228	114,417	113,339
Less: promotional allowances	(6,446)	(5,781)	(16,753)	(15,799)
Net operating revenues	38,028	34,447	97,664	97,540
OPERATING EXPENSES:				
Casino	10,703	10,484	29,469	29,505
Rooms	2,625	2,552	6,992	7,529
Food and beverage	5,464	5,410	14,879	15,629
Other	1,475	1,411	3,380	3,585
Selling, general and administrative	7,260	7,180	20,174	20,508
Depreciation	2,426	2,639	7,957	7,951
Change in fair value of supplemental executive retirement plan assets	—	(25)	—	(40)
Loss (gain) on disposition of assets	10	(6)	29	—
Total operating expenses	29,963	29,645	82,880	84,667
OPERATING INCOME	8,065	4,802	14,784	12,873
OTHER EXPENSE:				
Interest expense	2,791	2,778	8,290	8,273
NET INCOME	$ 5,274	$ 2,024	$ 6,494	$ 4,600

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

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated statements of comprehensive income
(In thousands)
(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2015	2014	2015	2014
Net income	$ 5,274	$ 2,024	$ 6,494	$ 4,600
Other comprehensive income:				
Other comprehensive income	—	(112)	—	(334)
Comprehensive income	$ 5,274	$ 1,912	$ 6,494	$ 4,266

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

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated statements of members' equity
(In thousands)
(Unaudited)

	Galleon, Inc.	Eldorado, LLC	Eldorado Resorts, LLC	Total
BALANCE, January 1, 2015	$ 54,769	$ 64,902	$ (133)	$ 119,538
Net Income	3,247	111	3,136	6,494
BALANCE, September 30, 2015	$ 58,016	$ 65,013	$ 3,003	$ 126,032

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

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)

Consolidated statements of cash flows
(In thousands)
(Unaudited)

	Nine months ended September 30, 2015	Nine months ended September 30, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 6,494	$ 4,600
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,957	7,951
Amortization of debt discounts and issuance costs	2,530	2,253
Pay-in-kind interest on Member Notes	630	599
Loss on disposition of assets	29	—
Decrease in accrued pension cost	—	(312)
Provision for (benefit of) doubtful accounts	82	(93)
Increase in value of supplemental executive retirement plan assets	—	(39)
Changes in current assets and current liabilities:		
Accounts receivable	96	144
Inventories	(19)	76
Prepaid expenses and other	(547)	200
Accounts payable	206	(369)
Accrued interest	(29)	(27)
Accrued and other liabilities	691	(147)
Net cash provided by operating activities	18,120	14,836
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of assets	—	15
Increase in other assets	28	(102)
Decrease in restricted cash due to credit support deposit	(5,000)	—
Capital expenditures, net of payables	(1,811)	(1,866)
Net cash used in investing activities	(6,783)	(1,953)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on New Credit Facility	(4,000)	(4,800)
Debt issuance costs	—	(44)
Net cash used in financing activities	(4,000)	(4,844)
CASH AND CASH EQUIVALENTS:		
Net increase for the period	7,337	8,039
Balance, beginning of period	17,454	13,118
Balance, end of period	$ 24,791	$ 21,157
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during period for interest	$ 5,160	$ 5,449
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES:		
Payables for purchase of property and equipment	$ —	$ 180

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Notes to consolidated financial statements (unaudited)

Note 1. Organization, Basis of Presentation and Summary of Significant Accounting Policies

Principles of Consolidation and Operations

Effective March 1, 1994, Eldorado Limited Liability Company ("ELLC"), a Nevada limited liability company owned and controlled by Eldorado Resorts, LLC ("Resorts") and Galleon, Inc. (a Nevada corporation owned and controlled by MGM Resorts International and previously owned and controlled by Mandalay Resort Group) ("Galleon" and, collectively with ELLC, the "Partners" and subsequent to the LLC conversion, "Members"), entered into a joint venture agreement to establish Circus and Eldorado Joint Venture, a Nevada general partnership. In connection with the reorganization of the Partnership in bankruptcy, on July 1, 2013, the Partnership was converted into a Nevada limited liability company known as Circus and Eldorado Joint Venture, LLC. As used herein, the "Partnership" refers to Circus and Eldorado Joint Venture prior to the conversion date and Circus and Eldorado Joint Venture, LLC after the date of the conversion. The Partnership owns and operates a casino and hotel located in Reno, Nevada ("Silver Legacy"), which began operations on July 28, 1995. ELLC contributed land to the Partnership with a fair value of $25.0 million and cash of $26.9 million for a total equity investment of $51.9 million. Galleon contributed cash to the Partnership of $51.9 million to comprise their total equity investment. At that time, each Member had a 50% interest in the Partnership.

On September 19, 2014, Resorts entered into a merger agreement with MTR Gaming Group, Inc., a Delaware corporation incorporated in March 1988 ("MTR Gaming"). Prior to the merger with MTR Gaming, Resorts owned a 48.1% interest in the Partnership via its 96.2% interest in ELLC, which owned a 50% interest in the Partnership. Subsequent to the merger, Resorts owns a direct 48.1% interest in Silver Legacy. The remaining 1.9% interest is owned by ELLC which is now wholly-owned by entities controlled solely by Recreational Enterprises, Inc. and Hotel Casino Management, Inc. The indirect wholly owned parent of Resorts, Eldorado Resorts, Inc. ("ERI") owns and operates the Eldorado Hotel & Casino, one of the two hotel casinos connected to the Silver Legacy, and Galleon is a wholly owned subsidiary of MGM Resorts International, which owns Circus Circus Hotel and Casino, the other hotel casino which is connected to Silver Legacy.

The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiary, Silver Legacy Capital Corp. ("Capital"). Capital was established solely for the purpose of serving as co-issuer along with the Partnership of $160 million in aggregate principal amount of 10 $^{1}/8$% mortgage notes due March 1, 2012 (the "2012 Notes") which, as discussed below, are no longer outstanding. As such, Capital has no operations, assets or revenues.

Concurrent with the extinguishment of the 2012 Notes, the Partnership and Capital (collectively, the "Issuers") co-issued $27.5 million in aggregate principal amount of new second lien notes (the "Second Lien Notes") on November 16, 2012. On November 8, 2013, a notice of optional redemption was provided to the holders of the Second Lien Notes stating that the Partnership and Capital elected to redeem and pay all of the outstanding Second Lien Notes at a redemption price equal to 103.0% of the principal amount of the Second Lien Notes on December 17, 2013. The redemption was conditioned upon the receipt of financing by the Issuers in an amount not less than $89.5 million pursuant to an amended and restated credit facility that was on terms and conditions satisfactory to the Issuers. On December 16, 2013, the Partnership entered into a new $90.5 million senior secured credit facility (the "New Credit Facility") and subsequently redeemed the Second Lien Notes on December 17, 2013 (see Note 3).

All intercompany accounts and transactions have been eliminated in consolidation. The Partnership operates as one segment.

Use of Estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Those principles require the Partnership's 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 consolidated financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

Subsequent Events

Management has evaluated all events or transactions that occurred after September 30, 2015 through November 14, 2015, the date the financial statements were issued. Management has concluded there were no material subsequent events except for the transaction described in Note 8.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-9, Revenue from Contracts with Customers (Topic 606). The standard requires revenue to be recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods and services. Qualitative and quantitative disclosures are also required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. ASU 2014-09 supersedes and replaces nearly all existing revenue recognition guidance under US GAAP. In August, 2015 FASB issued ASU No. 2015-14 which defers the effective date for ASU No. 2014-9 for all entities by one year. The guidance for ASU 2014-9 is now effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption effective for fiscal years, and interim periods within those years, beginning after December 15, 2016 is permitted. The Partnership is currently evaluating the impact of the adoption of ASU 2014-09 on its consolidated financial statements and related disclosures.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements—Going Concern" (Subtopic 205-40) which amends the current guidance in ASC Topic 205 by adding Subtopic 40. Subtopic 40 requires management to evaluate whether there are conditions or events that in aggregate would raise substantial doubt about an entity's ability to continue as a going concern for one year from the date the financial statements are issued or available to be issued. If substantial doubt existed, management would be required to make certain disclosures related to nature of the substantial doubt and under certain circumstances, how that substantial doubt would be mitigated. This amendment is effective for annual periods ending after December 15, 2016 and for subsequent interim and annual periods thereafter. Early adoption is permitted. The Partnership believes the effects, if any, of the adoption of this guidance will not have a material impact on its consolidated financial statements.

In January 2015, the FASB issued ASU No. 2015-1, "Income Statement—Extraordinary and Unusual Items" (Subtopic 225-20) which eliminates the concept of accounting of Extraordinary Items, previously defined as items that are both unusual and infrequent, which were reported as a separate item on the income statement, net of tax, after income from continuing operations. The elimination of this concept is intended to simplify accounting for unusual items and more closely align with international accounting practices. This amendment is effective for annual periods ending after December 15, 2015 and for subsequent interim and annual periods thereafter. Early adoption is permitted. The Partnership believes the effects, if any, of the adoption of this guidance will not have a material impact on its consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-2, "Consolidation: Amendments to the Consolidation Analysis" (Topic 810) which provides guidance to companies in evaluating whether certain legal entities should be included in their consolidated financial statements. This guidance is effective for annual periods beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. The Partnership believes the effects, if any, of the adoption of this guidance will not have a material impact on its consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-3, "Interest—Imputation of Interest" (Subtopic 835-30) which requires debt issuance costs be presented in the balance sheet as a direct reduction of the associated debt obligation, with the amortization of such costs being reported as a component of interest expense. The description of the debt obligation will also include the effective interest rate resulting from the amortization of debt issuance costs. This guidance is effective for annual periods beginning after December 15, 2015 and interim periods within such annual periods. Early adoption is permitted, including adoption in an interim period. The new guidance is to be adopted on a retrospective basis with appropriate disclosure reflecting a change in accounting principle. The Partnership is currently evaluating the impact of the adoption of ASU 2015-03 on its consolidated financial statements and related disclosures.

In June 2015, the FASB issued ASU No. 2015-10, "Technical Corrections and Improvements" which clarifies certain sections of the FASB codification, corrects unintended application of guidance and makes minor improvements to the Codification that is not expected to have a significant effect on current accounting practice or create a significant administrative cost to most entities. The amendments within the guidance that require transition guidance are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. All other amendments which do not require transition guidance are effective immediately. The Partnership has applied the guidance which does not require transition and is currently evaluating the impact of the adoption of ASU 2015-03 on its consolidated financial statements and related disclosures.

In July, 2015, the FASB issued ASU No. 2015-11, "Inventory (Topic 330): Simplifying the Measurement of Inventory" which is applicable to entities that measure inventory using the first-in, first-out method or average cost. The amendment requires that an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. This guidance is effective for annual periods beginning after December 15, 2016. The amendments in this Update should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Partnership believes the effects, if any, of the adoption of this guidance will not have a material impact on its consolidated financial statements.

Note 2. 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: Inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible as of the measurement date.

Level 2: Inputs are based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-derived valuations for the asset or liability that are derived principally from or corroborated by market data for which the primary inputs are observable, including forward interest rates, yield curves, credit risk and exchange rates.

Level 3: Inputs for the valuations are unobservable and are based on management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques such as option pricing models and discounted cash flow models.

The Partnership's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and debt. Management believes the carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are representative of their

respective fair values due to the short maturities of these instruments. The carrying value of the New Credit Facility was $80.5 million and $84.5 million as of September 30, 2015 and December 31, 2014, respectively, which approximates fair value.

The Partnership valued its Member Notes using a discounted cash flow analysis incorporating contractual cash flows. The discount rate used in the analysis considered the credit worthiness of the Partnership and the seniority of the Member Notes based on Level 3 inputs. The fair value of our promissory notes due to the Members was $9.2 million and $8.2 million as of September 30, 2015 and December 31, 2014, respectively (see Note 3).

Note 3. Long-Term Debt

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

	September 30, 2015	December 31, 2014
New Credit Facility	$ 80,500	$ 84,500
Member Notes 5% PIK, net of discount of $5,796 and $6,802, respectively	11,244	9,822
Less current portion of long-term debt	(5,000)	(5,000)
	$ 86,744	$ 89,322

On December 16, 2013, the Partnership entered into a new senior secured term loan facility (the "New Credit Facility") totaling $90.5 million to refinance its indebtedness under its then existing senior secured term loan (the "Senior Credit Facility") and Second Lien Notes. The proceeds from the New 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 Senior Credit Facility, $31.7 million representing principal and interest related to the extinguishment of the Second Lien Notes, and $2.0 million in fees associated with the transactions. The New 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 Credit Facility matures on November 16, 2017 which was the maturity date of the Senior Credit Facility.

As of September 30, 2015, the Partnership had $91.7 million of long term debt (of which $5.0 million was current), including $80.5 million related to the New Credit Facility and $17.0 million of Member Notes with a carrying value of $11.2 million, net of a $5.8 million discount.

The New Credit Facility is secured by a first priority security interest in substantially all of the Partnership's existing and future assets, other than certain licenses which may not pledged under applicable law, and a first priority pledge of and security interest in all of the partnership interests in the Partnership held by its Members. The New Credit Facility is supported by: (i) a secured guarantee by Capital; (ii) a pledge by the Partnership of $10.0 million cash collateral to secure the Partnership's obligations under the New Credit Facility. During the third quarter ended September 30, 2015, the Partnership deposited an additional $5.0 million of cash into a sponsor support replacement account which relieved the Members of their obligation. In total, the $10.0 million collateral deposit is included as restricted cash in the accompanying consolidated balance sheet as of September 30, 2015.

Pursuant to the credit agreement governing the New Credit Facility, the Partnership is required to make consecutive principal payments that permanently reduce the amount of the first-out tranche of the term loan based on the following quarterly schedule after December 31, 2014: $1.0 million on the last business day in March and December and $1.5 million on the last business day in June and September with all unpaid principal and interest due on November 16, 2017.

Interest on the outstanding balances under the first-out tranche term loan is based on a LIBOR margin of 5.5%, with a 1% floor, or a base rate equal to the highest Prime Rate, the Federal Funds Rate 1.5% or one month LIBOR with a 2.5% floor and a margin of 4.5% with respect to base rate loans. Interest on the outstanding balances under the last-out tranche term loan is based on a LIBOR margin of 10.0%, with a 1% floor, or a base rate equal to the highest Prime Rate, the Federal Funds Rate 1.5% or one month LIBOR with

a 2.5% floor and a margin of 9.0% with respect to base rate loans; provided, that if, at any time, the Partnership's EBIDTA (as defined in the agreement) is less than $17.0 million for the immediately preceding four calendar quarters, the applicable interest margin for the last-out tranche term loan will be 12.0% for LIBOR rate loans and 11.0% for base rate loans, with 5.50% being cash pay and the remainder of such interest being paid in kind until such time as the Partnership's EBITDA for the immediately preceding four calendar quarters is greater than or equal to $17.0 million. As of September 30, 2015, the interest rates for the first-out tranche and last-out tranche were 6.5% and 11.0%, respectively.

The credit agreement governing the New Credit Facility contains customary events of default and covenants, including covenants that, among other things, limit our ability to: (i) incur additional indebtedness; (ii) enter into, create, assume or suffer to exist liens; (iii) pay dividends or make other restricted payments; (iv) pay dividends or make other restricted payments; (v) prepay subordinated indebtedness; (vi) sell or dispose of a portion of our assets; (vii) make capital expenditures; (viii) to enter into certain types of transactions with affiliates; and (ix) make acquisitions or merge or consolidate with another entity. In addition, the credit agreement governing the New Credit Facility requires us to meet specified financial tests on an ongoing basis, and contains certain financial covenants, including the following:

- The Partnership is required to maintain a minimum fixed charges coverage ratio (EBITDA less capital expenditures to interest charges plus principal payments, as defined in the agreement) of: (i) 1.15 to 1.0 per quarter through December 31, 2015; and (ii) 1.20 to 1.0 for all quarters thereafter.

