THIS DISCLOSURE STATEMENT IS NOT AN OFFER OF SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1125. ACCEPTANCES OR REJECTIONS OF THE PLAN MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:	Case No. 08-53104
GREEKTOWN HOLDINGS, L.L.C., et al.[1]	Chapter 11 Jointly Administered
Debtors.	Hon. Walter Shapero

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DISCLOSURE STATEMENT FOR LUNA GREEKTOWN LLC AND PLAINFIELD ASSET MANAGEMENT LLC AND ITS AFFILIATES' JOINT PLANS OF REORGANIZATION FOR THE DEBTORS

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Record Date: [_____], 2009
Voting Deadline: [_____], 2009 at [_____] p.m., prevailing Eastern time
Objection Deadline: [_____], 2009 at [_____] p.m., prevailing Eastern time
Confirmation Hearing: [_____], 2009 at [_____], prevailing Eastern time

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Dated: August 11, 2009

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS [_____], 2009 UNLESS EXTENDED. TO BE COUNTED, YOUR BALLOT MUST BE **ACTUALLY RECEIVED** BY THE DEBTORS' CLAIMS AGENT BEFORE THE VOTING DEADLINE.

[1] The Debtors in these jointly-administered cases include Greektown Holdings, L.L.C.; Greektown Casino, L.L.C.; Kewadin Greektown Casino, L.L.C.; Monroe Partners, L.L.C.; Greektown Holdings II, Inc.; Contract Builders Corporation; Realty Equity Company Inc.; and Trappers GC Partner, LLC.

PLEASE READ THIS IMPORTANT INFORMATION

THE BANKRUPTCY CODE REQUIRES THAT A PARTY PROPOSING A CHAPTER 11 PLAN OF REORGANIZATION PREPARE AND FILE A DOCUMENT WITH THE BANKRUPTCY COURT CALLED A "DISCLOSURE STATEMENT." THIS DOCUMENT IS THE DISCLOSURE STATEMENT FOR THE ALTERNATIVE PLAN OF REORGANIZATION (THE "ALTERNATIVE PLAN" OR THE "PLAN") OF LUNA GREEKTOWN LLC AND PLAINFIELD ASSET MANAGEMENT LLC AND ITS AFFILIATES (THE "ALTERNATIVE PLAN SPONSORS" OR "PLAN PROPONENTS"). THE INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT IS FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE ALTERNATIVE PLAN AND SHOULD NOT BE RELIED ON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT INCLUDES CERTAIN EXHIBITS, EACH OF WHICH ARE INCORPORATED INTO THIS DISCLOSURE STATEMENT BY REFERENCE. ALL UNDEFINED CAPITALIZED TERMS IN THIS DISCLOSURE STATEMENT HAVE THE MEANINGS GIVEN TO THEM IN THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO BANKRUPTCY CODE SECTION 1125 AND BANKRUPTCY RULE 3016(b) AND IS NOT NECESSARILY IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER SIMILAR LAWS. THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PLAN PROVISIONS AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE ALTERNATIVE PLAN SPONSORS BELIEVE THAT THE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF FINANCIAL INFORMATION AND THE DOCUMENTS ATTACHED TO, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE ALTERNATIVE PLAN, OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THIS DISCLOSURE STATEMENT BY REFERENCE, THE ALTERNATIVE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. CLAIM AND INTEREST HOLDERS REVIEWING THIS STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS IN THIS DISCLOSURE STATEMENT. THE ALTERNATIVE PLAN SPONSORS ARE UNDER NO OBLIGATION, AND EXPRESSLY DISCLAIM ANY OBLIGATION, TO UPDATE THIS DISCLOSURE STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE. EACH CLAIM HOLDER ENTITLED TO VOTE ON THE ALTERNATIVE PLAN SHOULD CAREFULLY REVIEW THE ALTERNATIVE PLAN,

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THIS DISCLOSURE STATEMENT, AND THE EXHIBITS TO EACH IN THEIR ENTIRETY BEFORE CASTING A BALLOT.

NO ONE IS AUTHORIZED TO GIVE ANY INFORMATION RESPECTING THE ALTERNATIVE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. THE ALTERNATIVE PLAN SPONSORS HAVE NOT AUTHORIZED ANY REPRESENTATIONS CONCERNING THE DEBTORS OR THE VALUE OF THEIR PROPERTY OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS SHOULD NOT RELY UPON ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OF THE ALTERNATIVE PLAN THAT ARE OTHER THAN, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT AND IN THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER IS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS UNDER FEDERAL RULE OF EVIDENCE 408.

THE ALTERNATIVE PLAN SPONSORS PREPARED THE FINANCIAL PROJECTIONS PROVIDED IN THIS DISCLOSURE STATEMENT BASED ON INFORMATION PROVIDED BY THE DEBTORS. THE PROJECTIONS ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS THAT, ALTHOUGH CONSIDERED REASONABLE BY THE ALTERNATIVE PLAN SPONSORS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH WILL BE BEYOND THE ALTERNATIVE PLAN SPONSORS' CONTROL. THE ALTERNATIVE PLAN SPONSORS CAUTION THAT THEY CAN NEITHER MAKE ANY REPRESENTATIONS AS TO THE FINANCIAL PROJECTIONS' ACCURACY NOR TO THE REORGANIZED DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS WILL INEVITABLY NOT MATERIALIZE. FURTHERMORE, EVENTS AND CIRCUMSTANCES OCCURRING AFTER THE DATE THESE FINANCIAL PROJECTIONS WERE PREPARED MAY DIFFER FROM ANY ASSUMED FACTS AND CIRCUMSTANCES. MOREOVER, UNANTICIPATED EVENTS AND CIRCUMSTANCES MAY COME TO PASS, AND MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE PROJECTIONS, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF ACTUAL RESULTS.

PLEASE REFER TO ARTICLE VI OF THIS DISCLOSURE STATEMENT, "CERTAIN FACTORS TO BE CONSIDERED BEFORE VOTING", FOR A DISCUSSION OF CERTAIN CONSIDERATIONS IN CONNECTION WITH A DECISION BY AN IMPAIRED CLAIM HOLDER ENTITLED TO VOTE ON THE PLAN TO ACCEPT THE ALTERNATIVE PLAN.

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THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING TO COMMENCE ON [___], AT [___] PREVAILING EASTERN TIME BEFORE THE HONORABLE WALTER SHAPERO, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF MICHIGAN, SOUTHERN DIVISION, LOCATED AT THE THEODORE LEVIN COURTHOUSE, 231 WEST LAFAYETTE BLVD., 10TH FLOOR, DETROIT, MICHIGAN 48226. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR ANY ADJOURNMENT OF THE CONFIRMATION HEARING.

TO BE COUNTED, IMPAIRED CLAIM HOLDERS ENTITLED TO VOTE ON THE PLAN MUST CAST THEIR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE ALTERNATIVE PLAN IN ACCORDANCE WITH THE INSTRUCTIONS ON THE BALLOT AND IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN THIS DISCLOSURE STATEMENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE WILL BE COUNTED IN THE ALTERNATIVE PLAN SPONSORS' SOLE DISCRETION.

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THE BANKRUPTCY COURT HAS DIRECTED THAT OBJECTIONS TO CONFIRMATION OF THE ALTERNATIVE PLAN, IF ANY, BE FILED WITH THE BANKRUPTCY COURT CLERK AND SERVED SO THAT THEY ARE ACTUALLY RECEIVED ON OR BEFORE [_____], AT [_____] (PREVAILING EASTERN TIME) BY COUNSEL TO THE ALTERNATIVE PLAN SPONSORS, FOLEY & LARDNER LLP, 500 WOODWARD AVE., SUITE 2700, DETROIT, MI 48226, ATTN: SALVATORE A. BARBATANO, KATHERINE R. CATANESE, AND ADAM J. WIENNER; COUNSEL TO THE DEBTORS, SCHAFER & WEINER PLLC, 40950 WOODWARD AVENUE, SUITE 100, BLOOMFIELD HILLS, MI 48034, ATTN: DANIEL J WEINER & MICHAEL E BAUM; COUNSEL FOR THE CREDITORS' COMMITTEE, CLARK HILL, PLC, 500 WOODWARD AVENUE, SUITE 3500, DETROIT, MI 48226-3435, ATTN: JOEL D. APPLEBAUM & ROBERT A. GORDON; COUNSEL FOR THE DIP AGENT AND PREPETITION AGENT, MAYER BROWN LLP, 1675 BROADWAY, NEW YORK, NEW YORK 10019, ATTN: J. ROBERT STOLL; AND THE UNITED STATES TRUSTEE, 211 WEST FORT, SUITE 700, DETROIT, MI 48226, ATTN: LESLIE BERG.

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THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED TO CREDITORS WITHOUT REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW, AND WILL INSTEAD RELY UPON (A) THE EXEMPTIONS SET FORTH IN BANKRUPTCY CODE SECTION 1145 TO THE MAXIMUM EXTENT PERMITTED AND APPLICABLE AND (B) TO THE EXTENT SECTION 1145 IS EITHER NOT PERMITTED OR NOT APPLICABLE, THE EXEMPTION SET FORTH IN SECTION 4(2) OF THE SECURITIES ACT OR REGULATION D PROMULGATED THEREUNDER. THE ALTERNATIVE PLAN SPONSORS RECOMMEND THAT POTENTIAL RECIPIENTS OF ANY SECURITIES UNDER THE

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ALTERNATIVE PLAN CONSULT THEIR OWN LEGAL COUNSEL CONCERNING THE SECURITIES LAWS GOVERNING THE TRANSFERABILITY OF ANY SUCH SECURITIES.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE AUTHORITY HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE ALTERNATIVE PLAN.