- The Partnership is required to maintain a maximum first-out leverage ratio (total first-out tranche of debt to EBITDA, as defined in the agreement) of: (i) 3.00 to 1.0 per quarter through December 31, 2015; (ii) 2.75 to 1.0 for the quarters ended March 31, 2016 through December 31, 2016; and (iii) 2.50 to 1.0 for all quarters thereafter.

- The Partnership is required to maintain a minimum liquidity (the sum of cash and cash equivalents, as defined in the agreement) of not less than $10.0 million each quarter through September 30, 2017.

- The Partnership is required to maintain a minimum EBITDA (as defined in the agreement) of $17.0 million each quarter through September 30, 2017.

As of September 30, 2015, the Partnership was in compliance with all of the covenants in the credit agreement governing the New Credit Facility. The entire principal amount then outstanding under the New Credit Facility becomes due and payable on November 16, 2017.

As of September 30, 2015, the Member Notes totaling $17.0 million, including paid-in-kind interest, were payable to our Members. The Member Notes are subordinate to the New Credit Facility and bear interest at a rate of 5% paid-in-kind per annum, payable semi-annually on June 15 and December 15, beginning on June 15, 2013. Due to the below-market interest rate, interest was imputed on the Member Notes at an estimated market rate of 23%. At issuance in November 2012, a discount in the amount of $8.6 million was recorded on the Member Notes with the offset to Members' equity based on the present value of expected cash flows. The discount is being amortized as interest expense over the expected life of the notes using the effective interest method. Each of the Member Notes is subject to voluntary prepayment, in whole and part, without premium or penalty and mature on May 16, 2018. The obligations under the Member Notes are unsecured and are not guaranteed by any third party.

Note 4. Related Parties

An affiliate of each of the Members owns and operates a casino attached and adjacent to Silver Legacy. Our Members may be deemed to be in a conflict of interest position with respect to decisions they make relating to the Partnership as a result of the interests their affiliates have in the Eldorado Hotel & Casino and Circus Circus Hotel & Casino-Reno, respectively.

As of September 30, 2015, the Partnership's related parties receivable was $0.4 million and payable was $0.4 million. As of December 31, 2014, the Partnership's related parties receivable was $0.4 million and

payable was $0.1 million. Related parties receivable and payable are included in “Accounts receivable, net” and “Accounts payable,” respectively, on the Partnership's consolidated balance sheets.

Note 5. Commitments and Contingencies

Litigation

The Partnership is party to various litigation arising in the normal course of business. Management is of the opinion that the ultimate resolution of these matters will not have a material effect on the financial position or the results of operations of the Partnership.

Note 6. Limited Liability Company Agreement

The Partnership's limited liability company agreement provides for, among other items, profits and losses to be allocated to the Members in proportion to their percentage interests, separate capital accounts to be maintained for each Member, provisions for management of the Partnership and payment of distributions and bankruptcy and/or dissolution of the Partnership.

There were no distributions for the nine months ended September 30, 2015 and 2014.

Note 7. Silver Legacy/Circus ERI Purchase Agreement of Silver Legacy and Circus Circus Reno

On July 7, 2015, ERI entered into a purchase agreement with Galleon to purchase the 50% interest in the Silver Legacy Joint Venture held by Galleon and the assets constituting Circus Circus Reno (the “Silver Legacy/Circus Purchase”). In conjunction with the execution of the Silver Legacy/Circus Purchase, ERI will assume the amounts outstanding under the New Credit Facility, of which $80.5 million was outstanding at September 30, 2015. The consummation of the Silver Legacy/Circus Purchase is subject to the satisfaction of customary conditions, including the receipt of all required regulatory approvals, and is currently expected to close on November 23, 2015. Following the consummation of the Silver Legacy/Circus Transaction, the Silver Legacy Joint Venture will become a wholly-owned indirect subsidiary of ERI.

Report of independent auditors

The Members
Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)

We have audited the accompanying consolidated financial statements of Circus and Eldorado Joint Venture, LLC (doing business as Silver Legacy Resort Casino) and subsidiary which comprise the consolidated balance sheets as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income (loss), members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Circus and Eldorado Joint Venture, LLC and subsidiary at December 31, 2014 and 2013, and the consolidated results of their operations and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Las Vegas, Nevada
March 24, 2015

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated balance sheets
(In thousands)

	December 31, 2014	December 31, 2013
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 17,454	$ 13,118
Supplemental executive retirement plan assets	—	7,423
Accounts receivable, net	3,266	3,113
Inventories	2,016	2,120
Prepaid expenses and other	2,827	3,791
Total current assets	25,563	29,565
RESTRICTED CASH—CREDIT SUPPORT DEPOSIT	5,000	—
PROPERTY AND EQUIPMENT, NET	190,592	198,150
OTHER ASSETS, NET	6,412	8,201
Total Assets	$ 227,567	$ 235,916
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 3,852	$ 4,085
Accrued interest	323	301
Accrued and other liabilities	9,532	9,482
Supplemental executive retirement plan liability	—	7,607
Current portion of long-term debt	5,000	6,000
Total current liabilities	18,707	27,475
LONG-TERM DEBT	79,500	84,500
MEMBER NOTES, NET	9,822	8,041
Total liabilities	108,029	120,016
COMMITMENTS AND CONTINGENCIES (Note 11)		
MEMBERS' EQUITY	119,538	115,900
Total Liabilities and Members' Equity	$ 227,567	$ 235,916

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

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated statements of operations
(In thousands)

	For the year ended December 31, 2014	2013	2012
OPERATING REVENUES:			
Casino	$ 74,146	$ 70,565	$ 63,031
Rooms	32,335	33,331	29,910
Food and beverage	33,324	33,719	30,765
Other	7,899	7,821	7,921
	147,704	145,436	131,627
Less: promotional allowances	(20,609)	(19,595)	(16,827)
Net operating revenues	127,095	125,841	114,800
OPERATING EXPENSES:			
Casino	39,185	37,290	34,959
Rooms	9,744	9,967	9,258
Food and beverage	20,828	21,785	20,427
Other	4,737	4,524	5,323
Selling, general and administrative	27,122	28,258	27,341
Restructuring Fees	—	—	4,046
Depreciation	10,539	11,270	12,578
Change in fair value of supplemental executive retirement plan assets	(69)	(602)	(558)
Loss on disposition of assets	—	66	13
Total operating expenses	112,086	112,558	113,387
OPERATING INCOME	15,009	13,283	1,413
OTHER (INCOME) EXPENSE:			
Interest expense	11,037	8,354	14,770
Interest income	—	—	(14)
Gain on termination of supplemental executive retirement plan assets	(1,430)	—	—
Gain on extinguishment of debt	—	(23,960)	(2,568)
Total other (income) expense	9,607	(15,606)	12,188
NET INCOME (LOSS) BEFORE REORGANIZATION ITEMS	5,402	28,889	(10,775)
Reorganization items	—	407	8,621
NET INCOME (LOSS)	$ 5,402	$ 28,482	$ (19,396)

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

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Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated statements of comprehensive income (loss)
(In thousands)

	For the year ended December 31, 2014	2013	2012
Net income (loss)	$ 5,402	$ 28,482	$ (19,396)
Other comprehensive income (loss):			
Other comprehensive income minimum pension liability adjustment	(1,764)	3,544	354
Comprehensive income (loss)	$ 3,638	$ 32,026	$ (19,042)

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

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Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated statements of members' equity
For the years ended December 31, 2014, 2013 and 2012
(In thousands)

	Galleon, Inc.	Eldorado, LLC	Eldorado Resorts, LLC	Total
BALANCE, January 1, 2012	$ 42,921	$ 52,921	$ —	$ 95,842
Comprehensive loss:				
Net loss	(9,698)	(9,698)	—	(19,396)
Other comprehensive income minimum pension liability adjustment	177	177	—	354
Total comprehensive loss	(9,521)	(9,521)	—	(19,042)

Discount on Member Notes	4,300	4,300	—	8,600
Balance, December 31, 2012(1)	37,700	47,700	—	85,400
Comprehensive income:				
Net income	14,241	14,241	—	28,482
Other comprehensive income minimum pension liability adjustment	1,772	1,772	—	3,544
Total comprehensive income	16,013	16,013	—	32,026
Members' distributions	(763)	(763)	—	(1,526)
Balance, December 31, 2013(2)	52,950	62,950	—	115,900
Comprehensive income:				
Net income	2,701	2,139	562	5,402
Net income minimum pension liability adjustment(3)	—	695	(695)	—
Other comprehensive income minimum pension liability adjustment	(882)	(882)	—	(1,764)
Total comprehensive income	1,819	1,952	(133)	3,638
BALANCE, December 31, 2014(4)	$ 54,769	$ 64,902	$ (133)	$ 119,538

(1) Balances include Accumulated Other Comprehensive Loss totaling ($1,780,000) comprised of ($890,000) each for Galleon, Inc. and Eldorado, LLC.

(2) Balances include Accumulated Other Comprehensive Income totaling 1,764,000 comprised of 882,000 each for Galleon, Inc. and Eldorado, LLC.

(3) Eldorado Resorts LLC did not participate in the supplemental executive retirement plan; and therefore Eldorado Resorts LLC is not entitled to a portion of the gain on termination of the supplemental executive retirement plan assets or the other comprehensive income minimum pension liability adjustment.

(4) As of December 31, 2014, Accumulated Other Comprehensive Income totaled zero.

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

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Consolidated statements of cash flows
(In thousands)

	For the year ended December 31, 2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 5,402	$ 28,482	$ (19,396)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Depreciation	10,539	11,270	12,578
Amortization of debt discounts and issuance costs	3,044	2,320	389
Pay-in-kind interest on Member Notes	802	763	94
Loss on disposition of assets	—	66	13
Gain on extinguishment of debt, net	—	(23,960)	(2,568)
Gain on extinguishment of supplemental executive retirement plan assets	(1,430)	—	—
(Decrease) increase in accrued pension cost	(312)	670	753
Provision for doubtful accounts	118	73	162
Increase in value of supplemental executive retirement plan assets	(39)	(602)	(558)
Reorganization items	—	407	8,621
Changes in current assets and current liabilities:			
Accounts receivable	(271)	803	(289)
Inventories	104	(156)	(29)
Prepaid expenses and other	8,326	(797)	(106)
Accounts payable	(295)	(2,225)	1,872
Accrued interest	(13)	63	(4,582)
Accrued and other liabilities	(7,578)	540	1,142
Net cash provided by (used in) operating activities before reorganization items	18,397	17,717	(1,904)
Net cash used for reorganization activities	—	(445)	(9,418)
Net cash provided by (used in) operating activities	18,397	17,272	(11,322)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of assets	21	27	1
(Decrease) increase in other assets	(99)	235	(387)
Increase in restricted cash due to credit support deposit	(5,000)	—	—
Purchase of property and equipment	(2,939)	(2,624)	(2,295)
Net cash used in investing activities	(8,017)	(2,362)	(2,681)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on New Credit Facility	(6,000)	—	—
Proceeds from New Credit Facility	—	90,500	
Payments on Senior Credit Facility	—	(6,500)	—
Repayment of Senior Credit Facility		(63,500)	—
Extinguishment of Second Lien Notes	—	(29,416)	—
Fees and interest paid on extinguishment of Second Lien Notes	—	(2,481)	—
Distribution to Members	—	(1,526)	—
Debt issuance costs	(44)	(1,625)	(7,624)

Proceeds from Senior Credit Facility	—	—	70,000
Extinguishment of mortgage notes	—	—	(140,232)
Issuance of Second Lien Notes	—	—	55,871
Proceeds from Member Notes	—	—	15,000
Net cash used in financing activities	(6,044)	(14,548)	(6,985)
CASH AND CASH EQUIVALENTS:			
Net increase (decrease) for the year	4,336	362	(20,988)
Balance, beginning of year	13,118	12,756	33,744
Balance, end of year	$ 17,454	$ 13,118	$ 12,756
SUPPLEMENTAL CASH FLOW INFORMATION:			
Cash paid during period for interest	$ 7,203	$ 6,682	$ 18,021
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING ACTIVITIES:			
Payables for purchase of property and equipment	$ 110	$ 43	$ 35
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES:			
Discount on Member Notes	$ —	$ —	$ 8,600

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

Circus and Eldorado Joint Venture, LLC
(doing business as Silver Legacy Resort Casino)
Notes to consolidated financial statements
December 31, 2014 and 2013

Note 1. Organization, basis of presentation and summary of significant accounting policies

Principles of consolidation and operations

Effective March 1, 1994, Eldorado Limited Liability Company (a Nevada limited liability company owned and controlled by Eldorado Resorts LLC (“Resorts”)) (“ELLC”) and Galleon, Inc. (a Nevada corporation owned and controlled by MGM Resorts International and previously owned and controlled by Mandalay Resort Group) (“Galleon” and, collectively with ELLC, the “Partners” and subsequent to the LLC conversion, “Members”), entered into a joint venture agreement to establish Circus and Eldorado Joint Venture, a Nevada general partnership. In connection with the reorganization of the Partnership in bankruptcy, on July 1, 2013, the Partnership was converted into a Nevada limited liability company known as Circus and Eldorado Joint Venture, LLC (see Note 2). As used herein, the “Partnership” refers to Circus and Eldorado Joint Venture prior to the conversion date and Circus and Eldorado Joint Venture, LLC after the date of the conversion. The Partnership owns and operates a casino and hotel located in Reno, Nevada (“Silver Legacy”), which began operations on July 28, 1995. ELLC contributed land to the Partnership with a fair value of $25.0 million and cash of $26.9 million for a total equity investment of $51.9 million. Galleon contributed cash to the Partnership of $51.9 million to comprise their total equity investment. At that time, each Member had a 50% interest in the Partnership.

On September 19, 2014, Resorts entered into a merger agreement with MTR Gaming Group, Inc., a Delaware corporation incorporated in March 1988 (“MTR Gaming”). Prior to the merger with MTR Gaming, Resorts owned a 48.1% interest in the Partnership via its 96.2% interest in ELLC, which owned a 50% interest in the Partnership. Subsequent to the merger, Resorts owns a direct 48.1% interest in Silver Legacy. The remaining 1.9% non-controlling interest is owned by ELLC which is now wholly-owned by entities controlled solely by Recreational Enterprises, Inc. (“REI”) and Hotel Casino Management, Inc.

The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiary, Silver Legacy Capital Corp. (“Capital”). Capital was established solely for the purpose of serving as co-issuer along with the Partnership of $160 million in aggregate principal amount of $10^{1}/_{8}$% mortgage notes due March 1, 2012 (the “2012 Notes”) which, as discussed below, are no longer outstanding. As such, Capital has no operations, assets or revenues.

Concurrent with the extinguishment of the 2012 Notes, the Partnership and Capital (collectively, the “Issuers”) co-issued $27.5 million in aggregate principal amount of new second lien notes (the “Second Lien Notes”) on November 16, 2012. On November 8, 2013, a notice of optional redemption was provided to the holders of the Second Lien Notes stating that the Partnership and Capital elected to redeem and pay all of the outstanding Second Lien Notes at a redemption price equal to 103.0% of the principal amount of the Second Lien Notes on December 17, 2013. The redemption was conditioned upon the receipt of financing by the Issuers in an amount not less than $89.5 million pursuant to an amended and restated credit facility that was on terms and conditions satisfactory to the Issuers. On December 16, 2013, the Partnership entered into a new $90.5 million senior secured credit facility (the “New Credit Facility”) and subsequently redeemed the Second Lien Notes on December 17, 2013 (see Note 8).

All intercompany accounts and transactions have been eliminated in consolidation. The Partnership operates as one segment.

Use of estimates

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Those principles require the Partnership’s 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Certain concentrations of risk

The Partnership’s sole operations are in Reno, Nevada. Therefore, the Partnership is subject to risks inherent within the Reno market. To the extent that new casinos enter into the market or hotel room capacity is expanded, competition will increase. The Partnership may also be affected by economic conditions in the United States and globally affecting the Reno market or trends in visitation or spending in the Reno market.

Outstanding chips and tokens

The Partnership recognizes the impact on gaming revenues on an annual basis to reflect an estimate of the change in the value of outstanding chips and tokens that are not expected to be redeemed. This estimate is determined by measuring the difference between the total value of chips and tokens placed in service less the value of chips and tokens in the inventory of chips and tokens under our control. This measurement is performed on an annual basis utilizing methodology in which a consistent formula is applied to estimate the percentage value of chips and tokens not in custody that are not expected to be redeemed. In addition to the formula, certain judgments are made with regard to various denominations and souvenir chips and tokens.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, as well as investments purchased with maturities of three months or less at the date of acquisition. The carrying values of these investments approximate their fair values due to their short-term maturities.

Restricted cash

Under the Circus and Eldorado Joint Venture credit agreement, the members were required to deposit $10.0 million of cash into a bank account as collateral in favor of the lender. In 2014, the Partnership deposited $5.0 million of cash into a sponsor support replacement account which relieved the members a portion of their obligation (see Note 8).

The $5.0 million collateral deposit is included as restricted cash in the accompanying consolidated balance sheet as of December 31, 2014.

Supplemental executive retirement plan ("SERP") assets

Upon liquidation of the SERP life insurance contracts in October 2013 (see Note 4), the Partnership invested the funds in fixed income short-term investments, including certificates of deposits and bonds, with a maturity of less than twelve months. The assets remained in the SERP trust custodial account until the payment of benefits was made to the participants in October 2014. The carrying values of these assets as of December 31, 2013 were representative of their fair value due to the short-term maturity of these instruments.

Accounts receivable and credit risk

Financial instruments that potentially subject the Partnership to concentrations of credit risk consist principally of casino accounts receivable. The Partnership issues markers to approved casino customers following background checks and assessments of creditworthiness. Trade receivables, including casino and hotel receivables, are typically non-interest bearing.

Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for doubtful accounts is maintained to reduce the Partnership's receivables to their carrying amount, which approximates fair value. The allowance is estimated based on specific review of customer accounts as well as historical collection experience and current economic and business conditions. Management believes as of December 31, 2014, there are no significant concentrations of credit risk (see Note 3).

Inventories

Inventories consist of food and beverage, retail merchandise and operating supplies, and are stated at the lower of cost or market. Cost is determined primarily by the average cost method for food and beverage and operating supplies or the specific identification method for retail merchandise.

Property and equipment

Property and equipment and other long-lived assets are stated at cost. Depreciation is computed using the straight-line method, which approximates the effective interest method over the estimated useful life of the asset as follows:

	Estimated service life (years)
Building and other improvements	15 - 45
Furniture, fixtures and equipment	3 - 15

Costs of major improvements are capitalized, while costs of normal repairs and maintenance that neither materially add to the value of the property nor appreciably prolong its life are expensed as incurred. Gains or losses on dispositions of property and equipment are included in the determination of operating income (loss).

The Partnership reviews its property and equipment and its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Partnership then compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying amount of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying amount then an impairment is recorded based on the fair value of the asset, typically measured using a discounted cash flow model. If the asset is still under development, future cash flows include remaining construction costs. An estimate of undiscounted future cash flows produced by the asset is compared to the carrying value to determine whether an impairment exists. If it is determined the asset is impaired based on expected undiscounted future cash flows, a loss, measured by the amount by which the carrying amount of the asset exceeds the fair value of the asset, would be recognized. For assets to be disposed of, the Partnership recognizes the asset at the lower of carrying value or fair market value, less cost of disposal, as estimated based on comparable asset sales or solicited offers. As of December 31, 2014 and 2013, no events or changes in circumstances indicated that the carrying values of our long-lived assets may not be recoverable.

Revenue recognition and promotional allowances

The Partnership recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses. Hotel, food and beverage, and other operating revenues are recognized as services are performed. Advance deposits on rooms and advance ticket sales are recorded as accrued liabilities until services are provided to the customer. Gaming revenues are recognized net of certain cash sales incentives and free play. The retail value of food, beverage, rooms and other services furnished to customers on a complimentary basis is included in gross revenues and then deducted as promotional allowances. The Partnership rewards customers, through the use of loyalty programs, with complimentaries based on amounts wagered or won that can be redeemed for a specified time period. The retail value of complimentaries is recorded as revenue and then is deducted as promotional allowances as follows (in thousands):

	Years ended December 31,		
	2014	2013	2012
Food and beverage	$ 10,921	$ 10,592	$ 8,975
Rooms	7,152	6,637	5,865
Other	2,536	2,366	1,987
	$ 20,609	$ 19,595	$ 16,827

The estimated costs of providing such promotional allowances are included in casino expenses and consist of the following (in thousands):

	Years ended December 31,		
	2014	2013	2012
Food and beverage	$ 7,698	$ 7,379	$ 6,303
Rooms	2,199	1,941	1,859
Other	1,942	1,742	1,688
	$ 11,839	$ 11,062	$ 9,850

Advertising

Advertising costs are expensed in the period the advertising initially takes place. Advertising costs included in selling, general and administrative expenses were $6.4 million, $6.5 million and $6.0 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Federal income taxes

The Partnership is not subject to income taxes; therefore, no provision for income taxes has been made, as the Members include their respective share of the Partnership income (loss) in their income tax returns. The Partnership limited liability company agreement provides for the Partnership to make distributions to the Members in an amount equal to the maximum marginal federal income tax rate applicable to any Member multiplied by the income (loss) of the Partnership for the applicable period (see Note 12). The Partnership made tax distributions totaling $1.5 million to the Members for the year ended December 31, 2013. No such distributions were made for the years ended December 31, 2014 and 2012.

Under the applicable accounting standards, the Partnership 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 Partnership had recorded no liability associated with uncertain tax positions at December 31, 2014 and 2013.

Debt issuance costs

The Partnership capitalizes debt issuance costs, which include legal and other direct costs related to the issuance of debt. The capitalized costs are amortized into interest expense over the contracted term of the debt using methods which approximate the effective interest method.

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: Inputs are based upon quoted prices (unadjusted) in active markets for identical assets or liabilities which are accessible as of the measurement date.

Level 2: Inputs are based upon quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and model-derived valuations for the asset or liability that are derived principally from or corroborated by market data for which the primary inputs are observable, including forward interest rates, yield curves, credit risk and exchange rates.

Level 3: Inputs for the valuations are unobservable and are based on management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques such as option pricing models and discounted cash flow models.

The Partnership's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and debt. Management believes the carrying value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are representative of their respective fair values due to the short maturities of these instruments. The carrying value of the New Credit Facility was $84.5 million and $90.5 million as of December 31, 2014 and 2013, respectively, which approximates fair value.

The Partnership valued its Member Notes using a discounted cash flow analysis incorporating contractual cash flows. The discount rate used in the analysis considered the credit worthiness of the Partnership and the seniority of the Member Notes based on Level 3 inputs. The fair value of our promissory notes due to the Members was approximately $8.2 million and $7.2 million as of December 31, 2014 and 2013, respectively (see Note 8).

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-9, Revenue from Contracts with Customers (Topic 606) ("ASU 2014-09"). The standard requires revenue to be recognized when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods and services. Qualitative and quantitative disclosures are also required regarding customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. ASU 2014-09 supersedes and replaces nearly all existing revenue recognition guidance under US GAAP. This accounting guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is not permitted. The Partnership is currently evaluating the impact of the adoption of ASU 2014-09 on its consolidated financial statements and related disclosures.

In August 2014, the FASB issued ASU No. 2014-15, “Presentation of Financial Statements—Going Concern” (Subtopic 205-40) which amends the current guidance in ASC Topic 205 by adding Subtopic 40. Subtopic 40 requires management to evaluate whether there are conditions or events that in aggregate would raise substantial doubt about an entity’s ability to continue as a going concern for one year from the date the financial statements are issued or available to be issued. If substantial doubt existed, management would be required to make certain disclosures related to nature of the substantial doubt and under certain circumstances, how that substantial doubt would be mitigated. This amendment is effective for annual periods ending after December 15, 2016 and for subsequent interim and annual periods thereafter. Early adoption is permitted. The Partnership does not believe that this standard will have a material impact on its financial position or results of operations.

In January 2015, the Financial Accounting Standards Board issued Accounting Standards Update No. 2015-01, Income Statement—Extraordinary and Unusual Items (Subtopic 225-20): Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items. The standard reduces the complexity of accounting standards by removing the concept of extraordinary items. The standard requires adoption effective for fiscal years and interim periods within those fiscal years, beginning after December 15, 2015. The Partnership does not believe this standard will have a material impact on its financial position or results of operations.

Subsequent events

Management has evaluated all events or transactions that occurred after December 31, 2014 through March 24, 2015, the date the financial statements were issued.

Note 2. Restructuring

On March 5, 2002, the Issuers co-issued $160.0 million in aggregate principal amount of $10^{1}/_{8}$% Mortgage Notes due 2012 (the “2012 Notes”). In February 2009, the Partnership repurchased and retired $17.2 million in aggregate principal amount of the 2012 Notes. The repurchase reduced the aggregate principal amount of the 2012 Notes outstanding to $142.8 million.

The 2012 Notes matured on March 1, 2012. The Partnership did not make the required principal payment and elected not to make the scheduled interest payment on the 2012 Notes on March 1, 2012, which constituted an event of default under the terms of the indenture governing the 2012 Notes.

On May 17, 2012, the Partnership and Capital (the “Debtors”) filed voluntary petitions in the United States Bankruptcy Court for the District of Nevada in Reno, Nevada (the “Bankruptcy Court”) under chapter 11 of title 11 of the United States Code (the “Chapter 11 Case”). The Partnership continued to conduct its business as debtors-in-possession under jurisdiction of the Bankruptcy Court and in accordance with applicable provisions of the bankruptcy code and the orders of the Bankruptcy Court. In addition, the Bankruptcy Court authorized the Partnership to continue using its cash, including cash collateral securing the Partnership’s obligations with respect to the 2012 Notes, in the ordinary course of the Partnership’s business.

On June 1, 2012, the Debtors filed a plan of reorganization (the “Plan”) and related disclosure statement under chapter 11 of the Bankruptcy Court. The Plan and related disclosure statement were amended and filed on June 29, 2012 and further amended on August 8, 2012. The Bankruptcy Court held a hearing on October 22, 2012 and confirmed the Plan and approved the settlement agreement on October 23, 2012.

The terms of the Plan provided that the unsecured creditors of the Partnership would be paid in full and the holders of the 2012 Notes would receive available cash (as defined in the Plan) from the Partnership, $15.0 million in cash contributed to the Partnership by its Members (referred to as Partners prior to the LLC conversion), $70.0 million in cash financed with borrowings under a new $70.0 million senior secured credit facility (the “Senior Credit Facility”) and $27.5 million in aggregate principal amount of Second Lien Notes.

On November 16, 2012, the effective date as defined in the Plan, the Partnership emerged from bankruptcy. Concurrently, the Partnership entered into the Senior Credit Facility, issued the Second Lien Notes and issued new subordinated debt (the “Member Notes”) in exchange for the $15.0 million contributed to the Partnership by its Members (Partners prior to the LLC conversion). A final hearing was held and the Chapter 11 Case closed on March 20, 2013.

On November 8, 2013, a notice of optional redemption was provided to the holders of the Second Lien Notes stating that the Partnership and Capital elected to redeem and pay all of the outstanding Second Lien Notes at a redemption price equal to 103.0% of the principal amount of the Second Lien Notes on December 17, 2013. The redemption was conditioned upon the receipt of financing by the Issuers in an amount not less than $89.5 million pursuant to an amended and restated credit facility that was on terms and conditions satisfactory to the Issuers. The Second Lien Notes were redeemed on December 17, 2013.

In connection with the reorganization of the Partnership in the bankruptcy, the Partners agreed to convert the joint venture partnership into a Nevada limited liability company to be known as Circus and Eldorado Joint Venture, LLC (the “LLC”). The conversion occurred in accordance with Nevada law on July 1, 2013 and the LLC succeeded to and otherwise assumed all of the assets and liabilities of the Partnership, including all obligations under the Senior Credit Facility, Second Lien Notes and Member Notes. The Members in the LLC hold membership interests in the LLC in the same proportion as their former ownership interests in the Partnership, and the Operating Agreement of the LLC includes substantially the same provisions as those included in the prior Joint Venture Agreement with regard to management and operation of Silver Legacy.

Note 3. Accounts receivable

Accounts receivable, net at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013
Casino receivables	$ 1,099	$ 924
Hotel receivables	1,390	1,489
Other receivables	1,012	919
	3,501	3,332
Less: allowance for doubtful accounts	(235)	(219)
Accounts receivable, net	$ 3,266	$ 3,113

Bad debt expense for the years ended December 31, 2014, 2013 and 2012 was $0.1 million, $0.1 million and $0.2 million, respectively.

Note 4. Prepaid supplemental executive retirement plan assets

Effective October 1, 2013, the Partnership terminated the SERP and liquidated the life insurance contracts totaling $7.5 million. The proceeds from the liquidation of the life insurance contracts were utilized to purchase fixed income investments with a maturity of less than twelve months and totaled $7.4 million as of December 31, 2013. At the time of termination, the Partnership received signed release agreements from all participants receiving less than their calculated accrued benefit obligations. In conjunction with the termination, the Partnership adjusted the outstanding liability and accumulated comprehensive income to reflect a reduction in expected payout based on an actuarial valuation report and to reflect the deferred gain on termination of the SERP. In October 2014, the Partnership paid approximately $7.6 million, representing the cash surrender value of $7.5 million plus an additional $0.1 million from the Partnership's operating cash flow, in benefits to the participants. As consequence of the payout, the Partnership recognized a gain in the amount of $1.4 million which effectively cleared accumulated other comprehensive income.

Note 5. Property and equipment

Property and equipment at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013
Land and improvements	$ 28,405	$ 28,405
Building and other leasehold improvements	270,240	270,063
Furniture, fixtures, and equipment	104,860	106,723
	403,505	405,191
Less: accumulated depreciation	(212,913)	(207,041)
Property and equipment, net	$ 190,592	$ 198,150

Substantially all property and equipment of the Partnership is pledged as collateral against its long-term debt (see Note 8).

Note 6. Other assets

Other assets, net at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013
China, glassware and silverware	$ 210	$ 210
Debt issuance costs, net	5,537	7,423
Long term deposits	635	555
Other	30	13
Other assets, net	$ 6,412	$ 8,201

The initial inventory of china, glassware and silverware has been amortized to 50% of cost with the balance kept as base stock. Additional purchases of china, glassware and silverware are placed into inventory and expensed as used.