THIS DISCLOSURE STATEMENT MAY CONTAIN "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF SECTION 27A AND SECTION 21E OF THE SECURITIES ACT. SUCH STATEMENTS MAY CONTAIN WORDS SUCH AS "MAY", "EXPECT", "ANTICIPATE", "ESTIMATE", OR "CONTINUE" OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY, AND MAY INCLUDE, WITHOUT LIMITATION, INFORMATION REGARDING THE DEBTORS' AND ALTERNATIVE PLAN SPONSORS' EXPECTATIONS REGARDING FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN, PARTICULARLY IN LIGHT OF THE CURRENT WORLDWIDE FINANCIAL AND CREDIT CRISIS, AND ACTUAL RESULTS MAY DIFFER FROM THOSE EXPRESSED OR IMPLIED IN THIS DISCLOSURE STATEMENT AND THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT. IN PREPARING THIS DISCLOSURE STATEMENT, THE ALTERNATIVE PLAN SPONSORS RELIED ON FINANCIAL DATA PROVIDED BY THE DEBTORS OR THAT WAS OTHERWISE MADE AVAILABLE TO THEM AT THE TIME OF SUCH PREPARATION AND ON VARIOUS ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR EXPECTED FUTURE RESULTS AND OPERATIONS. WHILE THE ALTERNATIVE PLAN SPONSORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT OR THE ALTERNATIVE PLAN SPONSORS' ASSUMPTIONS REGARDING THE DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE ALTERNATIVE PLAN SPONSORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT.

AMONG OTHER FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM CURRENT ESTIMATES OF FUTURE PERFORMANCE ARE THE FOLLOWING: (1) THE ALTERNATIVE PLAN SPONSORS' OR ANY OTHER PARTY'S ABILITY TO DEVELOP, PROSECUTE, CONFIRM, AND CONSUMMATE ONE OR MORE PLANS OF REORGANIZATION; (2) THE CHAPTER 11 CASES' POTENTIAL ADVERSE IMPACT ON THE DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; (3) THE OUTCOME AND TIMING OF THE DEBTORS' EFFORTS TO RESTRUCTURE AND/OR SELL CERTAIN ASSETS; (4) THE EFFECT OF THE CURRENT RECESSION AND TURMOIL IN THE CREDIT AND FINANCIAL MARKETS; (5) THE EFFECTS OF INTENSE COMPETITION IN THE GAMING INDUSTRY; (6) THE RISK THAT THE ALTERNATIVE PLAN SPONSORS MAY LOSE OR FAIL TO OBTAIN OR

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RENEW GAMING OR OTHER NECESSARY LICENSES REQUIRED FOR THEIR BUSINESSES' OPERATION; (7) THE EFFECTS OF EXTENSIVE GOVERNMENT GAMING REGULATION AND TAXATION POLICIES THAT THE DEBTORS ARE SUBJECT TO, AS WELL AS ANY CHANGES IN LAWS AND REGULATIONS THAT COULD HARM THE DEBTORS' BUSINESSES; (8) THE RISKS RELATING TO MECHANICAL FAILURES AT THE DEBTORS' LOCATION; (9) THE RISKS RELATING TO REGULATORY COMPLIANCE; (10) THE EFFECTS OF EVENTS ADVERSELY IMPACTING THE ECONOMY OR THE REGION WHERE THE DEBTORS DRAW A SIGNIFICANT PERCENTAGE OF THEIR CUSTOMERS, INCLUDING THE EFFECTS OF WAR, TERRORISM, OR SIMILAR ACTIVITY OR DISASTERS IN, AT, OR AROUND THE DEBTORS' LOCATION; (11) THE EFFECTS OF ENERGY PRICE INCREASES ON THE DEBTORS' COST OF OPERATIONS AND REVENUES; AND (12) FINANCIAL COMMUNITY AND RATING-AGENCY PERCEPTIONS OF THE DEBTORS' BUSINESS, AND THE EFFECT OF ECONOMIC, CREDIT, AND CAPITAL-MARKET CONDITIONS ON THE ECONOMY AND THE GAMING AND HOTEL INDUSTRY.

THE LIQUIDATION ANALYSIS, DISTRIBUTION PROJECTIONS, AND OTHER INFORMATION INCLUDED IN OR REFERENCED IN THIS DISCLOSURE STATEMENT ARE ESTIMATES ONLY, AND THE TIMING AND AMOUNT OF ACTUAL DISTRIBUTIONS TO ALLOWED CLAIM HOLDERS MAY BE AFFECTED BY MANY FACTORS THAT CANNOT BE PREDICTED. THEREFORE, ANY ANALYSES, ESTIMATES, OR RECOVERY PROJECTIONS MAY OR MAY NOT TURN OUT TO BE ACCURATE.

CLAIMS HOLDERS MAY NOT RELY ON THIS DISCLOSURE STATEMENT FOR, AND THIS DISCLOSURE STATEMENT DOES NOT PROVIDE, ANY LEGAL, FINANCIAL, REGULATORY, SECURITIES, TAX OR BUSINESS ADVICE. THE ALTERNATIVE PLAN SPONSORS URGE EACH CLAIM HOLDER TO CONSULT WITH ITS OWN ADVISORS WITH RESPECT TO ANY SUCH LEGAL, FINANCIAL, REGULATORY, SECURITIES, TAX, OR BUSINESS ADVICE IN REVIEWING THIS DISCLOSURE STATEMENT, THE ALTERNATIVE PLAN, AND EACH OF THE PROPOSED TRANSACTIONS. FURTHERMORE, THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF DISCLOSURE IN THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE ALTERNATIVE PLAN'S MERITS.

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EXHIBITS

Exhibit A	--	Joint Plans of Reorganization
Exhibit B	--	Liquidation Analysis
Exhibit C	--	*Pro Forma* Financial Projections
Exhibit D	--	*Pro Forma* Financial Results
Exhibit E	--	Claims Summary
Exhibit F	--	Historical Financial Results

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SUMMARY OF THE ALTERNATIVE PLAN

This summary is a general overview only and is intended only as a summary of the background of the Debtors' Chapter 11 Cases and the Alternative Plan's distribution provisions. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information contained in the Alternative Plan and elsewhere in this Disclosure Statement. For a complete understanding of the Alternative Plan, you should read this Disclosure Statement, the Alternative Plan, and the Exhibits to each. All undefined capitalized terms in this Disclosure Statement have the meanings set forth in the Alternative Plan. A copy of the Alternative Plan is attached as Exhibit A to this Disclosure Statement.

On May 29, 2008 (the "Petition Date"), Greektown Holdings, L.L.C. ("Holdings"), and its affiliates Greektown Casino, L.L.C. ("Casino"); Kewadin Greektown Casino, L.L.C. ("Kewadin"); Monroe Partners, L.L.C. ("Monroe"); Greektown Holdings II, Inc. ("Holdings II"); Contract Builders Corporation ("Builders"); Realty Equity Company Inc. ("Realty"); and Trappers GC Partner, LLC ("Trappers") (collectively, the "Debtors") each commenced a case in the United States Bankruptcy Court for the Eastern District of Michigan under Chapter 11 of the Bankruptcy Code. Under Bankruptcy Code sections 1107 and 1108, the Debtors are operating their businesses as debtors in possession. On June 13, 2008, the Bankruptcy Court entered an order under Bankruptcy Rule 1015(b) jointly administering the Chapter 11 Cases under the lead case, Greektown Holdings, L.L.C., Case No. 08-53104.

The Alternative Plan Sponsors submit this Disclosure Statement to Claim and Interest Holders in connection with the solicitation of votes to accept or reject the Alternative Plan and the Confirmation Hearing, which is scheduled for [___] at [___], prevailing Eastern time.

General Plan Structure

Luna Greektown LLC and Plainfield Asset Management LLC and its affiliates are each proponents of the Alternative Plan within the meaning of Bankruptcy Code section 1129 (the "Alternative Plan Sponsors"). The Alternative Plan contains separate Classes and proposes recoveries for Claim and Interest Holders. After careful review of the Debtors' current business operations, estimated recoveries in a liquidation scenario, and the prospects of an ongoing business, the Alternative Plan Sponsors have concluded that the Holders' recovery will be maximized by the reorganization contemplated by the Alternative Plan. Specifically, the Alternative Plan Sponsors believe that the Debtors' businesses and assets have significant value that would not be realized in a liquidation, either in whole or in substantial part.

The Alternative Plan contemplates execution of the following transactions, which are described in more detail in Article IV of this Disclosure Statement and in Article IV of the Alternative Plan:

- Holdings, Casino, Builders, and Realty will continue to exist as Reorganized Holdings, Reorganized Casino, Reorganized Builders, and Reorganized Realty, respectively. Each entity will retain all of the assets held by the predecessor entity as of the date of Confirmation.

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- With the exception of Causes of Action, all assets of each of the Non-reorganizing Debtors (Holdings II, Trappers, Monroe, and Kewadin) shall be transferred to Reorganized Casino free and clear of all claims and encumbrances, and as soon thereafter as practicable, each of the Non-reorganizing Debtors shall be dissolved. The Non-reorganizing Debtors' Causes of Action shall be transferred to and vest in Reorganized Holdings.

- Except as otherwise provided in the Alternative Plan, all agreements, Instruments, and other documents evidencing any equity Interest in Holdings, or in any of the Non-reorganizing Debtors, and any right of any Holder in respect thereof including any Claim related thereto, shall be deemed cancelled, discharged, and of no force or effect.

- All Intercompany Executory Contracts shall be rejected; all Intercompany Claims shall be eliminated; and all Intercompany Interests in Holdings and each of the Non-reorganizing Debtors shall be cancelled, but all other Intercompany Interests shall be retained.

- Reorganized Holdings will issue New Common Stock on the Effective Date. On account of their $16.72 million Cash Contribution and the Plan Proponents Claim, the Plan Proponents shall receive the Plan Proponents New Common Stock, which equals 29.41% of the New Common Stock.

- Pursuant to the Pre-petition Lender Election and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, each Pre-petition Lender shall receive, at its option, a Pro Rata share of (a) 70.59% of the New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.

- The Alternative Plan Sponsors intend to obtain $275 million in Exit Financing in order to (a) fund distributions under the Alternative Plan, including paying DIP Facility Claims in full on the Effective Date, and (b) fund the Reorganized Debtors' operations after the Effective Date.