The Partnership incurred costs in connection with the issuance of the 2012 Notes in March of 2002, the Senior Credit Facility and Second Lien Notes in November of 2012, and the New Credit Facility in December 2013 (see Note 8). Debt issuance costs are capitalized when incurred and amortized to interest expense based on the related debt maturities using the straight-line method, which approximates the effective interest method. Debt issuance costs, net of amortization, related to the New Credit Facility included in other assets totaled $5.5 million at December 31, 2014. Debt issuance costs, net of amortization, related to the Senior Credit Facility and New Credit Facility included in other assets totaled $7.4 million at December 31, 2013. Accumulated amortization of debt issuance costs was $2.9 million and $2.2 million at December 31, 2014 and 2013, respectively. The amounts of amortization of debt issuance costs included in interest expense was $2.9 million, $2.2 million and $0.3 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Note 7. Accrued and other liabilities

Accrued and other liabilities at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013
Accrued payroll and related	$ 1,849	$ 1,876
Accrued vacation	1,589	1,566
Accrued group insurance	831	476
Unclaimed chips and tokens	415	424
Accrued taxes	1,013	1,043
Advance room deposits	409	398
Progressive slot liability	1,109	1,369
Players' club and free play liability	632	635
Other	1,685	1,695
Accrued and other liabilities	$ 9,532	$ 9,482

Note 8. Long-term debt

Long-term debt at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013

New Credit Facility	$	84,500	$	90,500
Member Notes 5% PIK, net of discount of $6,802 and $7,816, respectively		9,822		8,041
Less current portion of long-term debt		(5,000)		(6,000)
	$	89,322	$	92,541

On December 16, 2013, the Partnership entered into a new senior secured term loan facility (the "New Credit Facility") totaling $90.5 million to refinance its indebtedness under its then existing senior secured term loan (the "Senior Credit Facility") and Second Lien Notes. The proceeds from the New 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 Senior Credit Facility, $31.7 million representing principal and interest related to the extinguishment of the Second Lien Notes, and $2.0 million in fees associated with the transactions. The New 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 Credit Facility matures on November 16, 2017 which was the maturity date of the Senior Credit Facility.

As of December 31, 2014, the Partnership had $94.3 million of long term debt (of which $5.0 million was current), including $84.5 million related to the New Credit Facility and $16.6 million of Member Notes with a carrying value of $9.8 million, net of an $6.8 million discount.

The New Credit Facility is secured by a first priority security interest in substantially all of the Partnership's existing and future assets, other than certain licenses which may not pledged under applicable law, and a first priority pledge of and security interest in all of the partnership interests in the Partnership held by its Members. The New Credit Facility is supported by: (i) a secured guarantee by Capital; (ii) a pledge by each Member of $2.5 million cash collateral; and (iii) a pledge by the Partnership of $5.0 million cash collateral to secure the Partnership's obligations under the New Credit Facility.

Pursuant to the credit agreement governing the New Credit Facility, the Partnership is required to make consecutive principal payments that permanently reduce the amount of the first-out tranche of the term loan based on the following quarterly schedule after December 31, 2014: $1.0 million on the last business day in March and December and $1.5 million on the last business day in June and September with all unpaid principal and interest due on November 16, 2017.

Interest on the outstanding balances under the first-out tranche term loan is based on a LIBOR margin of 5.5%, with a 1% floor, or a base rate equal to the highest Prime Rate, the Federal Funds Rate 1.5% or one month LIBOR with a 2.5% floor and a margin of 4.5% with respect to base rate loans. Interest on the outstanding balances under the last-out tranche term loan is based on a LIBOR margin of 10.0%, with a 1% floor, or a base rate equal to the highest Prime Rate, the Federal Funds Rate 1.5% or one month LIBOR with a 2.5% floor and a margin of 9.0% with respect to base rate loans; provided, that if, at any time, the Partnership's EBIDTA (as defined in the agreement) is less than $17.0 million for the immediately preceding four calendar quarters, the applicable interest margin for the last-out tranche term loan will be 12.0% for LIBOR rate loans and 11.0% for base rate loans, with 5.50% being cash pay and the remainder of such interest being paid in kind until such time as the Partnership's EBITDA for the immediately preceding four calendar quarters is greater than or equal to $17.0 million. As of December 31, 2014, the interest rates for the first-out tranche and last-out tranche were 6.5% and 11.0%, respectively.

The credit agreement governing the New Credit Facility contains customary events of default and covenants, including covenants that, among other things, limit our ability to: (i) incur additional indebtedness; (ii) enter into, create, assume or suffer to exist liens; (iii) pay dividends or make other restricted payments; (iv) pay dividends or make other restricted payments; (v) prepay subordinated indebtedness; (vi) sell or dispose of a portion of our assets; (vii) make capital expenditures; (viii) to enter into certain types of transactions with affiliates; and (ix) make acquisitions or merge or consolidate with another entity. In addition, the credit agreement governing the New Credit

Facility requires us to meet specified financial tests on an ongoing basis, and contains certain financial covenants, including the following:

- The Partnership is required to maintain a minimum fixed charges coverage ratio (EBITDA less capital expenditures to interest charges plus principal payments, as defined in the agreement) of: (i) 1.15 to 1.0 per quarter through December 31, 2015; and (ii) 1.20 to 1.0 for all quarters thereafter.

- The Partnership is required to maintain a maximum first-out leverage ratio (total first-out tranche of debt to EBITDA, as defined in the agreement) of: (i) 3.00 to 1.0 for the quarters ended March 31, 2015 through December 31, 2015; (ii) 2.75 to 1.0 for the quarters ended March 31, 2016 through December 31, 2016; and (iii) 2.50 to 1.0 for all quarters thereafter.

- The Partnership is required to maintain a minimum liquidity (the sum of cash and cash equivalents, as defined in the agreement) of not less than $10.0 million each quarter through September 30, 2017.

- The Partnership is required to maintain a minimum EBITDA (as defined in the agreement) of $17.0 million each quarter through September 30, 2017.

As of December 31, 2014, the Partnership was in compliance with all of the covenants in the credit agreement governing the New Credit Facility. The entire principal amount then outstanding under the New Credit Facility becomes due and payable on November 16, 2017.

On December 17, 2013, the Partnership redeemed and paid all of the outstanding Second Lien Notes at a redemption price equal to 103.0% of the principal amount. The principal outstanding as of the redemption date totaled $29.4 million and the premium paid to the holders on record was $0.8 million. Additionally, the Partnership paid $1.5 million in interest owed for the period from June 16, 2013 through the redemption date. In connection with the extinguishment of the Second Lien Notes, the Partnership recognized a gain of $24.0 million, net of cash interest, the premium and associated fees, representing the difference between the estimated future cash payments of $55.9 million, including principal of $27.5 million and paid-in-kind interest through the maturity date of $28.4 million, and the outstanding amount redeemed.

As of December 31, 2014, the Member Notes totaling $16.6 million, including paid-in-kind interest, were payable to our Members. The Member Notes are subordinate to the New Credit Facility and bear interest at a rate of 5% paid-in-kind per annum, payable semi-annually on June 15 and December 15, beginning on June 15, 2013. Due to the below-market interest rate, interest was imputed on the Member Notes at an estimated market rate of 23%. At issuance in November 2012, a discount in the amount of $8.6 million was recorded on the Member Notes with the offset to Members' equity based on the present value of expected cash flows. The discount is being amortized as interest expense over the expected life of the notes using the effective interest method. Each of the Member Notes is subject to voluntary prepayment, in whole and part, without premium or penalty and mature on May 16, 2018. The obligations under the Member Notes are unsecured and are not guaranteed by any third party.

Note 9. Related parties

An affiliate of each of the Members owns and operates a casino attached and adjacent to Silver Legacy. Our Members may be deemed to be in a conflict of interest position with respect to decisions they make relating to the Partnership as a result of the interests their affiliates have in the Eldorado Hotel & Casino and Circus Circus Hotel & Casino-Reno, respectively.

The Partnership believes all of the transactions mentioned below are on terms at least as favorable to the Partnership as would have been obtained from an unrelated party.

Silver Legacy has utilized an aircraft owned by REI, for the purpose of providing air service to select customers. For the years ended December 31, 2014, 2013 and 2012, the Partnership paid $5,520, $20,800 and $9,100, respectively, for such services. Although there is no agreement obligating the Partnership to utilize the plane or entitling it to do so, it is anticipated the Partnership will continue to utilize this service from time to time in the future on terms mutually acceptable to the parties.

Silver Legacy's marketing and sales departments have utilized a yacht owned by Sierra Adventure Equipment, Inc. ("Sierra Equipment") at a flat rate per trip of $3,000 ($2,500 if the trip was shared with our Member, ELLC) for various promotional events. The payments made by the Partnership to Sierra Equipment for the use of the yacht totaled $7,500, $12,500 and $17,800 during 2014, 2013 and 2012, respectively. Although there is no agreement obligating the Partnership to utilize the yacht or entitling it to do so, it is anticipated that the Partnership will continue to utilize this service from time to time in the future on terms mutually acceptable to the parties. Sierra Equipment is a limited liability company beneficially owned by REI.

Resorts owns the skywalk that connects Silver Legacy with the Eldorado Hotel & Casino. The charges from the service provider for the utilities associated with this skywalk are billed to the Partnership together with the charges for the utilities associated with Silver Legacy. Such charges are paid to the service provider by the Partnership, and the Partnership is reimbursed by Resorts for the portion of the charges allocable to the utilities provided to the skywalk. The charges for the utilities provided to the skywalk for the years ended December 31, 2014, 2013, and 2012 were $53,600, $57,800 and $52,500, respectively.

The Partnership purchases from Eldorado Hotel & Casino homemade pasta and other products for use in the restaurants at Silver Legacy and it is anticipated that the Partnership will continue to make similar purchases in the future. For purchases of these products for the years ended December 31, 2014, 2013 and 2012, which are billed to the Partnership at cost plus associated labor, the Partnership paid Eldorado Hotel & Casino $51,500, $46,200 and $55,600, respectively.

The Partnership provides on-site laundry services for Eldorado Hotel & Casino related to the cleaning of certain types of linens. Although there is no agreement obligating Eldorado Hotel & Casino to utilize this service, it is anticipated that the Partnership will continue to provide these laundry services in the future. The Partnership charges Eldorado Hotel & Casino for labor and laundry supplies on a per unit basis which totaled $150,700, $143,100 and $135,400 for the years ended December 31, 2014, 2013 and 2012, respectively.

The Partnership and Eldorado Hotel & Casino combined certain back-of-the-house and administrative departmental operations, including purchasing, advertising, information systems, surveillance, engineering, and various shared management positions in an effort to achieve payroll cost savings synergies at multiple properties. Payroll costs associated with the combined operations are shared equally and are billed at cost plus an estimated allocation for related benefits and taxes. For the years ended December 31, 2014, 2013 and 2012, the Partnership reimbursed Eldorado Hotel & Casino $529,400, $584,300 and $602,200, respectively, for the Partnership's allocable portion of the shared administrative services costs associated with the operations performed at the properties. For the years ended December 31, 2014, 2013 and 2012, Eldorado Hotel & Casino reimbursed the Partnership $250,800, $259,700 and $313,200, respectively, for their allocable portion of the shared administrative services costs associated with the operations performed at Silver Legacy.

The Partnership utilizes 235 spaces in the parking garage at Circus Circus Hotel and Casino to provide parking for employees of Silver Legacy. In consideration for its use of the spaces, the Partnership pays Circus Circus Hotel and Casino rent in the amount of $5,000 per month. The Partnership also utilizes an uncovered parking lot adjacent to Circus Circus Hotel and Casino for oversize vehicles. In consideration for its use of the space, the Partnership pays Circus Circus Hotel and Casino rent in the amount of $800 per month. Although there is no agreement obligating the Partnership to continue utilizing the spaces or entitling it to do so, it is anticipated that the Partnership will continue this agreement for the foreseeable future.

As of December 31, 2014, the Partnership's related parties receivable was $0.4 million and payable was $0.1 million. As of December 31, 2013, the Partnership's related parties receivable was $0.2 million and payable was $0.3 million. Related parties receivable and payable are included in "Accounts receivable, net" and "Accounts payable," respectively, on the Partnership's consolidated balance sheets.

Note 10. Employee retirement plans

The Partnership instituted a defined contribution 401(k) plan in September 1995 which covers all employees who meet certain age and length of service requirements and allowed for an employer contribution up to 25 percent of the first six percent of each participating employee's compensation. Plan participants can elect to defer before tax

compensation through payroll deductions. Those deferrals are regulated under Section 401(k) of the Internal Revenue Code. In conjunction with implemented cost savings programs, the Partnership discontinued the employer matching contribution in February 2009. Effective February 1, 2014, the Partnership reinstated an employer matching contribution up to 25 percent of the first four percent of each participating employee's compensation. Matching contributions for the year ended December 31, 2014 were $0.2 million. The Partnership did not make any matching contributions for the years ended December 31, 2013 and 2012.

Effective January 1, 2002, the Partnership adopted a Supplemental Executive Retirement Plan ("SERP") for a select group of highly compensated management employees. The SERP provided for a lifetime benefit at age 60, based on a formula which takes into account a participant's highest annual compensation, years of service, and executive level. The SERP also provided an early retirement benefit at age 55 with at least four years of service, a disability provision, and a lump sum death benefit. The obligation was being funded through life insurance contracts on the participants and related cash surrender value. Effective October 1, 2013, the Partnership terminated the SERP and liquidated the life insurance contracts (see Note 4). The Partnership's periodic pension benefit was $0.3 million for the year ended December 31, 2014. The Partnership's periodic pension costs were $0.7 million and $0.8 million, respectively, for the years ended December 31, 2013 and 2012.

The following information summarizes activity in the SERP for the years ended December 31, 2014 and 2013 (in thousands):

		2014		2013
Changes in Projected Benefit Obligation:				
Projected benefit obligation at beginning of year	$	7,607	$	10,555
Interest cost		22		348
Actuarial gain		—		(3,221)
Benefits paid		(7,629)		(75)
Projected benefit obligation at end of year	$	—	$	7,607
Fair value of plan assets at end of year(1)	$	—	$	—

		2014		2013
Reconciliation of Funded Status:				
Funded status	$	—	$	(7,607)
Unrecognized actuarial (gain) loss		—		(1,764)
Unrecognized prior service cost		—		—
Net amount recognized	$	—	$	(9,371)
Amounts Recognized on the Consolidated Balance Sheet:				
Accrued net pension cost	$	—	$	(7,607)
Additional minimum liability		—		—
Accumulated other comprehensive (income) loss		—		(1,764)
Net amount recognized	$	—	$	(9,371)
Weighted Average Assumptions:				
Discount rate used to determine benefit obligations(2)		—		0.38%/6.00%
Discount rate used to determine net periodic benefit cost(2)		—		3.31%
Rate of compensation increase		—		—

(1) While the SERP is an unfunded plan, the Partnership was funding the plan through life insurance contracts on the participants. Effective October 1, 2013, the SERP was terminated and the life insurance contracts were subsequently liquidated. The cash surrender value at December 31, 2013 was $7.4 million and was included in the Partnership's current assets because the benefits were paid to the participants in 2014.

(2) The discount rate utilized as of December 31, 2013 to determine the present value of the lump-sum benefit payments was 6.0% as specified in the SERP plan document. Additionally, a discount rate of 0.38%, based on an average of the Citigroup Pension Liability Index for six months and one year, was utilized to determine the present value of the benefit payments for the period from January 1, 2014 through October 1, 2014, which was the benefit payment date.

The components of net periodic pension cost were as follows for the years ended December 31, 2014, 2013 and 2012 (in thousands):

		2014		2013		2012
Components of Net Pension Cost:						
Current period service cost	$	—	$	—	$	28
Interest cost		22		348		400
Amortization of prior service cost		(334)		322		399
Net expense	$	(312)	$	670	$	827

Benefit payments, totaling $7.6 million were paid in 2014 as a result of the termination of the SERP representing the Partnership's release from any further benefit payment obligations under the terms of the SERP plan document.

Note 11. Commitments and contingencies

Operating leases

The Partnership leases land and equipment under operating leases. Future minimum payments under noncancellable operating leases with initial terms of one year or more consisted of the following at December 31, 2014 (in thousands):

2015	$	95
2016		71
2017		33
2018		33
Thereafter		—
	$	232

Total rental expense under operating leases was $0.5 million for each of the years ended December 31, 2014, 2013 and 2012, respectively, which include rental payments associated with cancellable operating leases with terms less than one year.

Litigation

The Partnership is party to various litigation arising in the normal course of business. Management is of the opinion that the ultimate resolution of these matters will not have a material effect on the financial position or the results of operations of the Partnership.

Sales and use tax

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 Partnership had previously paid use tax on these items and had generally filed for refunds totaling approximately $1.5 million for the periods from February 2000 to February 2008 related to this matter, which refunds had not been paid. The Partnership claimed the exemption on sales and use tax returns for periods after February 2008 in light of this Supreme Court decision and had not accrued or paid any sales or use tax for those periods. In February 2012, the Nevada Department of Taxation asserted that customer complimentary meals and employee meals are subject to sales tax on a prospective basis commencing February 15, 2012. In July 2012, the Nevada Department of Taxation announced that sales taxes applicable to such meals were due and payable without penalty or interest at the earlier of certain regulatory, judicial or legislative events or September 30, 2013. The Nevada Department of Taxation's position stemmed from a Nevada Tax Commission decision concerning another gaming company which stated that complimentary meals provided to customers are subject to sales tax at the retail value of the meal and employee meals are subject to sales tax at the cost of the meal. The Clark County District Court subsequently issued a ruling in such case that held that complimentary meals provided to customers were subject to sales tax, while meals provided to employees were not subject to sales tax. This decision had been appealed to the Nevada Supreme Court.

In June 2013, the Partnership and other similarly situated companies entered into a global settlement agreement with the Nevada Department of Taxation 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 Partnership agreed to withdraw the refund request and the Nevada Department of Taxation agreed to drop its assertion that sales tax was due on such meals up to the effective date of AB 506. Since the Partnership did not previously accrue either the claims for refund of use taxes or any liability for sales taxes that the Nevada Department of Taxation may have asserted prior to entering the global settlement agreement, there is no financial statement impact of entering into the settlement agreement.

In conjunction with filing the refund claim, the Partnership entered into a professional services agreement with an advisory consultant on a contingency fee basis. In August 2013, the Partnership received a letter from the advisory consultant seeking payment for contingency fees based on unsubstantiated services rendered in connection with the aforementioned global settlement agreement. The Partnership received a credit refund from the State of Nevada in September 2013 in accordance with the settlement agreement and has paid the advisory consultant $39,800 representing the agreed upon contingency fee. However, the Partnership denies any additional obligations under the contingent fee basis claim as no additional amounts were ever recovered by the Partnership under the terms of the agreement.

Note 12. Limited liability company agreement

The Partnership's limited liability company agreement provides for, among other items, profits and losses to be allocated to the Members in proportion to their percentage interests, separate capital accounts to be maintained for each Member, provisions for management of the Partnership and payment of distributions and bankruptcy and/or dissolution of the Partnership.

There were no distributions for the years ended December 31, 2014, 2013 and 2012 other than tax distributions (see Note 1).

Circus Circus Hotel and Casino-Reno
Balance sheets
(In thousands)

	September 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$ 8,253	$ 7,089
Accounts receivable, net	926	1,038
Inventories	2,433	2,299
Prepaid expenses and other current assets	1,287	1,081
Deferred incomes taxes, net	1,844	—
Total current assets	14,743	11,507
Property and equipment, net	13,405	13,837
Other assets		
Trademark	3,101	3,101
Deferred incomes taxes, net	14,614	226
Deposits and other assets, net	560	468
Total other assets	18,275	3,795
	$ 46,423	$ 29,139
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable	$ 1,588	$ 1,724
Deferred incomes taxes, net	—	226
Other accrued liabilities	7,748	6,745
Total current liabilities	9,336	8,695
Other long-term obligations	83	—
Commitments and Contingencies (Note 3)		
Member's equity	37,004	20,444
	$ 46,423	$ 29,139

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

Circus Circus Hotel and Casino-Reno
Statements of operations
(In thousands)
(Unaudited)

	Nine months ended September 30,	
	2015	2014
Revenues		
Casino	$ 23,157	$ 21,222
Rooms	15,843	14,725
Food and beverage	9,930	9,613
Retail	1,958	1,989
Midway arcade	8,057	7,319
Other	627	635
	59,572	55,412
Less: Promotional allowances	(3,734)	(3,739)
	55,838	51,673
Expenses		
Casino	12,142	11,684
Rooms	7,792	7,511
Food and beverage	8,227	7,873
Retail	1,299	1,277
Midway arcade	3,825	3,618
Other	1,193	1,184
General and administrative	16,428	16,497
Depreciation and amortization	684	701
	51,590	50,345
Operating income	4,248	1,328
Non-operating income (expense)		
Other, net	2	3
Income before income taxes	4,250	1,331
Benefit (provision) for income taxes	16,458	—
Net income	$ 20,708	$ 1,331

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

Circus Circus Hotel and Casino-Reno
Statements of cash flows
(In thousands)
(Unaudited)

	Nine months ended September 30,	
	2015	2014
Cash flows from operating activities		
Net income	$ 20,708	$ 1,331
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	684	701
Provision for doubtful accounts	5	23
Deferred income taxes	(16,458)	—
Changes in current assets and liabilities:		
Accounts receivable	107	317
Inventories	(134)	(295)
Prepaid expenses and other	(206)	(318)
Accounts payable and accrued liabilities	867	47
Other	(89)	12
Net cash provided by operating activities	5,484	1,818
Cash flows from investing activities		
Capital expenditures	(172)	(107)
Net cash used in investing activities	(172)	(107)
Cash flows from financing activities		
Distributions to member	(4,148)	(2,588)
Net cash used in financing activities	(4,148)	(2,588)
Cash and cash equivalents		
Net decrease for the period	1,164	(877)
Balance, beginning of period	7,089	6,953
Balance, end of period	$ 8,253	$ 6,076

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

Condensed notes to financial statements (unaudited)

NOTE 1 — ORGANIZATION AND NATURE OF BUSINESS

Organization. Circus Circus Casinos, Inc., a subsidiary of MGM Resorts International, owns Circus Circus Hotel and Casino-Las Vegas, Circus Circus Hotel and Casino-Reno, and Slots-A-Fun, Inc. Circus Circus Casinos, Inc., is a Nevada corporation formed on May 7, 1983. Circus Circus Hotel and Casino-Reno (the "Company"), a division of Circus Circus Casinos, Inc., is situated on a three block area in downtown Reno, of which approximately 90% of the underlying land is owned by the Company and the remainder is held under two separate leases which expire in 2032 and 2033, respectively. The Company is a single property asset that operates as one segment.

In July 2015, Circus Circus Casinos, Inc. entered into a purchase and sale agreement with Eldorado Resorts, Inc. to sell the assets of the Company. These financial statements present the historical stand-alone financial position, results of operations, and cash flows of the Company. The sale was consummated on November 24, 2015.

Nature of business. The Company is a hotel-casino operated in Reno, Nevada and features 1,571 guestrooms and a 56,000 square-foot casino with 908 slot machines and 33 table games as of September 30, 2015. The property offers its guests a variety of circus acts performed daily, free of charge, under a "Big Top" above the casino. The mezzanine area has a midway with carnival-style games offering a variety of amusement and electronic games. There are seven restaurants featuring three specialty dining venues which are The Steakhouse at Circus, Kokopelli's Sushi Bar, & Dos Geckos Cantina. Other amenities include cocktail lounges, gift shops, parking facilities for approximately 3,200 vehicles and approximately 23,000 square feet of convention space.

NOTE 2 — BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation. The financial statements include the accounts of the Company. The Company does not have a variable interest in any variable interest entities. The results of operations are not necessarily indicative of the results to be expected in the future. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted. These financial statements should be read in conjunction with the Company's 2014 annual financial statements and notes thereto for the year ended December 31, 2014.

In the opinion of management, the accompanying unaudited financial statements contain all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company's interim financial statements. The results for such periods are not necessarily indicative of the results to be expected for the full year.

Income taxes. The Company is a subsidiary of MGM Resorts International and joins in the filing of a consolidated federal income tax return of which MGM Resorts International is the parent. The tax provisions included in these stand-alone financial statements are prepared using the separate return method. Under this method, the company is assumed to file a separate return with the tax authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the parent.

The Company recognizes deferred tax assets, net of applicable reserves, related to net operating loss and tax credit carryforwards and certain temporary differences with a future tax benefit to the extent that realization of such benefit is more likely than not. Otherwise, a valuation allowance is applied. Prior to the third quarter of 2015, due to the significance of prior losses and the nominal operating income of the prior two years, the Company did not rely on future operating income in assessing realizability of its deferred tax assets and recorded a valuation allowance to the extent that its deferred tax assets exceeded its deferred tax liabilities. As a result of improved Company performance, the Company has generated profits in 5 of the last 6 quarters, including three consecutive quarters of profitability in 2015. The Company believes that this trend will continue in future years and now relies on future operating income in assessing the realizability of its deferred tax assets. Accordingly, the Company now believes that realization of its deferred tax assets is more likely than not and has released its valuation allowance during the third quarter of 2015, resulting in an income tax benefit of $16.5 million for nine months ended September 30, 2015. The Company recorded no provision or benefit for the nine months ended September 30, 2014, during which time it had a full valuation allowance on its net deferred tax asset.

Recently issued accounting standards. In May 2014, the Financial Accounting Standards Board issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers," ("ASU 2014-09"), which is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2018. ASU 2014-09 outlines a new, 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. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. Additionally, the new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. The Company is currently assessing the impact that adoption of this new accounting guidance will have on its financial statements and footnote disclosures.

Subsequent events. Management has evaluated subsequent events through January 13, 2016, the date these financial statements were issued. See Note 1 for information related to the purchase and sale agreement the Company entered into in July 2015.

NOTE 3 — COMMITMENTS AND CONTINGENCIES

Other litigation. The Company is a party to various legal proceedings that relate to operational matters incidental to its business. Management does not believe that the outcome of such proceedings will have a material adverse effect on the Company's financial position, results of operations or cash flows.

NOTE 4 — RELATED PARTY TRANSACTIONS

The Company participates with MGM Resorts International and its other subsidiaries in marketing, purchasing, insurance, employee benefit, and other programs that are defined, negotiated and managed by MGM Resorts International on a consolidated basis.

Cash Activity with MGM Resorts and Affiliates

The Company transfers cash in excess of its operating and regulatory needs to MGM Resorts International on an as needed basis. Cash transfers from MGM Resorts International to the Company are also made based upon the needs of the Company to fund daily operations, including accounts payable, payroll, and capital expenditures. No interest is charged on the amounts. The net change in amounts due to or due from MGM Resorts International and affiliates are presented as distributions in the financing section of the statement of cash flows.

Administrative and Other Services

The Company is charged fees by MGM Resorts International for administrative and other services (including human resources, marketing, information technology, accounting, security, internal audit, and insurance). Corporate expenses that are not directly charged to the Company are allocated by MGM Resorts International to the Company. These allocations are based on what the Company believes to be a reasonable allocation methodology; however, such allocated expenses may not be indicative of what the Company would incur as a stand-alone company. The Company was charged $1.7 million in the nine months ended

September 30, 2015 and $1.8 million in the nine months ended September 30, 2014 for their allocated share of corporate expense. These fees are included in general and administrative expense in the accompanying statements of operations.

Other Related Party Transactions

Circus and Eldorado Joint Venture, LLC dba Silver Legacy Resort and Casino (“Silver Legacy”) is an equity method investee of MGM Resorts International. Silver Legacy utilizes parking spaces in the Company’s parking garages to provide parking for its employees. In consideration for its use of the spaces, Silver Legacy remits rent in the amount of $5,000 per month. Silver Legacy also utilizes an uncovered parking lot adjacent to the Company’s parking garages for oversized vehicles. In consideration for this space, Silver Legacy remits rent in the amount of $800 per month. This agreement was renewed on June 1, 2015 for twelve months, thereby expiring on May 31, 2016.

As of September 30, 2015 and December 31, 2014, a receivable in the amount of $5,800 was due from Silver Legacy, included in “Accounts receivable, net”, on the Company’s balance sheet. Additionally, the Company paid Silver Legacy $0.3 million and $0.2 million for shared costs related to advertising and promotional events for the nine months ended September 30, 2015 and September 30, 2014, respectively.

Independent auditors’ report

To Circus Circus Hotel and Casino-Reno

We have audited the accompanying financial statements of Circus Circus Hotel and Casino-Reno (the “Company”), which comprise the balance sheet as of December 31, 2014, and the related statements of operations, member’s equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Circus Circus Hotel and Casino-Reno as of December 31, 2014, and the results of its operations and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

Las Vegas, Nevada
October 20, 2015

Circus Circus Hotel and Casino-Reno
Balance sheet
(In thousands)

		December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	$	7,089
Accounts receivable, net		1,038
Inventories		2,299
Prepaid expenses and other current assets		1,081
Total current assets		11,507

Property and equipment, net		13,837
Other assets		
Trademark		3,101
Deferred income taxes, net		226
Deposits and other assets, net		468
Total other assets		3,795
	$	29,139
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities		
Accounts payable		1,724
Deferred income taxes, net		226
Other accrued liabilities		6,745
Total current liabilities		8,695
Commitments and contingencies (Note 7)		
Member's equity		20,444
	$	29,139

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

Circus Circus Hotel and Casino-Reno
Statement of operations
(In thousands)

		Year ended December 31, 2014
Revenues		
Casino	$	28,013
Rooms		18,629
Food and beverage		12,718
Retail		2,464
Midway arcade		9,709
Other		924
		72,457
Less: Promotional allowances		(4,837)
		67,620
Expenses		
Casino		15,700
Rooms		9,856
Food and beverage		10,528
Retail		1,672
Midway arcade		4,842
Other		1,554
General and administrative		21,613
Depreciation and amortization		928
		66,693
Operating income		927
Non-operating income (expense)		
Other, net		4
Income before income taxes		931
Benefit (provision) for income taxes		—
Net income	$	931

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

Circus Circus Hotel and Casino-Reno
Statement of cash flows
(In thousands)

		Year ended December 31, 2014
Cash flows from operating activities		
Net income (loss)	$	931
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization		928
Provision for doubtful accounts		31
Change in operating assets and liabilities:		
Accounts receivable		113
Inventories		(379)
Prepaid expenses and other		(95)
Accounts payable and accrued liabilities		(169)

Other		12
Net cash provided by (used in) operating activities		1,372
Cash flows from investing activities		
Capital expenditures, net of construction payable		(312)
Net cash provided by (used in) investing activities		(312)
Cash flows from financing activities		
Distribution		(924)
Net cash provided by (used in) financing activities		(924)
Cash and cash equivalents		
Net increase (decrease) for the period		136
Balance, beginning of period		6,953
Balance, end of period	$	7,089

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

Circus Circus Hotel and Casino-Reno
Statement of member's equity
(In thousands)

Balance as of January 1, 2014	$	20,437
Distributions to member, net		(924)
Net income		931
Balance as of December 31, 2014	$	20,444

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

Notes to financial statements

Note 1—Organization and nature of business

Organization. Circus Circus Casinos, Inc., a subsidiary of MGM Resorts International, owns Circus Circus Hotel and Casino-Las Vegas, Circus Circus Hotel and Casino-Reno, and Slots-A-Fun, Inc. Circus Circus Casinos, Inc. is a Nevada corporation formed on May 7, 1983. Circus Circus Hotel and Casino-Reno (the "Company"), a division of Circus Circus Casinos, Inc., is situated on a three block area in downtown Reno, of which approximately 90% of the underlying land is owned by the Company and the remainder is held under two separate leases which expire in 2032 and 2033, respectively. The Company is a single property asset that operates as one segment.