Summary of Treatment of Claims and Interests Under the Alternative Plan

The Alternative Plan divides all Claims and Interests, except Administrative Claims, Priority Tax Claims, and other Priority Claims, into various Classes. The classification and treatment for each Class is described in more detail in Article IV of this Disclosure Statement and Article III of the Alternative Plan. The below-listed recovery ranges are based on various assumptions, including assumptions about the total amount of Allowed General Unsecured Claims and assumptions concerning the Reorganized Debtors' value.

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1. Unclassified Claims

Claim/Interest	Alternative Plan Treatment	Projected Recovery Under the Plan
Administrative Claims	Cash payment equal to the unpaid Allowed portion, paid on the first Periodic Distribution Date following the later of the date the claim becomes (i) Allowed or (ii) payable under an agreement with the Reorganized Debtors	100%
Priority Tax Claims	Equal cash payments equal to the unpaid Allowed portion, plus simple interest at the rate required by law or set by the Bankruptcy Court, paid over a period not to exceed five years from the Petition Date, in equal installments on each Periodic Distribution Date following the later of the date the claim becomes (i) Allowed or (ii) payable under an agreement with the Reorganized Debtors	100%
Other Priority Claims	Cash payment equal to the unpaid Allowed portion, paid on the Alternative Plan's Effective Date	100%

2. Classified Claims

The classification, treatment, and the projected recoveries for Holders of Clams and Interests under the Alternative Plan are summarized below for illustrative purposes only and are subject to the more detailed and complete descriptions contained in Article IV of this Disclosure Statement and Article III of the Alternative Plan.

Claim/Interest	Plan Treatment	Projected Recovery Under the Plan
Class 1: DIP Lenders' Claims Against Holdings	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%
Class 2: Pre-petition Lenders' Claims Against Holdings	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.	77%
Class 3: Plan Proponents' Claims Against Holdings	Each Holder shall receive a Pro Rata share of (a) 31.74% of the Plan Proponents New Common Stock, and (b) the Plan Proponents Warrants.	77%

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<#>Classified Claims¶
The classification, treatment, and the projected recoveries for Holders of Clams and Interests under the Plan are summarized below for illustrative purposes only and are subject to the more detailed and complete descriptions contained in Article IV of this Disclosure Statement and Article III of the Plan.¶
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Class 4: Other Allowed Secured Claims Against Holdings	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%	
Class 5: Bond Claims Against Holdings	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries holders of Class 5 Claims uncertain due to, among oth things, the fact that the str price for the Unsecu Distribution Warrants is abo the Alternative Plan Sponso valuation of the Debtors' asse	
Class 6: General Unsecured Claims Against Holdings	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries holders of Class 6 Claims uncertain due to, among oth things, the fact that the str price for the Unsecu Distribution Warrants is abo the Alternative Plan Sponso valuation of the Debtors' asse	
Class 7: Interests in Holdings	No distribution.	0%	
Class 8: DIP Lenders' Claims Against Casino	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%	
Class 9: Pre-petition Lenders' Claims Against Casino	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.	77%	
Class 10: Plan Proponents' Claims Against Casino	Each Holder shall receive a Pro Rata share of (a) 31.74% of the Plan Proponents New Common Stock, and (b) the Plan Proponents Warrants.	77%	
Class 11: Other Allowed Secured Claims Against Casino	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%	

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Class 12: General Unsecured Claims Against Casino	Each Holder shall receive a Pro Rata share of (a) the Unsecured Distribution Fund, and (b) the Unsecured Distribution Warrants. The Unsecured Distribution Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date.	An estimate of recoveries holders of Class 12 Claims uncertain due to, among oth things, the fact that the stri price for the Unsecur Distribution Warrants is abo the Alternative Plan Sponso valuation of the Debtors' asset
Class 13: Trade Claims Against Casino	A Pro Rata share of the Trade Distribution Fund. The Trade Distribution Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date. As an additional distribution, each Holder of an Allowed Claim in Class 13 shall receive a release from Avoidance Claims and shall be a Released Party, subject to section 7.3.	44.31%
Class 14: DIP Lenders' Claims Against Holdings II	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%
Class 15: Pre-petition Lenders' Claims Against Holdings II	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.	77%
Class 16: Plan Proponents' Claims Against Holdings II	Each Holder shall receive a Pro Rata share of (a) 33.13% of the Plan Proponents New Common Stock, and (b) the Plan Proponents Warrants.	77%
Class 17: Other Allowed Secured Claims Against Holdings II	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%
Class 18: General Unsecured Claims Against Builders	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries holders of Class 18 Claims uncertain due to, among oth things, the fact that the stri price for the Unsecur Distribution Warrants is abo the Alternative Plan Sponso valuation of the Debtors' asset

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Class 19: DIP Lenders' Claims Against Builders	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%	
Class 20: Pre-petition Lenders' Claims Against Builders	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.	77%	
Class 21: Plan Proponents' Claims Against Builders	Each Holder shall receive a Pro Rata share of (a) 31.74% of the Plan Proponents New Common Stock, and (b) the Plan Proponents Warrants.	77%	
Class 22: Other Allowed Secured Claims Against Builders or the Builders Property	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%	
Class 23: General Unsecured Claims Against Builders	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries holders of Class 23 Claims uncertain due to, among oth things, the fact that the stri price for the Unsecur Distribution Warrants is abo the Alternative Plan Sponso valuation of the Debtors' asse	
Class 24: DIP Lenders' Claims Against Realty	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.	100%	
Class 25: Pre-petition Lenders' Claims Against Realty	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.	77%	
Class 26: Plan Proponents' Claims Against Realty	Each Holder shall receive a Pro Rata share of (a) 31.74% of the Plan Proponents New Common Stock, and (b) the Plan Proponents Warrants.	77%	
Class 27: Other Allowed Secured Claims Against Realty or the Realty Property	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%	

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Class 28: General Unsecured Claims Against Realty	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.		100%
Class 29: DIP Lenders' Claims Against Trappers	Payment in full through Pro Rata share of Cash from the Exit Financing on the Effective Date.		100%
Class 30: Pre-petition Lenders' Claims Against Trappers	Each Holder, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.		77%
Class 31: Plan Proponents' Claims Against Trappers	Each Holder shall receive a Pro Rata share of (a) 31.74% of the Plan Proponents New Common Stock, and (b) the Plan Proponents Warrants.		77%
Class 32: Other Allowed Secured Claims Against Trappers or the Trappers Property	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.		100%
Class 33: General Unsecured Claims Against Trappers	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries holders of Class 33 Claims uncertain due to, among oth things, the fact that the str price for the Unsecur Distribution Warrants is abo the Alternative Plan Sponso valuation of the Debtors' asset	
Class 34: Allowed Secured Claims Against Monroe	In the Reorganized Debtor's Election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.		100%
Class 35: Unsecured Claims Against Monroe	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries holders of Class 35 Claims uncertain due to, among oth things, the fact that the str price for the Unsecur Distribution Warrants is abo the Alternative Plan Sponso valuation of the Debtors' asset	
Class 36: Interests in Monroe	No distribution		0%

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Class 37: Allowed Secured Claims Against Kewadin	In the Reorganized Debtors' election, either: (a) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (b) return of the collateral securing the Holder's Secured Claim.	100%	
Class 38: Unsecured Claims Against Kewadin	Each Holder shall receive a Pro Rata share of the Unsecured Distribution Warrants.	An estimate of recoveries for holders of Class 38 Claims is uncertain due to, among other things, the fact that the strike price for the Unsecured Distribution Warrants is above the Alternative Plan Sponsors' valuation of the Debtors' assets.	
Class 39: Interests in Kewadin	No distribution	0%	

The Alternative Plan Sponsors believe that the estimated percentage recoveries are reasonable and within the range of assumed recovery, but there is no assurance that the actual amounts of Allowed Claims in each Class will not materially differ from the estimated aggregate amounts, resulting in reduced percentage recoveries. The Holders' actual recoveries will depend on a variety of factors including, without limitation, whether, and in what amount and with what priority, contingent claims against the Debtors become non-contingent and fixed; and whether, and to what extent, Disputed Claims are resolved in favor of the Debtors' estates. Accordingly, the Alternative Plan Sponsors cannot and do not make any representations as to whether each estimated percentage recovery shown in the table above will be realized by an Allowed Claim or Interest Holder in any particular Class.

Consummation

Following Confirmation, the Alternative Plan will be consummated on the Effective Date, which is the date after the Confirmation Date on which no Confirmation Order stay is in effect, and all conditions to Consummation set forth in Article VI of the Alternative Plan have been satisfied or waived. Unless otherwise provided in the Alternative Plan (including with respect to Classes 12 and 13, for which distributions shall be made in equal installments 6 and 12 months after the Distribution Date), distributions to Allowed Claim or Interest Holders will be made on the Distribution Date or as soon as practical thereafter. All other Alternative Plan distributions will be made under the Alternative Plan's distribution provisions.

Liquidation and Valuation Analyses

The Alternative Plan Sponsors believe that the Alternative Plan will produce a greater recovery for Allowed Claim and Interest Holders than would be achieved in a liquidation under chapter 7 of the Bankruptcy Code because of, among other things, (1) the additional Administrative Claims generated by conversion to chapter 7 cases; (2) the administrative costs of liquidation and associated delays in connection with chapter 7 liquidations; (3) the negative

impact on the market for the Debtors' assets resulting from attempts to sell the assets in a short time frame; and (4) regulatory concerns and impairment of value in connection with chapter 7 liquidations, each of which likely would diminish the overall value of the Debtors' assets available for distributions.

The Debtors have prepared (1) a Hypothetical Liquidation Analysis (the "Liquidation Analysis"), set forth in Exhibit B to the First Amended Disclosure Statement filed by the Debtors, distributed concurrently herewith (the "Debtors' Disclosure Statement") and (2) a Valuation Analysis set forth in Exhibit E to the Debtors' Disclosure Statement (the "Valuation Analysis"). The Liquidation Analysis and the Valuation Analysis compare the proceeds to be realized if the Debtors were to be liquidated in hypothetical cases under chapter 7 of the Bankruptcy Code with distributions to Allowed Claim and Interest Holders under the Plan. The Alternative Plan Sponsors adopt the Liquidation Analysis for purposes of this Disclosure Statement. The analyses are based on the value of the Debtors' assets and liabilities as of a certain date and incorporate various estimates and assumptions, including a hypothetical conversion to chapter 7 liquidations as of a certain date. Further, each analysis is subject to the possibility of material change, including changes in economic and business conditions and legal rulings. The Debtors' actual liquidation value could, therefore, differ materially from the Liquidation Analysis estimates, and the Reorganized Debtors' actual reorganization equity value could vary materially from the Valuation Analysis estimates.

The Valuation Analysis is based on data and information as of June 30, 2009 and contains a range of potential values for the Debtors' assets. The Alternative Plan Sponsors believe that the actual value of the Debtors' assets equals $485 million, the bottom of the range of values set forth in the Valuation Analysis.

Voting and Confirmation

Claim and Interest Holders in Classes 7, 36, and 39 are wholly impaired and are deemed to reject the Alternative Plan. Claim Holders in Classes 1, 8, 14, 19, 24 and 29 are Unimpaired and are deemed to accept the Alternative Plan. Accordingly, Claim and Interest Holders in Classes 7, 36, and 39 are not entitled to vote on the Plan, and their votes will not be solicited. Only Claim Holders in Classes 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 37, and 38 may vote to accept or reject the Plan.

Under Bankruptcy Code sections 1126(c) and (d) and except as otherwise provided in Bankruptcy Code section 1126(e): (1) an Impaired Class of Claims accepts the Alternative Plan if at least two-thirds in dollar amount and one-half in number of the actually voting Allowed Claim Holders in the Class vote to accept the Alternative Plan; and (2) an Impaired Class of Interests accepts the Plan if at least two-thirds in amount of the actually voting Allowed Interest Holders in the Class vote to accept the Plan. The Debtors will tabulate all Alternative Plan votes to determine whether the Alternative Plan satisfies Bankruptcy Code sections 1129(a)(8) and 1129(a)(10).

Assuming the Alternative Plan is accepted, the Alternative Plan Sponsors intend to seek Confirmation at the Confirmation Hearing scheduled for [___], 2009 at [___] prevailing Eastern time, before the Bankruptcy Court. Bankruptcy Code section 1129(a)(10) will be satisfied for

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purposes of Alternative Plan Confirmation under Bankruptcy Code section 1129(b) for any rejecting Class. The Alternative Plan Sponsors also reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code.

The Bankruptcy Court has established [___], 2009 as the Voting Record Date for determining which Holders may vote on the Alternative Plan. Ballots, along with this Disclosure Statement, the Alternative Plan, and the Solicitation Procedures Order, will be mailed to all registered Claim Holders that may vote on the Alternative Plan as of the Voting Record Date. An appropriate return envelope, postage prepaid, will be included with each Ballot, if appropriate.

The Debtors have engaged the Claims Agent to assist in the voting process, including with respect to the Alternative Plan. The Claims Agent will answer questions about the procedures and requirements for voting on the Alternative Plan and for objecting to the Alternative Plan, provide additional copies of all materials, and oversee the voting tabulation.

Ballots must be received by the Claims Agent by the Voting Deadline at the address listed below, whether by first-class mail, overnight courier, or personal delivery. The Ballots and the accompanying pre-addressed postage-paid envelopes will clearly indicate the appropriate return address. Completed Ballots must be returned to: Luna Greektown LLC and Plainfield Asset Management LLC, C/O Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Attn: Ballot Processing Department.

For answers to any questions regarding solicitation procedures, parties may call the Claims Agent toll free at 888-733-1425.

To be counted, Ballots indicating acceptance or rejection of the Plan must be received by the Claims Agent no later than the Voting Deadline. Such Ballots should be cast in accordance with the solicitation procedures described in further detail in Article VIII of this Disclosure Statement. Any Ballot received after the Voting Deadline will be counted in the sole discretion of the Plan Proponents.

To obtain an additional copy of the Alternative Plan, this Disclosure Statement, or other Solicitation Package (as defined below) materials (including Ballots), please refer to the Claims Agent's website at http://www.kccllc.net/greektowncasino or request a copy from the Claims Agent by mail at 2335 Alaska Avenue, El Segundo, California 90245, Attn: Greektown Balloting; by telephone toll free at 888-733-1425; or by e-mail at greektowninfor@kccllc.com.

In the view of the Alternative Plan Sponsors, the Alternative Plan provides the Claim and Interest Holders with the best recovery possible. Accordingly, the Alternative Plan Sponsors believe that the Alternative Plan is in the best interests of the Holders and strongly recommend that all Holders entitled to vote, vote to accept the Alternative Plan.

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I. INTRODUCTION

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code.[2] In addition to allowing a debtor to rehabilitate, chapter 11 promotes equal treatment for similarly situated creditors and equity interest holders, subject to certain distribution priorities. Commencement of a chapter 11 case creates an estate of all the debtor's legal and equitable interests as of the filing date. The Bankruptcy Code allows the debtor to continue operating its business and possess its property as a "debtor-in-possession."

Consummating a reorganization plan is the principal objective of a chapter 11 case. Confirmation of a plan by the bankruptcy court binds the debtor, any securities issuer under the plan, any person acquiring property under the plan, any creditor or equity interest holder of the debtor, and any other party in interest under the applicable Bankruptcy Code provisions. Subject to certain limited exceptions, the Bankruptcy Court's confirmation order discharges the debtor from any pre-confirmation debt and provides for treatment of the debt under the plan terms.

Before soliciting acceptance of a plan, Bankruptcy Code section 1125 requires a plan proponent to prepare a disclosure statement containing information of a kind, and in sufficient detail, to allow a hypothetical reasonable investor to make an informed judgment regarding acceptance of the plan. This Disclosure Statement is being submitted in accordance with these requirements for the purpose of soliciting votes on the Alternative Plan, a copy of which is attached as Exhibit A.

This Disclosure Statement sets forth certain information about the Debtors' history before the Petition Date, significant events that have occurred during the Chapter 11 Cases, the Debtors' anticipated reorganization, and the Reorganized Debtors' anticipated post-reorganization operation and financing. This Disclosure Statement also describes the Alternative Plan's terms and provisions, including certain alternatives to the Alternative Plan, certain effects of Confirmation, certain risk factors associated with the Alternative Plan, certain securities to be issued under the Alternative Plan, and the manner in which Alternative Plan distributions will be made. In addition, this Disclosure Statement discusses the Confirmation process and the solicitation procedures that Claim Holders must follow for their votes to be counted.

For a description of the Alternative Plan and various risks and other factors pertaining to the Alternative Plan as it relates to Claims against and Interests in the Debtors, please see Article IV and Article VI of this Disclosure Statement. For further information and instruction on voting to accept or reject the Plan, see Article VIII of this Disclosure Statement.

THE ALTERNATIVE PLAN SPONSORS BELIEVE THAT THE ALTERNATIVE PLAN WILL ENABLE THE ACCOMPLISHMENT OF THE OBJECTIVES OF CHAPTER 11 AND THAT ACCEPTANCE OF THE ALTERNATIVE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS' ESTATES AND CLAIM HOLDERS. ACCORDINGLY, THE

[2] Unless otherwise specifically stated, undefined capitalized terms in this Disclosure Statement have the meanings set forth in the Alternative Plan.

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ALTERNATIVE PLAN SPONSORS URGE CLAIM HOLDERS TO VOTE TO ACCEPT THE ALTERNATIVE PLAN.

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A. Rules of Interpretation, Computation of Time, and Reference to Monetary Figures

1. Rules of Interpretation

For purposes of this Disclosure Statement: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural; (b) each pronoun stated in the masculine, feminine, or neuter includes the masculine, feminine, and neuter; (c) any reference in this Disclosure Statement to an existing document or schedule Filed or to be Filed means such document or schedule, as it may have been or may be amended, modified, or supplemented; (d) any reference to a Person as a Holder of a Claim or Interest includes that Person's successors and assigns; (e) all references in this Disclosure Statement to Sections, Articles, and Exhibits are references to Sections, Articles, and Exhibits of or to this Disclosure Statement; (f) the words "herein," "hereunder," and "hereto" refer to this Disclosure Statement in its entirety rather than to a particular portion of this Disclosure Statement; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Disclosure Statement; (h) subject to the provisions of any contract, certificates of incorporation or organization, by-laws or operating agreement, instrument, release, or other agreement or document entered into in connection with the Alternative Plan, the rights and obligations arising under the Alternative Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply unless otherwise set forth in this Disclosure Statement; (j) any term used in capitalized form in this Disclosure Statement that is not otherwise defined in the Alternative Plan or this Disclosure Statement but that is used in the Bankruptcy Code or Bankruptcy Rules shall have the meaning given the term in the Bankruptcy Code or Bankruptcy Rules, as applicable; (k) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; and (l) all references to statutes, regulations, orders, rules of courts, and the like, unless otherwise stated, mean as amended from time to time, as applicable to the Chapter 11 Cases, unless otherwise stated.

2. Computation of Time

In computing any time period prescribed or allowed, the provisions of the Bankruptcy Rule 9006(a) shall apply. If the date on which a transaction may occur under this Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

3. References to Monetary Figures

All references in this Disclosure Statement to monetary figures refer to currency of the United States of America, unless otherwise expressly provided.

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4. Exhibits

All Exhibits are incorporated into and are a part of this Disclosure Statement as if set forth in full in this Disclosure Statement and, to the extent not attached to this Disclosure Statement, such Exhibits shall be Filed with the Bankruptcy Court on or before the Exhibit Filing Date. After each Exhibit is Filed, it may be inspected in the office of the Bankruptcy Court clerk (or its designee) during normal business hours or at the Bankruptcy Court's website, for a fee, at www.mieb.uscourts.gov. Exhibits may also be reviewed for free at the following website, which is maintained by the Debtors' Claims Agent: www.kccllc.net/greektowncasino. The Exhibits are an integral part of the Alternative Plan, and entry of the Confirmation Order by the Bankruptcy Court shall constitute an approval of the Exhibits. To the extent any Exhibit is inconsistent with the terms of the Alternative Plan and unless otherwise provided for in the Confirmation Order, the terms of the Exhibit shall control as to the transactions contemplated by the Exhibit.