In July 2015, Circus Circus Casinos, Inc. entered into a purchase and sale agreement with Eldorado Resorts, Inc. to sell the assets of the Company. These financial statements present the historical stand-alone financial position, results of operations, cash flows and changes in member's equity of the Company.

Nature of business. The Company is a hotel-casino operated in Reno, Nevada and features 1,571 guestrooms and a 56,000 square-foot casino with 906 slot machines and 35 table games as of December 31, 2014. The property offers its guests a variety of circus acts performed daily, free of charge, under a "Big Top" above the casino. The mezzanine area has a midway with carnival-style games offering a variety of amusement and electronic games. There are seven restaurants featuring three specialty dining venues which are the Steakhouse at Circus, Kokopelli's Sushi Bar, & Dos Geckos Cantina. Other amenities include cocktail lounges, gift shops, parking facilities for approximately 3,200 vehicles and approximately 23,000 square feet of convention space.

Note 2—Basis of presentation and significant accounting policies

Basis of presentation. The financial statements include the accounts of the Company. The Company does not have a variable interest in any variable interest entities. The results of operations are not necessarily indicative of the results to be expected in the future.

Management's use of estimates. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Those principles require the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents. Cash and cash equivalents include investments and interest bearing instruments with maturities of 90 days or less at the date of acquisition. Such investments are carried at cost, which approximates fair value. Book overdraft balances resulting from the Company's cash management program are recorded as accounts payable or other accrued liabilities, as applicable.

Accounts receivable and credit risk. The Company issues markers to approved casino customers following investigations of creditworthiness. Trade receivables, including casino and hotel receivables, are typically non-interest bearing and are initially recorded at cost. Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. An estimated allowance for doubtful accounts is maintained to reduce the Company's receivables to their estimated realizable amount, which approximates fair value. The allowance is estimated based on a specific review of customer accounts as well as historical collection experience and current economic and business conditions. Management believes that as of December 31, 2014, no significant concentrations of credit risk existed.

Inventories. Inventories consist primarily of food and beverage, retail and midway merchandise, and operating supplies, and are stated at the lower of cost or market. Cost is determined primarily by the average cost method for food and beverage and operating supplies. Cost for retail merchandise is determined using the cost method.

Property and equipment. Property and equipment are stated at cost. A significant amount of the Company's property and equipment was acquired through a business combination and was originally recognized at fair value at the acquisition date. The Company has subsequently recorded impairment charges which have reduced the carrying value of its property and equipment. Gains or losses on dispositions of property and equipment are included in the determination of income or loss. Maintenance and repairs that neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred. Property and equipment are depreciated over the following estimated useful lives on a straight-line basis:

Buildings and improvements	20 to 40 years
Land improvements	10 to 20 years
Furniture and fixtures	3 to 20 years
Equipment	3 to 20 years

The Company evaluates its property and equipment and other long-lived assets for impairment based on its classification as held for sale or to be held and used. Several criteria must be met before an asset is classified as held for sale, including that management with the appropriate authority commits to a plan to sell the asset at a reasonable price in relation to its fair value and is actively seeking a buyer. For assets held for sale, the Company recognizes the asset at the lower of carrying value or fair market value less costs to sell, as estimated based on comparable asset sales, offers received, or a discounted cash flow model. For assets to be held and used, the Company reviews for impairment whenever indicators of impairment exist. The Company then compares the estimated future cash flows of the asset, on an undiscounted basis, to the carrying value of the asset. If the undiscounted cash flows exceed the carrying value, no impairment is indicated. If the undiscounted cash flows do not exceed the carrying value, then an impairment is recorded based on the fair value of the asset, typically measured using a discounted cash flow model. If an asset is still under development, future cash flows include remaining construction costs. All recognized impairment losses, whether for assets held for sale or assets to be held and used, are recorded as operating expenses.

Trademarks. Trademarks have been assigned an indefinite life. Indefinite-lived intangible assets must be reviewed for impairment at least annually and between annual test dates in certain circumstances. The Company performs its annual impairment test for indefinite-lived intangible assets in the fourth quarter of each fiscal year. Trademarks are tested for impairment using the relief-from-royalty method. If the fair value of an indefinite-lived intangible asset is less than its carrying amount, an impairment loss must be recognized equal to the difference.

Revenue recognition and promotional allowances. Casino revenue is the aggregate net difference between gaming wins and losses, with liabilities recognized for funds deposited by customers before gaming play occurs and for chips in the customers' possession ("casino outstanding chip liability"). Hotel, food and beverage, retail, midway arcade and other operating revenues are recognized as services are performed and goods are provided. Advance deposits on rooms and advance ticket sales are recorded as accrued liabilities until services are provided to the customer.

Gaming revenues are recognized net of certain sales incentives, including discounts and points earned in point-loyalty programs. The retail value of accommodations, food and beverage, and other services furnished to guests without charge is included in gross revenue and then deducted as promotional allowances. The estimated cost of providing such promotional allowances is primarily included in casino expenses as follows:

	Year ended December 31, 2014 (In thousands)
Rooms	$ 1,020
Food and beverage	3,122
Retail and other	133
	$ 4,275

Loyalty programs. Customers earn points based on their slots play which can be redeemed for *FREEPLAY*. The Company records a liability within other accrued liabilities based on the points earned multiplied by the redemption value, less an estimate for points not expected to be redeemed, and records a corresponding reduction in casino revenue. Customers also earn complimentaries based on their gaming play, which can be redeemed for complimentary goods and services, including hotel rooms, food and beverage, and retail. The Company records a liability for the estimated costs of providing goods and services for complimentaries based on the amounts earned, multiplied by a cost margin, less an estimate for complimentaries not expected to be redeemed and records a corresponding expense in casino expense.

Advertising. The Company expenses advertising costs the first time the advertising takes place. Advertising expense, which is included in general and administrative expenses, was $2.3 million for the year ended December 31, 2014.

Income taxes. The Company is a subsidiary of MGM Resorts International and joins in the filing of a consolidated federal income tax return of which MGM Resorts International is the parent. The tax provision included in these stand-alone financial statements is prepared using the separate return method. Under this method, the Company is assumed to file a separate return with the tax authority, thereby reporting its taxable income or loss and paying the applicable tax to or receiving the appropriate refund from the parent.

Recently issued accounting standards. During 2014, the Company early adopted Financial Accounting Standards Board ("FASB") Accounting Standards Update No. 2014-08, "Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity", ("ASU 2014-08"), which is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2014. ASU 2014-08 amends the definition of a discontinued operation by requiring discontinued operations treatment for disposals of a component or group of components that represent a strategic shift that has or will have a major impact on an entity's operations or financial results, and also expands the scope of ASC 205-20 to disposals of equity method investments and acquired businesses held for sale. Additionally, ASU 2014-08 requires enhanced disclosures about disposal transactions that do not meet the discontinued operations criteria. The Company's adoption of this amendment did not have a material effect on its financial statements.

During 2014, the Company implemented FASB Accounting Standards Update No. 2013-11, "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists," ("ASU 2013-11"), which is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2013. ASU 2013-11 provides explicit guidance on the financial statement presentation of unrecognized tax benefits when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. The Company's adoption of this amendment did not have a material effect on its financial statements.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers," ("ASU 2014-09"), which is effective for fiscal years, and interim periods within those years, beginning on or after December 15, 2017. ASU 2014-09 outlines a new, 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. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. Additionally, the new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services. The Company is currently assessing the impact that adoption of ASU 2014-09 will have on its financial statements and footnote disclosures.

Subsequent events. Management has evaluated subsequent events through October 20, 2015, the date these financial statements were issued. **See Note 1 for information related to the purchase and sale agreement the Company entered into in July 2015.**

Note 3—Accounts receivable, net

Accounts receivable consisted of the following:

		December 31, 2014 (In thousands)
Casino	$	15
Hotel		948
Other		215
		1,178
Less: Allowance for doubtful accounts		(140)
	$	1,038

Note 4—Property and equipment, net

Property and equipment, net consisted of the following:

		December 31, 2014 (In thousands)
Land	$	3,600
Buildings, building improvements and land improvements		9,915
Furniture, fixtures and equipment		14,909
		28,424
Less: Accumulated depreciation and amortization		(14,587)
	$	13,837

Note 5—Income taxes

The Company recognizes deferred income tax assets, net of applicable reserves, related to net operating loss tax credit carryforwards and certain temporary differences. The Company recognizes future tax benefits to the extent that realization of such benefit is more likely than not. Otherwise, a valuation allowance is applied.

The benefit (provision) for income taxes attributable to income before incomes taxes is as follows:

		Year ended December 31, 2014 (In thousands)
Federal:		
Deferred (excluding separate components)	$	(311)
Deferred—operating loss carryforward		21
Deferred—valuation allowance		290
Benefit (provision) for federal income taxes	$	—

A reconciliation of the federal income tax statutory rate and the Company's effective tax rate is as follows:

	Year ended December 31, 2014 (In thousands)
Federal income tax statutory rate	35.0%
Federal valuation allowance	(31.1)
Tax credits	(5.0)
Permanent and other items	1.1
	0.0%

The Company has a U.S. federal income tax net operating loss carryforward of $6.1 million that will begin to expire in 2030 and a general business tax credit carryforward of $0.4 million that will begin to expire in 2029.

While the Company generated nominal operating income in the current and preceding year, it had incurred operating losses in all previous years since 2008 due to the negative impact of the U.S. economy on the results of its operations. Consequently, the Company does not currently rely on future operating income in assessing the realizablity of its deferred tax assets and relies only on future reversals of existing taxable temporary differences. As of December 31, 2014, the scheduled future reversal of existing U.S. federal deductible temporary differences exceeds the scheduled future reversal of existing U.S. federal taxable temporary differences. Consequently, the Company records a valuation allowance against its deferred tax assets equal to this excess, which was $18 million at December 31, 2014.

The tax effects of significant temporary differences representing deferred tax assets and liabilities are as follows:

	Year ended December 31, 2014 (In thousands)
Deferred tax assets—federal:	
Bad debt reserve	$ 49
Net operating loss carryforward	2,131
Accruals, reserves and other	625
Land	7,687
Buildings and equipment	8,116
Tax credits	387
	18,995
Less: Valuation allowance	(17,910)
Total deferred tax asset	$ 1,085
Deferred tax liabilities—federal:	
Trademark	(1,085)
Total deferred tax liability	$ (1,085)
Net deferred tax liability	$ —

The Company assesses its tax positions using a two-step process. A tax position is recognized if it meets a "more likely than not" threshold, and is measured at the largest amount of benefit that is greater than 50 percent likely of being realized. Uncertain tax positions must be reviewed at each balance sheet date. Liabilities recorded as a result of this analysis must generally be recorded separately from any current or deferred income tax accounts. As of December 31, 2014, the Company has no liabilities recorded for uncertain tax positions.

The Company is a subsidiary of MGM Resorts International and joins in the filing of a consolidated federal income tax return of which MGM Resorts International is the parent. As of December 31, 2014, MGM Resorts International and its subsidiaries are no longer subject to examination of their U.S. consolidated federal income tax returns filed for years ended prior to 2010. During the second quarter of 2014, MGM Resorts International received final approval from the Joint Committee on Taxation of the results of IRS examinations of its consolidated federal income tax returns for the 2005 through 2009 tax years. These examinations are now considered settled for financial reporting purposes.

Note 6—Other accrued liabilities

Other accrued liabilities consisted of the following:

	December 31, 2014 (In thousands)
Accrued payroll and related	3,770
Other gaming related accruals	1,549
Taxes, other than income taxes	660
Other	766
	$ 6,745

Note 7—Commitments and contingencies

Litigation. The Company is a party to various legal proceedings that relate to operational matters incidental to its business. Management does not believe that the outcome of such proceedings will have a material adverse effect on the Company's financial position, results of operations or cash flows.

Leases where the Company is a lessor. The Company enters into operating leases related to retail space on the mezzanine level of the property. Tenants are primarily responsible for tenant improvements, though the Company provides kiosks for certain lessees. Leases include base rent and, in some cases, contingent rent based on a percentage of the sales of the lessee.

Leases where the Company is a lessee. The Company is party to various leases for land, real estate and equipment under operating lease arrangements. The Company's future minimum obligations under non-cancelable leases are listed below for each of the next five years, and in total.

Expected fixed future minimum lease payments for leases in place as of December 31, 2014 are as follows:

	(In thousands)
For the year ending December 31,	
2015	$ 396
2016	337
2017	300
2018	300
2019	300
Thereafter	3,837
	$ 5,470

Note 8—Employee pension and savings plans

Participation in the Company's 401(k) employee savings plan is available to non-union and eligible union employees after completing three months of employment. The savings plan allows participants to defer, on a pre-tax basis, a maximum of 75% of their eligible pay, subject to Internal Revenue Service annual limitations, and accumulate tax-deferred earnings in self-directed investment funds. Non-union and eligible union employees eligible for a match can receive 50% of their contribution amount up to the first 6% of eligible pay, with a maximum match of $1,000 for 2014. The Company recorded charges for 401(k) contributions of $0.3 million for 2014.

Note 9—Related party transactions

The Company participates with MGM Resorts International and its other subsidiaries in marketing, purchasing, insurance, employee benefit, and other programs that are defined, negotiated and managed by MGM Resorts International on a consolidated basis.

Cash activity with MGM Resorts and affiliates

The Company transfers cash in excess of its operating and regulatory needs to MGM Resorts International on an as needed basis. Cash transfers from MGM Resorts International to the Company are also made based upon the needs of the Company to fund daily operations, including accounts payable, payroll, and capital expenditures. No interest is charged on the amounts. The net change in amounts due to or due from MGM Resorts International and affiliates are presented as distributions in the financing section of the statement of cash flows.

Administrative and other services

The Company is charged fees by MGM Resorts International for administrative and other services (including human resources, marketing, information technology, accounting, security, internal audit, and insurance). Corporate expenses that are not directly charged to the Company are allocated by MGM Resorts International to the Company. These allocations are based on what the Company believes to be a reasonable allocation methodology; however, such allocated expenses may not be indicative of what the Company would incur as a stand-alone company. The Company was charged $2.3 million for the year ended December 31, 2014 for their allocated share of corporate expense. These fees are included in general and administrative expense in the accompanying statement of operations.

Other related party transactions

Circus and Eldorado Joint Venture, LLC dba Silver Legacy Resort and Casino (“Silver Legacy”) is an equity method investee of MGM Resorts International. Silver Legacy utilizes parking spaces in the Company’s parking garages to provide parking for its employees. In consideration for its use of the spaces, Silver Legacy remits rent in the amount of $5,000 per month. Silver Legacy also utilizes an uncovered parking lot adjacent to the Company’s parking garages for oversized vehicles. In consideration for this space, Silver Legacy remits rent in the amount of $800 per month. This agreement was renewed on June 1, 2015 for twelve months, thereby expiring on May 31, 2016.