B. Source of Information

The Alternative Plan Sponsors have provided this Disclosure Statement to certain Claim and Interest Holders to solicit votes on the Alternative Plan and to others for informational purposes. This Disclosure Statement's purpose is to provide adequate information to enable each Claim Holder entitled to vote on the Alternative Plan to make a reasonably informed decision in deciding whether to accept or reject the Alternative Plan.

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By order entered on [_____], 2009, the Bankruptcy Court approved this Disclosure Statement as containing information of a kind and in sufficient and adequate detail to enable Claim Holders entitled to vote on the Alternative Plan to make an informed judgment with respect to acceptance or rejection of the Alternative Plan. **The Bankruptcy Court's approval of this Disclosure Statement is neither a guaranty of its accuracy or completeness nor an endorsement of the Alternative Plan**.

Claim Holders entitled to vote on the Alternative Plan should read the Plan and this Disclosure Statement and their attachments carefully and in their entirety before voting to accept or reject the Alternative Plan. This Disclosure Statement contains important information about the Alternative Plan, considerations pertinent to acceptance or rejection of the Alternative Plan, and developments concerning the Chapter 11 Cases.

This Disclosure Statement and the other materials in the Solicitation Package (defined below) are the only documents authorized by the Court to be used in connection with the solicitation of votes on the Alternative Plan. Distribution of this Disclosure Statement is a prerequisite to solicitation of votes, and no person has been authorized to distribute any other information concerning the Debtors or the Alternative Plan.

C. Solicitation Package

Accompanying this Disclosure Statement are, among other things, copies of (1) the Alternative Plan (Exhibit A); (2) the Alternative Disclosure Statement Order; (3) the Solicitation Procedures Order (without exhibits, except the Solicitation Procedures); (4) the Confirmation Hearing Notice; (5) if you are entitled to vote, one or more Ballots, as applicable (and pre-

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addressed, postage-paid return envelopes); (6) the solicitation cover letter; and (7) such other materials as the Bankruptcy Court may direct (collectively, the "Solicitation Package").

D. General Voting Procedures and Deadline

After carefully reviewing the Alternative Plan, this Disclosure Statement, and (if you are entitled to vote) the detailed instructions accompanying your Ballot, please accept or reject the Alternative Plan by checking the appropriate box on your Ballot. Please complete and sign your original Ballot (copies will not be accepted) and return it in the envelope provided. Failure to provide all of the information requested on the Ballot may disqualify your vote. Each Ballot has been coded to reflect the Class of Claims it represents. Accordingly, in voting to accept or reject the Alternative Plan, you must use only the coded Ballot sent to you with this Disclosure Statement.

The Alternative Plan Sponsors will designate the Trade Creditors and send Ballots to Trade Creditors with instructions explaining the Trade Claim Election and how to make the election. Trade Creditors that make the Trade Claim Election will have their Claims treated under Class 13 as Trade Claims, and will be bound to the terms of the Trade Claim Election. Trade Creditors that do not make the Trade Claim Election will be treated under Class 12 as General Unsecured Claims against Casino. If the Trade Claim Election is made and the Trade Creditor subsequently does not comply with the terms of the Trade Claim Election, the Debtors or Reorganized Debtors may seek to reclassify the Claim as a Claim under Class 12.

The Alternative Plan provides that a Pre-petition Lender may elect to receive its Pro Rata share of (a) the Cash Distribution and New Subordinated Debt, or (b) Pre-petition Lenders New Common Stock on its Ballot accepting or rejecting the Alternative Plan. Any Pre-petition Lender who fails to elect either of these options shall receive a Pro Rata share of both (a) and (b), subject to the Pro Rata Reallocation. The Ballot distributed to each of the Pre-petition Lenders for each of classes 2, 9, 15, 20, 25 and 30 (the "Pre-petition Lender Classes") will reflect this provision of the Alternative Plan. The Alternative Plan Sponsors will distribute a single Ballot to each of the Pre-petition Lender Classes requiring each Pre-petition Lender to submit one vote accepting or rejecting the Plan for all Pre-petition Lender Classes.

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE PROPERLY COMPLETED AND IN ACCORDANCE WITH THE VOTING INSTRUCTIONS ON THE BALLOT AND RECEIVED NO LATER THAN [_____], 2009 AT 7:00 P.M. (PREVAILING EASTERN TIME) (THE "VOTING DEADLINE") BY THE DEBTORS' CLAIMS AGENT, AT THE FOLLOWING ADDRESS: LUNA GREEKTOWN LLC AND PLAINFIELD ASSET MANAGEMENT LLC C/O KURTZMAN CARSON CONSULTANTS, LLC, 2335 ALASKA AVENUE, EL SEGUNDO, CA 90245, ATTN: BALLOT PROCESSING DEPARTMENT. BALLOTS RECEIVED AFTER SUCH TIME WILL BE COUNTED IN THE SOLE DISCRETION OF THE ALTERNATIVE PLAN SPONSORS. BALLOTS SHOULD NOT BE DELIVERED TO ANY OTHER PARTY OR ADDRESS.

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E. Questions About Voting Procedures

If (1) you have questions about (a) the procedure for voting your Claim, (b) the packet of materials that you have received, or (c) the amount of your Claim or Interest; or (2) you wish to obtain, at your own expense (unless otherwise specifically required by Bankruptcy Rule 3017(d)) an additional copy of the Alternative Plan, this Disclosure Statement, or any appendices or Exhibits to those documents, please refer to the Claims Agent's website at http://www.kccllc.net/greektowncasino or request a copy from the Claims Agent by mail at 2335 Alaska Avenue, El Segundo, California 90245, Attn: Greektown Balloting; by telephone toll free at 866-381-9100; or by e-mail at greektowninfo@kccllc.com.

For further information and instructions on voting on the Alternative Plan, see Article VIII of this Disclosure Statement.

F. Confirmation Hearing and Deadline for Objections to Confirmation

Under Bankruptcy Code section 1128 and Bankruptcy Rule 3017(c), the Bankruptcy Court has scheduled the Confirmation Hearing for [_____], 2009, at [____] (prevailing Eastern time) before the Honorable Walter Shapero, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, located at The Theodore Levin Courthouse, 211 West Lafayette Blvd., 10th Floor, Detroit, Michigan 48226. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except by announcement of the adjournment date at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

The Bankruptcy Court has directed that objections, if any, to confirmation of the Alternative Plan be filed with the clerk of the Bankruptcy Court and served so that they are **RECEIVED** on or before [_____], 2009, at 4:00 P.M. (prevailing Eastern time) by counsel to the Alternative Plan Sponsors, Foley & Lardner LLP, 500 Woodward Avenue, Suite 2700, Detroit, MI 48226, Attn: Salvatore A. Barbatano, Katherine R. Catanese, and Adam J. Wienner; counsel to the Debtors, Schafer & Weiner PLLC, 40950 Woodward Avenue, Suite 100, Bloomfield Hills, MI 48034, Attn: Daniel J. Weiner & Michael E. Baum; counsel for the Creditors' Committee, Clark Hill, PLC, 500 Woodward Ave., Suite 3500, Detroit, MI 48226-3435, Attn: Joel D. Applebaum & Robert A. Gordon; counsel for the DIP Agent and Pre-petition Agent, Mayer Brown LLP, 1675 Broadway, New York, New York 10019, Attn: J. Robert Stoll; and the United States Trustee, 211 West Fort, Suite 700, Detroit, MI 48226, Attn: Leslie Berg.

II. BACKGROUND INFORMATION

A. The Debtors

Information on (i) the Debtors' businesses, (ii) the Debtors' directors, managers and officers, (iii) the Debtors' industry, (iv) regulation under the Michigan Gaming Control and Revenue Act, (v) the Debtors' construction project, (vi) the Debtors' Pre-petition capital structure, and (vii) events leading to the Debtors' Chapter 11 Cases is set forth on pages 5-18 of the Debtors' Disclosure Statement.

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<#>The Debtors' Businesses¶
<#>Corporate Structure¶
As illustrated in the corporate organization chart attached as Exhibit C, the assets of the Greektown Casino ("Greektown") are owned by Greektown Casino, L.L.C. ("Casino"). Greektown Holdings, L.L.C. ("Holdings"), a holding company, owns 100% of Casino's membership interests. Holdings' membership interests, in turn, are owned 50% by Monroe Partners, L.L.C. ("Monroe"), a holding company, and 50% by Kewadin Greektown Casino, L.L.C. ("Kewadin"). Kewadin also owns 97.1875% of Monroe's membership interests.¶
Kewadin is wholly owned by the Kewadin Casinos Gaming Authority, a tribal instrumentality wholly owned by the Sault Ste. Marie Tribe of Chippewa Indians, a federally recognized Indian Tribal Government (the "Tribe"). The Tribe established Kewadin to oversee its gaming operations.¶
Casino also owns 100% of the shares of Realty Equity Company, Inc. ("Realty"), 100% of Contract Builders Corporation ("Builders") shares, and 100% of the membership interests of Trappers GC Partner, LLC ("Trappers"). Realty, Builders, and Trappers are real-estate holding companies that each own certain real property located in Detroit, Michigan. Holdings also owns 100% of the shares of Greektown Holdings II, Inc. ("Holdings II") a holding company that does not own any assets.¶
<#>Background¶
Greektown, which was developed by the Tribe in a partnership with private investors, opened in November 2000 as the first tribal-owned casino in the U.S. to operate on non-tribal lands. One of only three commercially licensed casinos operating in Michigan, Greektown is located in the historic Greektown district of downtown Detroit, Michigan. Greektown is accessible from the six interstate highways that pass through downtown Detroit, including Interstate 375, which has an off-ramp adjacent to one of Greektown's parking structures.¶
Greektown offers a full range of gaming, dining, and entertainment alternatives. In 2008, Greektown's share of the Metro Detroit Gaming Market (defined below) was 23.2%, and Greektown generated $286.7 million in net revenues and $(153.1) million in net income. Greektown generates stable cash flow from its slot-based business, which represented approximately 83% ... [23]

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B. The Alternative Plan Sponsors

The Alternative Plan Sponsors, in addition to injecting in excess of $16 million of new capital in the Reorganized Debtors and converting their secured debt to equity as part of their Alternative Plan, will be actively engaged in the management and operation of the Reorganized Debtors. In that regard, the senior management of the Alternative Plan Sponsors working on this matter will include highly experienced and talented individuals who have received gaming license qualifications in a number of jurisdictions, including Michigan, Colorado, California, and Nevada. A summary of the business activities and qualifications of each of the Alternative Plan Sponsors and their respective senior managers is set forth below. Each of the senior managers who will be involved in the management and operation of the casino post-confirmation will submit and to the licensing procedures of and will offer their complete cooperation to the Michigan Gaming Control Board.

1. The Alternative Plan Sponsors' Businesses

a. Luna Greektown LLC

Luna Greektown LLC, a Michigan Limited Liability Company, is part of a group of companies that includes the Luna Gaming and Luna Enterprises business categories. The companies in the Luna Gaming business category have previously been and are currently engaged in financing, developing, and managing a number of Native American gaming ventures, including the Rolling Hills Casino in Corning, California; the Little River Casino Resort in Manistee, Michigan; a casino to be owned by the Habematolel Pomo Tribe of Upper Lake in Upper Lake, California; the Kiowa Casino in Randlett, Oklahoma; . The companies in the Luna Gaming business category also ran and financed a state-wide referendum to legalize commercial gaming in Michigan and became a co-owner of Motor City Casino with Mandalay Resort Group and other minority owners until a buy-out occurred in connection with the MGM/Mandalay merger. In addition, the Luna Gaming business category includes the Red Dolly Casino in Black Hawk, Colorado. The officers of the companies in the Luna Gaming business category are currently licensed to conduct gaming operations in Nevada and Colorado and by the Kiowa Gaming Commission and Habemetol Pomo of Upper Lake Gaming Commission and have been investigated by the California Gambling Control Division as well as the National Indian Gaming Commission.

The Luna Enterprises business category includes companies that manage various real estate and retail operations throughout the country. The real estate properties include projects in Arizona and Michigan. The retail businesses include Motor City Harley-Davidson located in Farmington Hills, Michigan, Motor City Powersports, located in Bloomfield, Michigan and Celani Family Vineyards located in Napa, Califoria.

b. Plainfield Asset Management LLC

Plainfield Asset Management LLC, a Delaware limited liability company ("Plainfield") is an investment management firm formed on February 14, 2005, and is based in Greenwich Connecticut. Plainfield is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940 and serves as the investment

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manager to pooled investment vehicles inside and outside of the United States. Plainfield manages in excess of $4 billion of investment capital for institutions and high net worth individuals based in the United States and abroad. Max Holmes, whose biography is included below, is the sole managing member of Plainfield.

2. Directors, Managers, and Officers

The following persons are directors, managers, and officers of the Alternative Plan Sponsors. A brief biography is included for each person:

- Thomas Celani. Thomas Celani became President of Action Distributing Company, Inc. at the age of 26. He proceeded to grow Action into one of the largest Miller distributorships in the country with an annual growth rate of more than seven percent. Mr. Celani sold Action in 1999 in connection with his Michigan Gaming Control Board licensing for his ownership of Motor City Casino, as state law prohibits an individual from holding a beer distribution license and a retail liquor license concurrently.

  Mr. Celani's entry into the gaming industry came in 1988 when he co-founded Sodak Gaming, Inc along with two other individuals. Mr. Celani grew Sodak from a small company distributing gaming devices to Indian tribes in South Dakota to a public company with over $150 million in annual revenues. Mr. Celani served as a member of the Sodak Board of Directors through the summer of 1998, when IGT purchased all outstanding shares of Sodak.

  In 1995 Mr. Celani commenced the development of the Little River Casino Resort for the Little River Band of Ottawa Indians. Mr. Celani assisted the Little River Band in the entire development and financing process and managed the facility through September, 2004. Today, Little River Casino consists of a 300,000 square foot facility with over 1,300 slot machines, 35 table games, 300 hotel rooms and three dining experiences and generates over $130 million in revenue.

  Mr. Celani spearheaded the 1996 Michigan state-wide voter referendum which led to casino gaming in Detroit. Mr. Celani's group was selected as one of the three companies to receive a casino license and Motor City Casino opened to the public in December of 1999. Mr. Celani was licensed by the Michigan Gaming Control Board, and from 1999 to 2005 was an owner of Motor City Casino which generated over $400 million in revenue annually and employed more than 2,400 people, 50% of which were Detroit residents. Mr. Celani sold his interest in Motor City in April of 2005 in connection with the MGM Mandalay Bay merger.

  In April, 2001 Mr. Celani commenced development of the Rolling Hills Casino for the Paskenta Band of Nomlaki Indians in Corning, California. Once construction began, over the next 12 months Mr. Celani assisted the Paskenta Band of Nomlaki Indians in the

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Deleted: **<#>The Debtors' Boards of Directors/Managers and Executive Officers¶**
The following persons are the Debtors' executive officers and/or serve on the Debtors' boards of directors or managers. A brief biography of each follows in the next section.¶
<#>Kewadin. Kewadin's Chairman is D. Joe McCoy; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Kewadin is a manager-managed LLC.¶
<#>Monroe. Monroe's Chairman is D. Joe McCoy; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Monroe is a manager-managed LLC.¶
<#>Holdings. Holdings' Chairman is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Chief Financial Officer is Cliff Vallier; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Holdings is a manager-managed LLC.¶
<#>Casino. Casino's Chairman is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its General Manager is Chris Colwell; its Chief Financial Officer is Cliff Vallier; its Vice President of Marketing is Amanda Totaro; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Casino is a manager-managed LLC.¶
<#>Holdings II. Holdings II's Chairman is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Chief Financial Officer is Cliff Vallier; and its Directors are D. Joe McCoy, Jake Miklojcik and Louis Glazier.¶
<#>Realty. Realty's President is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Secretary and Treasurer is Cliff Vallier; and its Directors are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Realty is a corporation.¶
<#>Builders. Builders' President is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Secretary and Treasurer is Cliff Vallier; and its Directors ... [24]

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<#>Construction Contracts¶
Greektown engaged Jenkins/Skanska Venture LLC ("Jenkins/Skanska") to be the project general contractor and construction manager under an Agreement Between Owner and Construction Manager, dated October 3, 2002, as amended (the "GC Agreement"). Greektown engaged Hnedak Bobo Group to act as the master architect for the Expanded Complex and architect of record for the casino expansion/renovation, and Hnedak Bobo Group engaged Rossetti Associates to be the architect of record for the ne ... [25]

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development and financing of their $40 million casino project. In July of 2002, Rolling Hills Casino opened to the public with a 60,000 square foot facility, 650 slot machines, 12 table games, a steakhouse, and a 300-person buffet. Since that time, the Tribe has expanded the casino and added two hotels and a hunting lodge.

In December of 2005, Mr. Celani acquired, through his company, Luna Gaming – Red Dolly, 100% of the shares of Red Dolly, Inc. which operates the Red Dolly Casino in Black Hawk, Colorado. Mr. Celani is licensed in Colorado by the Colorado Division of Gaming. Red Dolly is the oldest operating casino in Colorado and has many of the newest slot machines as well as the best family style food in Black Hawk. In addition to Colorado, Mr. Celani is also licensed by the Nevada Gaming Control Board as an owner of the Cal-Neva Casino.

Mr. Celani holds a 99% membership interest in Luna Gaming Tahoe LLC. Luna Gaming Tahoe LLC and Thomas Celani have been licensed by the Nevada Gaming Control Board for the purpose of operating the Cal-Neva Casino at the Cal-Neva Hotel and Resort.

LGT Management Company holds a 1% interest in Luna Gaming Tahoe LLC. Mr. Celani is the President and 100% owner of LGT Management Company. LGT Management Company was formed for the purpose of acting as the manager of Luna Gaming Tahoe LLC.

Working with the Kiowa Tribe, Mr. Celani recently opened the $70 million dollar Kiowa Casino just north of the Texas/Oklahoma boarder. Kiowa Casino is a state of the art casino which operates over 1000 ticket-in and ticket-out slot machines and over 20 table games. Kiowa Casino is also equipped with high-end exclusive steak house, a cutting edge sports bar and a top notch buffet. Kiowa Casino is approximately 20 miles from Wichita Falls, Texas.

Mr. Celani owns and operates the Luna Building, an 80,000 square foot retail development in the Main Street District of Novi, Michigan. The Luna Building houses Luna Entertainment's corporate offices. Other tenants include The Post Bar and Gus O'Connor's, an authentic Irish pub, opened in the fall of 2003. The building also houses The Better Health Store, a premier health food store chain and Lifestyles, a high end hot tub and patio furniture store.

Mr. Celani also operates two retail motorcycle dealerships. The first is Motor City Harley-Davidson, the number one Harley dealership in Michigan and a multiple winner of Harley's prestige BAR and SHEILD award. Motor City Harley is one of Harley's most exciting facilities with over 65,000 square feet located in Farmington Hills, Michigan. The Motor City Harley-Davidson HOG Chapter has over 1,200 members and is one of the largest Chapters in Michigan.

The second dealership is Motor City Power Sports. In 2006 Mr. Celani acquired Anderson Sales and Service which was at that time one of the largest power sports dealerships in Michigan, and one of the top branded dealerships in the United States. Mr. Celani renamed the dealership Motor City Power Sports and has improved upon the long

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history of success the dealership enjoyed. Motor City Power Sports sells motorcycles, jet skis, dirt bikes and snowmobiles from seven top manufacturers, including Honda, Yamaha, Kawasaki and Bombardier.

In addition, inspired by the traditions of his Italian family and a passion for winemaking, Mr. Celani has, since 2005, owned and operated the Celani Family Vineyards in the Napa Valley of California. In the short space of four years, the Celani wines have won accolades and industry recogniton for their cabernet (rated at 92 points), chardonnay and Napa Red (rated at 93 points). The dedication and commitment which produced such rapid success in winemaking will be reflected in Mr. Celani's management of the Reorganized Debtors.