As of December 31, 2014, a receivable in the amount of $5,800 was due from Silver Legacy, included in “Accounts receivable, net” on the Company’s balance sheet. Additionally, the Company paid Silver Legacy $0.1 million for shared costs related to advertising and promotional events during 2014.

Exhibit 99.2

ELDORADO RESORTS, INC.
INDEX TO PRO FORMA FINANCIAL INFORMATION

Eldorado Resorts, Inc.
Unaudited pro forma condensed combined balance sheet
as of September 30, 2015
(dollars in thousands)

	ERI			Silver Legacy		Circus Reno					
	Historical	Refinancing pro forma adjustments	Refinancing pro forma totals	Historical	Acquisition pro forma adjustments	Historical	Acquisition pro forma adjustments	Debt issuance	Acquisition adjustments	Eliminating entries	Combined company pro forma
Current Assets											
Cash and cash equivalents	$ 48,751	$ —	$ 48,751	$ 24,791	$ (13,682)	$ 8,253	$ —	$ 83,500	$ (82,871)	$ —	$ 68,742
Escrow	55,460	—	55,460	—	—	—	—	—	(55,460)	—	—
Restricted cash	1,640	—	1,640	—	—	—	—	—	—	—	1,640
Accounts receivable, net of allowance for doubtful accounts	9,146	—	9,146	2,758	—	926	—	—	—	—	12,830
Due from members and affiliates	419	—	419	330	—	—	—	—	—	—	749
Inventories	7,165	—	7,165	2,035	—	2,433	—	—	—	—	11,633
Prepaid expenses and other current assets	9,757	—	9,757	3,286	—	1,287	—	—	—	—	14,330
Deferred income taxes, net	—	—	—	—	—	1,844	(1,844)	—	—	—	—
Total current assets	132,338	—	132,338	33,200	(13,682)	14,743	(1,844)	83,500	(138,331)	—	109,924
Restricted cash	—	—	—	10,000	(10,000)	—	—	—	—	—	—
Investment in and advances to unconsolidated affiliates	17,145	—	17,145	—	—	—	—	—	—	(17,145)	—
Investment in subsidiaries	—	—	—	—	—	—	—	—	162,013	(162,013)	—
Property and equipment, net	442,221	—	442,221	184,319	(21,423)	13,405	3,365	—	—	—	621,887
Gaming licenses and other intangibles, net	486,792	—	486,792	—	6,700	3,101	(1,701)	—	—	—	494,892
Non-operating real property	16,419	—	16,419	—	—	—	—	—	—	—	16,419
Goodwill	66,826	—	66,826	—	—	—	—	—	—	—	66,826
Deferred income taxes, net	—	—	—	—	—	14,614	(14,614)	—	—	—	—
Other assets, net	7,204	—	7,204	4,935	(4,410)	560	—	—	—	—	8,289
Total assets	$1,168,945	—	$1,168,945	$ 232,454	$ (42,815)	$ 46,423	$ (14,794)	$ 83,500	$ 23,682	$(179,158)	$1,318,237
Current liabilities:											
Current portion of long-term debt	$ 4,250	—	$ 4,250	$ 5,000	$ (5,000)	$ —	$ —	$ —	$ —	$ —	$ 4,250
Current portion of capital lease obligations	6	—	6	—	—	25	—	—	—	—	31
Accounts payable	13,020	—	13,020	3,948	—	1,588	—	—	—	—	18,556
Interest payable	6,876	—	6,876	508	(508)	—	—	—	—	—	6,876
Income taxes payable	103	—	103	—	—	—	—	—	—	—	103
Accrued gaming taxes and assessments	12,671	—	12,671	1,317	—	757	—	—	—	—	14,745
Accrued payroll	11,411	—	11,411	3,573	—	3,665	—	—	—	—	18,649
Accrued other liabilities	18,845	—	18,845	5,014	—	3,301	—	—	—	—	27,160
Deferred income taxes	2,608	—	2,608	—	—	—	—	—	—	—	2,608
Due to affiliates	177	—	177	318	—	—	—	—	—	—	495
Total current liabilities	69,967	—	69,967	19,678	(5,508)	9,336	—	—	—	—	93,473

	ERI			Silver Legacy		Circus Reno					
	Historical	Refinancing pro forma adjustments	Refinancing pro forma totals	Historical	Acquisition pro forma adjustments	Historical	Acquisition pro forma adjustments	Debt issuance	Acquisition adjustments	Eliminating entries	Combined company pro forma
Long-term debt, less current portion	786,298	—	786,298	75,500	(75,500)	—	—	83,500	—	—	869,798
Member notes, net	—	—	—	11,244	(11,244)	—	—	—	—	—	—
Capital lease obligations, less current portion	—	—	—	—	—	83	—	—	—	—	83
Deferred income taxes	147,645	—	147,645	—	—	—	—	—	—	—	147,645
Other liabilities	8,228	—	8,228	—	—	—	—	—	—	—	8,228
Total liabilities	1,012,138	—	1,012,138	106,422	(92,252)	9,419	—	83,500	—	—	1,119,227

Stockholders' equity											
Members' equity	—	—	—	126,032	73,119	37,004	(14,794)	—	—	(221,361)	—
Common stock, 100,000,000 shares authorized, 46,426,714 issued and outstanding, par value $0.00001	—	—	—	—	—	—	—	—	—	—	—
Paid-in capital	167,012	—	167,012	—	—	—	—	—	—	42,306	209,318
Accumulated deficit	(10,395)	—	(10,395)	—	—	—	—	—	—	—	(10,395)
Accumulated other comprehensive loss	87	—	87	—	—	—	—	—	—	—	87
Stockholders' equity before non-controlling interest	156,704	—	156,704	126,032	73,119	37,004	(14,794)	—	—	(179,055)	199,010
Non-controlling interest	103	—	103	—	—	—	—	—	—	(103)	—
Total stockholders' equity	156,807	—	156,807	126,032	73,119	37,004	(14,794)	—	—	(179,158)	199,010
Total liabilities and stockholders' equity	$1,168,945	—	$1,168,945	$ 232,454	$ (19,133)	$ 46,423	$ (14,794)	$ 83,500	—	$(179,158)	$1,318,237

(a) Refer to the notes to the Unaudited Pro Forma Condensed Combined Financial Statements for discussion of reclassification and pro forma adjustments.

Eldorado Resorts, Inc.
Unaudited pro forma condensed combined statement of operations
Nine months ended September 30, 2015
(dollars in thousands, except per share amounts)

	Eldorado	MTR Gaming			Silver Legacy		Circus Reno				
	Eldorado pro forma historical	MTR Gaming pro forma historical	Merger pro forma adjustments	ERI pro forma total	Legacy adjusted historical	Legacy pro forma adjustments	Circus adjusted historical	Circus pro forma adjustments	Financing pro forma adjustments	Eliminating pro forma adjustments	Combined company pro forma
Operating revenues:											
Casino	$ 144,160	$ 316,647	$ —	$ 460,807	$ 57,474	$ —	$ 23,157	$ —	$ —	$ —	$ 541,438
Pari-mutuel commissions	—	8,042	—	8,042	—	—	—	—	—	—	8,042
Food and beverage	44,362	25,355	—	69,717	25,068	—	9,930	—	—	—	104,715
Hotel	20,819	3,852	—	24,671	25,798	—	15,843	—	—	—	66,312
Other	6,760	10,704	—	17,464	6,077	—	10,642	—	—	—	34,183
Total revenues	216,101	364,600	—	580,701	114,417	—	59,572	—	—	—	754,690
Less promotional allowances	(32,221)	(14,856)	—	(47,077)	(16,753)	—	(3,734)	—	—	—	(67,564)
Net revenues	183,880	349,744	—	533,624	97,664	—	55,838	—	—	—	687,126
Operating expenses:											
Casino	73,688	194,594	—	268,282	27,332	—	11,144	—	—	—	306,758
Pari-mutuel commissions	—	8,414	—	8,414	—	—	—	—	—	—	8,414
Food and beverage	20,490	15,894	—	36,384	14,879	—	8,227	—	—	—	59,490
Hotel	5,721	1,122	—	6,843	8,734	—	8,157	—	—	—	23,734
Other	5,470	5,043	—	10,513	3,657	—	5,952	—	—	—	20,122
Marketing and promotions	12,079	10,242	—	22,321	5,589	—	2,699	—	—	—	30,609
General and administrative	34,057	47,538	—	81,595	14,703	—	14,727	—	—	—	111,025
Depreciation and amortization	11,807	30,647	(1) —(3)	42,454	7,957	)(7) (3,391(8)	684	)(11) (329(12)	—	—	47,375
Total operating expenses	163,312	313,494	—	476,806	82,851	(3,391)	51,590	(329)	—	—	607,527
(Loss) gain on sale or disposition of property	52	(54)	—	(2)	(29)	—	—	—	—	—	(31)
Acquisition charges	(633)	(84)	717(2)	—	—	—	—	—	—	—	—
Equity in income (losses) of unconsolidated affiliate	3,136	—	—(4)	3,136	—	—	—	—	—	(3,136)(16)	—
Operating income (loss)	23,123	36,112	717	59,952	14,784	3,391	4,248	329	—	(3,136)	79,568
Other income (expense):											
Interest income	—	—	—(5)	—	—	—	—	—	—	—	—
Interest expense	(18,089)	(30,857)	—	(48,946)	(8,290)	8,290(9)	—	—	10,090(13)	—	(38,856)
Other, net	—	—	—	—	—	—	2	—	—	—	2
Gain on extinguishment of debt (Refinance)	(9,410)	7,620	—	(1,790)	—	—	—	—	1,790(14)	—	—
Gain on termination of supplemental executive retirement plan	—	—	—	—	—	—	—	—	—	—(16)	—
Change in fair value of supplemental executive retirement plan assets	—	—	—	—	—	—	—	—	—	—	—
Loss on extinguishment of debt	—	—	—	—	—	—	—	—	—	—	—
Net (loss) income before income taxes	(4,376)	12,875	717	9,216	6,494	11,681	4,250	329	11,880	(3,136)	40,714
(Provision) benefit for income taxes	(6,655)	2,186	(251)(6)	(4,720)	—	—(10)	16,458	(16,458)	251(15)	—	(4,469)
Net (loss) income	$ (11,031)	$ 15,061	$ 466	$ 4,496	$ 6,494	$ 11,681	$ 20,708	$ (16,129)	$ 12,131	$ (3,136)	$ 36,245
Less net (income) loss attributable to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—
Net (loss) income attributable to the Company	$ (11,031)	$ 15,061	$ 466	$ 4,496	$ 6,494	$ 11,681	$ 20,708	$ (16,129)	$ 12,131	$ (3,136)	$ 36,245
Net income per share from continuing operations											
Basic				$ 0.10							
Diluted				$ 0.10							
Weighted average number of shares outstanding:											
Basic				46,509,369							
Diluted				46,710,502							

(a) Refer to the notes to the Unaudited Pro Forma Condensed Combined Financial Statements for discussion of reclassification and pro forma adjustments

Eldorado Resorts, Inc.
Unaudited pro forma condensed combined statement of operations
Year ended December 31, 2014
(dollars in thousands, except per share amounts)

	Eldorado	MTR Gaming	Merger	ERI	Silver Legacy		Circus Reno		Financing	Acquisition	Combined
	Pro forma historical	Pro Forma historical	pro forma adjustments(a)	pro forma total	Adjusted historical	Pro forma adjustments(a)	Adjusted historical	Pro forma adjustments(a)	pro forma adjustments(a)	pro forma adjustments(a)	company pro forma
Operating revenues:											
Casino	$185,174	$434,040	$ —	$619,214	$74,146	$ —	$28,013	$ —	$ —	$ —	$721,373
Pari-mutuel commissions	—	10,000	—	10,000	—	—	—	—	—	—	10,000
Food and beverage	59,124	34,428	—	93,552	33,324	—	12,718	—	—	—	139,594
Hotel	26,647	4,849	—	31,496	32,335	—	18,629	—	—	—	82,460
Other	9,240	13,577	—	22,817	7,899	—	13,097	—	—	—	43,813
Total revenues	280,185	496,894	—	777,079	147,704	—	72,457	—	—	—	997,240
Less promotional allowances	(42,530)	(20,849)	—	(63,379)	(20,609)	—	(4,837)	—	—	—	(88,825)
Net revenues	237,655	476,045	—	713,700	127,095	—	67,620	—	—	—	908,415
Operating expenses:											
Casino	99,991	258,106	10,392	368,489	36,431	—	14,309	—	—	—	419,229
Pari-mutuel commissions	—	10,464	—	10,464	—	—	—	—	—	—	10,464
Food and beverage	29,083	29,551	(8,717)	49,917	20,828	—	10,528	—	—	—	81,273
Hotel	7,666	2,957	(865)	9,758	12,397	—	10,334	—	—	—	32,489
Other	7,255	7,833	(810)	14,278	5,063	—	7,590	—	—	—	26,931
Marketing and promotions	17,556	14,893	—	32,449	7,598	—	3,556	—	—	—	43,603
General and administrative	45,469	64,967	—	110,436	19,299	—	19,448	—	—	—	149,183
Depreciation and amortization	16,354	34,520	(11,687)(1)(3)	39,187	10,539	(288)(7)(8)	928	(176)(11)(12)	—	—	50,190
Total operating expenses	223,374	423,291	(11,687)	634,978	112,155	(288)	66,693	(176)	—	—	813,362
Loss on sale or disposition of property	(84)	(184)	—	(268)	—	—	—	—	—	—	(268)
Acquisition charges	(6,348)	(8,683)	15,031(2)	—	—	—	—	—	—	—	—
Equity in income (losses) of unconsolidated affiliate	2,705	—	(719)(4)	1,986	—	—	—	—	—	(1,986)(16)	—
Operating income (loss)	10,554	43,887	25,999	80,440	14,940	288	927	176	—	(1,986)	94,785

	Eldorado	MTR Gaming	Merger	ERI	Silver Legacy		Circus Reno		Financing	Acquisition	Combined
	Pro forma historical	Pro forma historical	pro forma adjustments(a)	pro forma total	Adjusted historical	Pro forma adjustments(a)	Adjusted historical	Pro forma adjustments(a)	pro forma adjustments(a)	pro forma adjustments(a)	company pro forma
Other income (expense):											
Interest income	15	9	—	24	—	—	—	—	—	—	24
Interest expense	(15,441)	(65,149)	8,475(5)	(72,115)	(11,037)	11,037(9)	—	—	20,166(13)	—	(51,949)
Other, net	—	—	—	—	—	—	4	—	—	—	4
Gain on extinguishment of debt (Refinance)	—	—	—	—	—	—	—	—	(1,790)(14)	—	(1,790)
Gain on termination of supplemental executive retirement plan	715	—	—	715	1,430	—	—	—	—	(715)(16)	1,430
Change in fair value of supplemental executive retirement plan assets	—	—	—	—	69	—	—	—	—	—	69
Loss on extinguishment of debt	—	(90)	—	(90)	—	—	—	—	—	—	(90)
Net (loss) income before income taxes	(4,157)	(21,343)	34,474	8,974	5,402	11,325	931	176	18,376	(2,701)	42,483
Provision for income taxes	(1,054)	(3,949)	(9,083)(6)	(14,086)	—	—(10)	—	—	9,083(15)	—	(5,003)
Net (loss) income	(5,211)	(25,292)	25,391	(5,112)	5,402	11,325	931	176	27,459	(2,701)	37,480
Less net (income) loss attributable to non-controlling interest	(103)	—	—	(103)	—	—	—	—	—	103	—
Net (loss) income attributable to the	$ (5,314)	$(25,292)	$ 25,391	$ (5,215)	$ 5,402	$ 11,325	$ 931	$ 176	$ 27,459	$ (2,598)	$ 37,480

Company		
Net loss per share		
Basic	$	(0.11)
Diluted	$	(0.11)
Weighted average number of shares outstanding:		
Basic		46,396,307
Diluted		46,396,307

Note 1. Basis of presentation

The Unaudited Pro Forma Financial Statements have been derived by applying pro forma adjustments to the historical unaudited interim financial statements as of September 30, 2015 and for the year ended December 31, 2014 and the nine months ended September 30, 2015 of ERI, MTR Gaming, HoldCo, the Silver Legacy Joint Venture ("Silver Legacy") and Circus Reno.