- Max Holmes. Max Holmes is the founder and the Chief Investment Officer of Plainfield.

  Prior to founding Plainfield in February 2005, Mr. Holmes was the Head of the Distressed Securities Group and a Managing Director of D.E. Shaw & Co., L.P. As Head of the Distressed Securities Group, Mr. Holmes was a Co-Portfolio Manager for D.E. Shaw Laminar Portfolios, LLC from 2002 through 2004.

  Mr. Holmes was also formerly a member of the Board of Directors of FAO Schwarz Inc., eToys Direct, Inc., and Sure Fit, Inc. From 1999 through 2002, Mr. Holmes was the founder and Co-Head of the High Yield Group at RBC Capital Markets, a subsidiary of The Royal Bank of Canada, where he was head of High Yield Origination and Capital Markets.

  From 1996 to 1999, Mr. Holmes was Head of High Yield Capital Markets and Head of High Yield Research at Gleacher NatWest Inc., a subsidiary of National Westminster Bank Plc. From 1991 to 1996, Mr. Holmes worked at Salomon Brothers Inc, where at various times he was Head of Bankruptcy Research, acted as Salomon's High Yield Strategist, served as its lead representative on various creditors committees, and managed a proprietary distressed bond portfolio. From 1986 to 1989, Mr. Holmes worked at Drexel Burnham Lambert in Beverly Hills, California, first in the Corporate Finance Department and then in the High Yield and Convertible Securities Department. Mr. Holmes became one of the youngest Senior Vice Presidents in Drexel's history.

  From 1984 to 1986, Mr. Holmes was a practicing attorney at Vinson & Elkins in Houston, Texas, where he represented commercial banks in a variety of bankruptcies, restructurings, high yield bond and M&A transactions. Mr. Holmes remains a member of the bar in New York and Texas.

  Mr. Holmes received a J.D. from Columbia Law School in 1984, an M.B.A. from Columbia Business School in 1984, and a B.A. from Harvard College in Philosophy in 1981. Since 1993, Mr. Holmes has taught "Bankruptcy and Reorganization" at New York University Stern Graduate School of Business, where he remains an Adjunct Professor of Finance.

- Marc Sole. Marc Sole joined Plainfield in February 2008 as a Managing Director and Assistant Portfolio Manager.

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Prior to joining Plainfield, Mr. Sole worked at D.E. Shaw, which he joined in 2001 as an analyst in its Special Situations / Risk Arbitrage Group. In early 2002, Mr. Sole became the third employee in the D. E. Shaw Distressed Securities Group. Mr. Sole subsequently was promoted to be Co-Head of Research and Co-Portfolio Manager of D. E. Shaw's U.S. Credit Opportunities Strategy.

Prior to joining D.E. Shaw, Mr. Sole was an associate in the corporate group at Cravath, Swaine & Moore LLP in New York. Mr. Sole has served on the Board of Directors of Owens Corning, Schuff International, Inc. and several private specialty finance companies.

Mr. Sole graduated from Princeton University in 1993 with an A.B. from the Woodrow Wilson School of Public and International Affairs, and he received a J.D. in 1996 from the Columbia University School of Law, where he was a Harlan Fiske Stone Scholar.

III. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASES

Information on significant events during the Debtors' Chapter 11 Cases is set forth on pages 18-28 of the Debtors' Disclosure Statement.

IV. SUMMARY OF THE ALTERNATIVE PLAN

The following sections summarize certain key information in the Alternative Plan. This summary refers to, and is qualified in its entirety by, reference to the Alternative Plan. The Alternative Plan's terms will govern any inconsistencies between this summary and the Alternative Plan.

A. Purpose and Effect of the Alternative Plan

The Alternative Plan Sponsors believe that the Debtors' businesses and assets have significant value that would not be realized in a liquidation, either in whole or in substantial part. Consistent with the Liquidation Analysis described in this Disclosure Statement and other analyses prepared by the Alternative Plan Sponsors based on information provided by the Debtors and their professionals, the value of the Debtors' Estates would be considerably greater if the Debtors continue to operate as a going concern instead of liquidating.

B. Classification and Treatment of Claims and Interests

The Alternative Plan divides all Claims and Interests, except Administrative Claims, Priority Tax Claims, and other Priority Claims, into various Classes. The projected recoveries are based upon certain assumptions contained in the Valuation Analysis. The assumed reorganization value of Reorganized Holdings' New Common Stock was derived from commonly accepted valuation techniques and is not an estimate of trading value for such securities. The range of recoveries listed above and the claims estimates listed in the attached Exhibit E are based on various assumptions, including assumptions regarding the total amount of Allowed General Unsecured Claims and assumptions concerning the value of the Reorganized Debtors. Notwithstanding Exhibit E, the Alternative Plan Sponsors reserve the right to challenge

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<#>Filing the Chapter 11 Case Petitions¶
On the Petition Date, the Debtors commenced the Chapter 11 Cases by filing their voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession under Bankruptcy Code sections 1107(a) and 1108. On June 13, 2008, the Bankruptcy Court entered an order jointly administering the Chapter 11 Cases under Bankruptcy Rule 1015(b). Accordingly, the Chapter 11 Cases have been administered jointly under the lead case, Greektown Holdings, L.L.C., Case No. 08-53104. No trustee or examiner has been appointed in the Chapter 11 Cases.¶
<#>Business Continuation; Litigation Stay¶
The Debtors' chapter 11 filings immediately gave rise to the Bankruptcy Code's "automatic stay" which, with limited exceptions, enjoined commencement and continuation of all creditor collection efforts, litigation against the Debtors, and enforcement of Liens against the Debtors' prope... [26]

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the amount of any Claim including, without limitation, interest and adequate protection calculations on Secured Claims.

The Classes of Claims and Interests listed below classify Claims and Interests for all purposes, including voting, confirmation, and distribution pursuant to this Disclosure Statement and to Bankruptcy Code sections 1122 and 1123(a)(1). The Alternative Plan deems a Claim or Interest to be classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class. A Claim or Interest is in a particular class only to the extent that any such Claim or Interest is Allowed in that Class and has not been paid or otherwise settled before the Effective Date.

The following table summarizes the classes of Claims and Interests that have been identified:

Class	Claim	Status	Voting Rights
1.	DIP Lenders' Claims Against Holdings	Unimpaired	Deemed to Accept
2.	Pre-petition Lenders' Claims Against Holdings	Impaired	Entitled to Vote
3.	Plan Proponents' Claims Against Holdings	Impaired	Entitled to Vote
4.	Other Allowed Secured Claims Against Holdings	Impaired	Entitled to Vote
5.	Bond Claims Against Holdings	Impaired	Entitled to Vote
6.	General Unsecured Claims Against Holdings	Impaired	Entitled to Vote
7.	Interests in Holdings	Impaired	Deemed to Reject
8.	DIP Lenders' Claims Against Casino	Unimpaired	Deemed to Accept
9.	Pre-petition Lenders' Claims Against Casino	Impaired	Entitled to Vote
10.	Plan Proponents' Claims Against Casino	Impaired	Entitled to Vote
11.	Other Allowed Secured Claims Against Casino	Impaired	Entitled to Vote
12.	General Unsecured Claims Against Casino	Impaired	Entitled to Vote
13.	Trade Claims Against Casino	Impaired	Entitled to Vote
14.	DIP Lenders' Claims Against Holdings II	Unimpaired	Deemed to Accept

15.	Pre-petition Lenders' Claims Against Holdings II	Impaired	Entitled to Vote
16.	Plan Proponents' Claims Against Holdings II	Impaired	Entitled to Vote
17.	Other Allowed Secured Claims Against Holdings II	Impaired	Entitled to Vote
18.	General Unsecured Claims Against Holdings II	Impaired	Entitled to Vote
19.	DIP Lenders' Claims Against Builders	Unimpaired	Deemed to Accept
20.	Pre-petition Lenders' Claims Against Builders	Impaired	Entitled to Vote
21.	Plan Proponents' Claims Against Builders	Impaired	Entitled to Vote
22.	Other Allowed Secured Claims Against Builders or the Builders Property	Impaired	Entitled to Vote
23.	General Unsecured Claims Against Builders	Impaired	Entitled to Vote
24.	DIP Lenders' Claims Against Realty	Unimpaired	Deemed to Accept
25.	Pre-petition Lenders' Claims Against Realty	Impaired	Entitled to Vote
26.	Plan Proponents' Claims Against Realty	Impaired	Entitled to Vote
27.	Other Allowed Secured Claims Against Realty or the Realty Property	Impaired	Entitled to Vote
28.	General Unsecured Claims Against Realty	Impaired	Entitled to Vote
29.	DIP Lenders' Claims Against Trappers	Unimpaired	Deemed to Accept
30.	Pre-petition Lenders' Claims Against Trappers	Impaired	Entitled to Vote
31.	Plan Proponents' Claims Against Trappers	Impaired	Entitled to Vote

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32.	Other Allowed Secured Claims Against Trappers or the Trappers Property	Impaired	Entitled to Vote
33.	General Unsecured Claims Against Trappers	Impaired	Entitled to Vote
34.	Allowed Secured Claims Against Monroe	Impaired	Entitled to Vote
35.	Unsecured Claims Against Monroe	Impaired	Entitled to Vote
36.	Interests in Monroe	Impaired	Deemed to Reject
37.	Allowed Secured Claims Against Kewadin	Impaired	Entitled to Vote
38.	Unsecured Claims Against Kewadin	Impaired	Entitled to Vote
39.	Interests in Kewadin	Impaired	Deemed to Reject

1. Unclassified Claims

Under section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Priority Tax Claims, and other Priority Claims have not been classified and are therefore excluded from the Classes of Claims and Interests set forth in Article III of the Alternative Plan.

a. Administrative Claims

Administrative Claims cover the costs and expenses of administering the Chapter 11 Cases, which are allowed under Bankruptcy Code sections 503(b), 507(b) or 1114(e)(2), and include: (a) the actual and necessary costs and expenses of preserving the Estates and operating the Debtors' businesses (e.g., wages, salaries, commissions for services and payments for inventories, leased equipment, and premises); (b) compensation for legal, financial advisory, accounting and other services rendered after the Petition Date, and reimbursement of expenses incurred in connection with such services, awarded or allowed under Bankruptcy Code sections 330(a) or 331; (c) all fees and charges assessed against the Estates under 28 U.S.C. §§ 1911-30; and (d) the Restructuring Transaction closing costs.