The Unaudited Pro Forma Financial Statements have been prepared giving effect to both accounting acquisitions of MTR Gaming by HoldCo and Silver Legacy and Circus Reno by ERI in a transaction to be accounted for as a purchase in accordance with ASC Topic No. 805, *Business Combinations*. Under the acquisition method of accounting, the total estimated purchase consideration, calculated as described in the notes to the Unaudited Pro Forma Financial Statements, is allocated to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the Acquisition Date.

The Unaudited Pro Forma Financial Statements should be read in conjunction with:

· the accompanying notes to the Unaudited Pro Forma Financial Statements;

· the separate historical audited consolidated financial statements of ERI, Silver Legacy and Circus Reno as of and for the year ended December 31, 2014;

· the separate historical unaudited consolidated interim financial statements of ERI, Silver Legacy and Circus Reno as of and for the nine months ended September 30, 2015 and 2014; and

· and the MTR Gaming Group, Inc. audited financial statements as of and for the year ended December 31, 2014 and the unaudited financial statements as of and for the nine months ended September 30, 2014, which provide a summary of the calculation of purchase consideration related to the MTR Merger.

Note 2. Calculation of estimated purchase consideration—Circus Reno/Legacy Purchase

The total estimated purchase consideration for the purpose of this pro forma financial information is $184.2 million. The purchase consideration in the acquisition was determined with reference to its acquisition date fair value.

Purchase consideration calculation (dollars in thousands)	Silver Legacy	Circus Reno	Total
Cash consideration paid by ERI for MGM's 50% equity interest and MGM's member note	$ 55,100	$ 17,400	$ 72,500
Fair value of ERI's preexisting 50% equity interest	46,600	—	46,600
Cash paid by ERI to retire Silver Legacy's long term debt(1)	56,816	—	56,816
Fair value of settled ERI member note	5,622	—	5,622
Estimated closing Circus Reno net working capital(2)	—	2,671	2,671
Estimated purchase consideration	$ 164,138	$ 20,071	$ 184,209

(1) Represents $5 million current portion of long term debt, $75.5 million of long term debt and $0.3 million of accrued interest, net of $23.7 million paid by Silver Legacy utilizing Silver Legacy's cash on hand as of September 30, 2015.

(2) Per the purchase agreement, the purchase price will be $72.5 million plus the Final Closing Circus Reno Net Working Capital (as defined in the purchase agreement).

Preliminary purchase price allocation

The following table summarizes the preliminary allocation of the estimated purchase consideration to the identifiable assets acquired and liabilities assumed in the Circus Reno/Silver Legacy Purchase. The fair values were based on management's analysis, including preliminary work performed by third-party valuation specialists. The following table summarizes the preliminary purchase price allocation of the acquired assets and assumed liabilities adjusted to reflect balances as of September 30, 2015 (dollars in thousands):

	Silver Legacy	Circus Reno	Total
Current and other assets	$ 19,518	$ 12,899	$ 32,417
Property and equipment	162,896	16,770	179,666
Intangible assets(1)	6,700	1,400	8,100
Other noncurrent assets	525	560	1,085
Total assets	189,639	31,629	221,268
Liabilities	14,170	9,419	23,589
Net assets acquired	$ 175,469	$ 22,210	$ 197,679

(1) Intangible assets consist of trade names which are non-amortizable and customer loyalty programs which are amortized over one year.

Trade receivables and payable, inventory as well as other current and noncurrent assets and liabilities was valued at the existing carrying values as they represented the fair value of those items at September 30, 2015, based on management's judgments and estimates.

The fair value estimate of property and equipment utilized a combination of the cost and market approaches, depending on the characteristics of the asset classification. The fair value of land was determined using the market approach, which considers sales of comparable assets and applies compensating factors for any differences specific to the particular assets. With respect to personal property components of the assets (gaming equipment, furniture, fixtures and equipment, computers, and vehicles) the cost approach was used, which is based on replacement or reproduction costs of the asset. Building and site improvements were valued using the cost approach using a direct cost model built on estimates of replacement cost.

Trade names were valued using the relief-from-royalty method. The customer loyalty program was valued using a combination of a replacement cost and lost profits analysis. Management has assigned trade names an indefinite useful life, in accordance with its review of applicable guidance of ASC Topic No. 350, *Intangibles—Goodwill and Other*. The standard required management to consider, among other things, the expected use of the asset, the expected useful life of other related asset or asset group, any legal, regulatory, or contractual provisions that may limit the useful life, the Company's own historical experience in renewing similar arrangements, the effects of obsolescence, demand and other economic factors, and the maintenance expenditures required to obtain the expected cash flows. In that analysis, management determined that no legal, regulatory, contractual, competitive, economic or other factors limit the useful lives of these intangible assets. The customer loyalty program is being amortized on a straight-line basis over a one year useful life.

Note 3. Unaudited pro forma financial statements transaction adjustments

1) The amortization expense related to the definite-lived intangibles for the year ended December 31, 2014, was based on the adjustments to the fair value of intangible assets as the result of the addition of other intangible assets to the balance sheet, primarily consisting of $8.7 million for trade names and $4.1 million for the MTR Gaming InClub player development program, amortized over the respective useful lives of the intangible assets. No adjustments related to MTR Gaming's definite-lived intangibles were required for the nine months ended September 30, 2015. The trade names were valued using the relief-from-royalty method using royalty rates ranging from 0.5-1.0%. The MTR Gaming InClub program was valued using a combination of a replacement cost and lost profits analysis. The goodwill increased from $0.6 million, the result of the contingent purchase consideration associated with the 2003 Scioto

Downs acquisition, to approximately $56.1 million, the result of the purchase consideration of the proposed transaction exceeding the fair values of the acquired tangible and intangible assets. Amortization expense is included within marketing and promotions expense in the Unaudited Pro Forma Statement of Operations.

2) In conjunction with the Merger, HoldCo and MTR Gaming incurred approximately $9.5 million and $13.1 million, respectively, for a total of $22.6 million in transaction related costs, which consisted primarily of legal, financial advisor, gaming license transfer fee, accounting and consulting costs. For the year ended December 31, 2014 and the nine months ended September 30, 2015, transaction costs of $15 million and $0.7 million, respectively, were eliminated.

3) Adjustments to depreciation expense relate to the adjustment to fair value assigned to MTR Gaming's property and equipment in the amount of $70.3 million and were based on comparing the historical depreciation recorded during the periods presented to the revised depreciation. The revised depreciation was calculated by dividing, on a straight line basis, the fair value assigned to MTR Gaming's property and equipment by the estimated remaining useful lives assigned to the assets. For the year ended December 31, 2014, pro forma depreciation expense decreased $11.7 million due to a reduction in the overall fair value in property and equipment, as well as the impact of an increase in the remaining useful life assigned to certain assets, offset in part by additional depreciation associated with assets assigned a remaining useful life of one year or less. There were no adjustments for the September 30, 2015 period.

4) Reflects the elimination of Resorts' investment in Tamarack. Resorts owned a 21.25% equity method investment in Tamarack, which owns and operates Tamarack Junction Casino, a casino in south Reno. Resorts disposed its ownership of Tamarack prior to the Merger Date. The disposition resulted in an adjustment of $0.7 million for the year ended December 31, 2014 in the Unaudited Pro Forma Statement of Operations to remove the equity income attributable to Tamarack in the periods presented. There were no adjustments for the September 30, 2015 period.

5) The fair value of the assumed long term debt was estimated using bid prices for MTR Notes as of September 19, 2014. Pro forma adjustments related to the fair value of MTR Gaming's debt increased total debt by $65 million.

The following table illustrates the pro forma adjustments to interest expense for the year ended December 31, 2014 (dollars in thousands). No adjustments related to MTR Gaming's debt were required for the nine months ended September 30, 2015.

	Year ended December 31, 2014
Elimination of deferred financing cost amortization	$ 1,176
Elimination of debt discount amortization	1,518
Amortization of premium on fair value adjustment	5,781
Total adjustments to interest expense, net	$ 8,475

6) The provision for income taxes presented in the Unaudited Pro Forma Statements of Operations reflects provision expense (benefit) on the fair value pro forma adjustments of MTR Gaming. Additionally, a pro forma adjustment was recorded to reflect the impact of the Merger on HoldCo's provision for income taxes. Prior to the HoldCo Merger, HoldCo was not subject to federal taxes. However, as a result of the consummation of the Merger, HoldCo will be included in a consolidated corporate income tax return and be subject to corporate statutory tax rates partially offset by a valuation allowance. MTR Gaming's consolidated effective income tax rate differs from the statutory rate due to the impact of a valuation allowance recognized against MTR Gaming's net deferred tax asset exclusive of indefinite-lived intangible deferred tax liabilities.

7) Amortization expense for Silver Legacy's definite-lived intangibles of $4.4 million for the year ended December 31, 2014 and was based on the increases in the fair value of intangible assets as the result of the addition of other intangible assets to the balance sheet, primarily consisting of $4.4 million for the Silver Legacy Star Rewards player development program. No pro forma adjustments were required for the nine

months ended September 30, 2015 based on the one year amortization period. The Silver Legacy Star Rewards player development program was valued using a combination of replacement cost and lost profits analysis. Amortization expense is included marketing and promotions expense in the Unaudited Pro Forma Statements of Operations.

8) Adjustments to Silver Legacy's depreciation expense relate to the adjustment in fair value assigned to their property and equipment were based on comparing the historical depreciation recorded during the periods presented to the revised depreciation. The revised depreciation was calculated by dividing, on a straight line basis, the fair value assigned to Silver Legacy's property and equipment by the estimated remaining useful lives assigned to the assets. For the year ended December 31, 2014, pro forma depreciation expense decreased $4.7 million due to a reduction in the overall fair value in property and equipment, as well as the impact of an increase in the remaining useful life assigned to certain assets. For the nine months ended September 30, 2015, pro forma depreciation expense decreased $3.4 million due to a reduction in the overall fair value in property and equipment, as well as the impact of an increase in the remaining useful life assigned to certain assets.

9) Included in the consideration for the acquisition of Silver Legacy is an assumption of debt by ERI, which is expected to be repaid or retired in connection with the purchase. As a result interest expense for Silver Legacy decreased $11 million for the year ended December 31, 2014 and $8.3 million for the nine months ended September 30, 2015.

10) Silver Legacy is not subject to federal taxes. Upon consummation of the acquisition, Silver Legacy will be included in a consolidated corporate income tax return and be subject to corporate statutory tax rates. However, because ERI has a full valuation allowance on its deferred tax assets, a 0% effective tax rate is assumed for the purposes of the Unaudited Pro Forma Statements of Operations.

11) Amortization expense for Circus Reno's definite-lived intangibles of $0.3 million for the year ended December 31, 2014 was based on the addition of definite-lived other intangible assets to the balance sheet, consisting of $0.3 million for the player development program which was assigned a one-year life. No pro forma adjustments were required for the nine months ended September 30, 2015 based on the one year amortization period. The player development program was valued using a combination of replacement cost and lost profits analysis. Amortization expense is included marketing and promotions expense in the Unaudited Pro Forma Statements of Operations.

12) Adjustments to Circus Reno's depreciation expense relate to the decrease in fair value assigned to their property and equipment in the amount of $1.2 million and were based on comparing the historical depreciation recorded during the periods presented to the revised depreciation. The revised depreciation was calculated by dividing, on a straight line basis, the fair value assigned to Circus Reno's property and equipment by the estimated remaining useful lives assigned to the assets. For the year ended December 31, 2014, pro forma depreciation expense decreased $0.5 million due to a reduction in the overall fair value in property and equipment, as well as the impact of an increase in the remaining useful life assigned to certain assets. For the nine months ended September 30, 2015, pro forma depreciation expense decreased $0.3 million due to a reduction in the overall fair value in property and equipment, as well as the impact of an increase in the remaining useful life assigned to certain assets.

13) For purposes of calculating pro forma interest expense, the blended interest rate applicable to the Notes, New Term Loan and New Credit Facility has been assumed to be 5.48%. For the year ended December 31, 2014 and nine months ended September 30, 2015, pro forma interest expense was $51.9 million and $38.9 million, respectively. These amounts include amortization of debt issuance costs associated with the Refinancing Transactions totaling $3.4 million for the year ended December 31, 2014 and $2.5 million for the nine months ended September 30, 2015.

The following represents the key financing terms of the additional borrowings to finance the Circus Reno/Silver Legacy Purchase and the Refinancing Transactions.

	Interest Rate	Maturity
New Term Loan	4.25%	7 years
Notes	7.00%	8 years
New Revolving Credit Facility	3.53%	5 years

The interest rate assumed on the New Term Loan is based on the LIBOR floor rate of 100 bps plus a LIBOR spread of 325 bps. The interest rate assumed on the New Revolving Credit Facility is based on the LIBOR rate of 28 bps plus a LIBOR spread of 325 bps.

14) The net loss on extinguishment of debt of $1.8 million represents the gain resulting from the write off of the unamortized premium on the MTR Notes of $10.6 million offset by the losses resulting from the payment of the call premium on the Existing Notes of $10.1 million and the write off of the unamortized deferred financing costs of $0.6 million on the Resorts' Notes. Debt issuance costs of $1.7 million were expensed associated with the new debt.

15) ERI is subject to a 35% statutory tax rate offset by a valuation allowance against its net deferred tax assets exclusive of indefinite-lived intangible deferred tax liabilities which generally cannot be offset against deferred tax assets. The pro forma adjustment represents the valuation allowance applied to reduce the income tax expense associated with deferred tax asset utilization.

16) Upon consummation of the Circus Reno/Silver Legacy Purchase, ERI's equity investment in Silver Legacy will be remeasured. As of September 30, 2015, ERI's equity investment balance was $17.1 million and the fair value was $46.6 million. The remeasurement, which will be reflected upon close in final purchase accounting, will result in an estimated gain of approximately $29.5 million. Furthermore, in accordance with the Circus Reno/Silver Legacy Purchase, ERI will eliminate the previously reported equity income and gain on termination of Silver Legacy's supplemental executive retirement plan assets. This elimination is reflected on the Unaudited Pro Forma Statements of Operations.

Note 4. Unaudited pro forma financial statement reclassification adjustments

Certain reclassifications have been recorded to the historical financial statements of MTR Gaming, HoldCo, Silver Legacy and Circus Reno to provide comparability and consistency for the anticipated post-combined company presentation. No adjustments were necessary to conform accounting policies and procedures.

Reclassifications were made between certain current liabilities to provide consistency in presentation.

Reclassifications were made among revenue components to classify certain revenue streams consistently between the two companies. These included separating entertainment revenues from food and beverage and reclassifying to other revenue as well as presenting hotel revenues as a separate line item.

Reclassifications were also made between expense line items, such as gaming, food and beverage, hotel and other costs, as well as marketing and promotions and general and administrative. Certain reclassifications were required to remain consistent with the changes made within revenue reclassifications, as well as present costs such as surveillance, housekeeping, advertising and promotions and utilities consistently between the companies.

The reclassifications reflect the anticipated presentation of the post-combination company's financial statements and are subject to change.