Subject to Article VIII of the Alternative Plan, on the first Periodic Distribution Date occurring after the later of the date when an Administrative Claim becomes Allowed or the date when an Administrative Claim becomes payable pursuant to any agreement between a Debtor (or a Reorganized Debtor) and the Holder of such Administrative Claim, a Holder of an Allowed Administrative Claim shall receive, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Administrative Claim, Cash equal to the unpaid portion of such Allowed Administrative Claim or such other less favorable treatment that the Alternative Plan Sponsors or the Reorganized Debtors and the Holder of such Allowed Administrative Claim shall have agreed upon in writing (with the Consent of the Lenders); provided, however, that Administrative Claims incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or arising under contracts assumed during the Chapter 11 Cases before, on, or as of the Effective Date shall be deemed Allowed Administrative Claims and paid by the Debtors

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or the Reorganized Debtors in the ordinary course of business in accordance with the terms and conditions of any agreements relating thereto; and provided, further, that any Cure payments associated with the Assumed Contracts shall be paid in accordance with Article XIII of the Alternative Plan.

b. Priority Tax Claims

Commencing on the first Periodic Distribution Date occurring after the later of (a) the date a Priority Tax Claim becomes an Allowed Priority Tax Claim or (b) the date an Allowed Priority Tax Claim first becomes payable pursuant to any agreement between a Debtor (or a Reorganized Debtor) and the Holder of such Allowed Priority Tax Claim, such Holder of an Allowed Priority Tax Claim shall be entitled to receive, on account of such Allowed Priority Tax Claim, in full satisfaction, settlement, release, and discharge of, and in exchange for, such Allowed Priority Tax Claim: (i) equal Cash payments on each Periodic Distribution Date during a period not to exceed five years after the Petition Date, totaling the aggregate amount of such Claim plus simple interest at the rate required by applicable law on any outstanding balance from the Petition Date, or such lesser rate as is set by the Bankruptcy Court or agreed to by the Holder of an Allowed Priority Tax Claim, or (ii) such other treatment as is agreed to by the Holder of an Allowed Priority Tax Claim and the Alternative Plan Sponsors, provided that such treatment is on more favorable terms to the Debtors or the Reorganized Debtors than the treatment set forth in clause (i) of this Section IV.B.1.

c. Other Priority Claims

All other Allowed Priority Claims, to the extent of the applicable priority under section 507(a) of the Bankruptcy Code, will be paid the Allowed Amount of such Claim as of the Effective Date.

2. Classified Claims

a. Classes 1, 8, 14, 19, 24 & 29

Classification: Secured Claims of DIP Lenders Against Holdings, Casino, Holdings II, Builders, Realty and Trappers.

Treatment: Each Holder of a Claim in Class 1, 8, 14, 19, 24 and 29 shall receive, in full satisfaction of such Claim, its Pro Rata share of Cash from the Exit Financing on the Effective Date. Any monies that remain after satisfaction of any claims of the DIP Lenders shall remain with Reorganized Holdings and be distributed pursuant to Section 3.3 of the Alternative Plan or re-vested with Reorganized Holdings pursuant to Article XI of this Plan.

Voting: Classes 1, 8, 14, 19, 24 and 29 are Unimpaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is deemed to accept the Alternative Plan.

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b. Classes 2, 9, 15, 20, 25 & 30

Classification: Secured Claims of Pre-petition Lenders Against Holdings, Casino, Holdings II, Builders, Realty and Trappers.

Treatment: Each Holder of a Claim in Class 2, 9, 15, 20, 25 and 30, pursuant to the Pre-petition Lender Election, and subject to the Pro Rata Reallocation and the Institutional Investor Repurchase, shall receive, at its option, a Pro Rata share of (a) the Pre-petition Lenders New Common Stock; **or** (b) the New Subordinated Debt and the Cash Distribution.

Voting: Classes 2, 9, 15, 20, 25 and 30 are Impaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

c. Classes 3, 10, 16, 21, 26 & 31

Classification: Secured Claims of Plan Proponents Against Holdings, Casino, Holdings II, Builders, Realty and Trappers.

Treatment: Each Holder of a Claim or its designee in Class 3, 10, 16, 21, 26 and 31 shall receive, in full satisfaction of such Claims its Pro Rata share of (a) 31.74% of the Plan Proponents New Common Stock, and (b) the Plan Proponents Warrants.

Voting: Classes 3, 10, 16, 21, 26 and 31 are Impaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

d. Classes 4, 11, 17, 22, 27, 32, 34 & 37

Classification: Other Allowed Secured Claims Against Holdings, Casino, Holdings II, Builders, Builders Property, Realty, Realty Property, Trappers, and Trappers Property, and Allowed Secured Claims Against Monroe and Kewadin.

Treatment: Each Holder of an Allowed Claim in Class 4, 11, 17, 22, 27, 32, 34 and 37 shall receive, in full satisfaction of such Claim, in the Reorganized Debtors' full discretion, either: (i) the value of the Holder's Allowed Secured Claim (as determined pursuant to section 506(a) of the Bankruptcy Code and Article V of this Plan), or, (ii) return of the collateral securing the Holder's Secured Claim.

A Claim shall be Allowed as a Secured Claim only (i) if the Holder of the Claim holds a non-avoidable, first-priority Lien in property

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of one or more of the Debtors' Estates which is either (A) senior to the DIP Lenders' and Pre-petition Lenders' Liens, or (B) the Consent of the Lenders is obtained allowing such claim as an Allowed Secured Claim, and (ii) only to the extent of the value, as of the Effective Date, of the Holder's interest in the applicable Estate's interest in the property securing the Claim. To the extent an Allowed Claim is asserted to be a Secured Claim, but the value of the Holder's interest in the applicable Estate's interest is less than the amount of the Claim, the undersecured amount of the Claim shall be treated as a General Unsecured Claim against the respective Debtor.

Voting: Classes 4, 11, 17, 22, 27, 32, 34 and 37 are Impaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

e. Classes 5, 6, 18, 23, 28, 33, 35 & 38

Classification: Bond Claims Against Holdings and General Unsecured Claims Against Holdings, Holdings II, Builders, Realty, Trappers, Monroe and Kewadin.

Treatment: Each Holder of an Allowed Claim in Classes 5, 6, 18, 23, 28, 33, 35 and 38 shall receive, in full satisfaction of such Claim, its Pro Rata share of the Unsecured Distribution Warrants.

Voting: Classes 5, 6, 18, 23, 28, 33, 35 and 38 are Impaired. Each Holder of an Allowed Claim in such Classes as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

f. Class 12

Classification: General Unsecured Claims Against Casino.

Treatment: Each Holder of an Allowed Claim in Class 12 shall receive, in full satisfaction of such Claim, its Pro Rata share of (a) the Unsecured Distribution Fund, and (b) the Unsecured Distribution Warrants. The Unsecured Distribution Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date.

Voting: Class 12 is Impaired by this Plan. Each Holder of an Allowed Claim in Class 12 as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

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Voting: Holders of Interests in this Class are Impaired. Each Holder of an Interest in these Classes is deemed to reject the Plan and is not entitled to vote on the Plan.¶
<#>Class 10¶
Classification: General Unsecured Claims Against Casino. See Exhibit G.¶
Treatment: Each Holder of an Allowed Claim in this Class shall receive,
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g. Class 13

Classification: Trade Claims Against Casino.

Treatment: Each Holder of an Allowed Class 13 Claim shall receive on or as soon as practicable after the Effective Date, in full satisfaction of such Claim, its Pro Rata share of the Trade Distribution Fund. The Trade Distribution Fund shall be paid in two (2) installments, the first of which shall be paid on the date that is six (6) months following the Effective Date, and the second on the date that is one (1) year following the Effective Date. As an additional distribution, each Holder of an Allowed Claim in Class 13 shall receive a release from Avoidance Claims and shall be a Released Party, subject to section 7.3 of the Alternative Plan.

Voting: Class 13 is Impaired. Each Holder of an Allowed Class 13 Claim as of the Voting Record Date is entitled to vote to accept or reject the Alternative Plan.

h. Classes 7, 36 & 39

Classification: Equity Interests - Holdings, Monroe and Kewadin

Treatment: Each Holder of an Equity Interest in Holdings, Monroe or Kewadin shall not receive or retain any interest or property under the Alternative Plan and all Equity Interests in Holdings, Monroe and Kewadin shall be cancelled and extinguished.

Voting: Classes 7, 36 and 39 are Impaired. Each Holder of Equity Interests in Holdings, Monroe or Kewadin is deemed to reject the Alternative Plan and is not entitled to vote to accept or reject the Alternative Plan.

C. Acceptance or Rejection of the Plan

1. Presumed Acceptance of Plan

Claim Holders in Classes 1, 8, 14, 19, 24 and 29 are Unimpaired and are deemed to accept the Alternative Plan under section 1126(f) of the Bankruptcy Code.

2. Voting Classes

Classes 1, 2, 3, 4, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 24, 25, 26, 27, 29, 30, 21, 32, 34 and 38 are Impaired Classes that may vote to accept or reject the Alternative Plan (the "Voting Classes"). Each Holder of an Allowed Claim or Interest as of the Voting Record Date in each of the Voting Classes will be entitled to vote to accept or reject the Alternative Plan.

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3. Acceptance by Impaired Classes of Claims

Under section 1126(c) of the Bankruptcy Code, and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Alternative Plan if the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class actually voting have voted to accept the Alternative Plan.

4. Presumed Rejection of the Plan

Classes 7, 36, and 39 are Impaired and shall receive no distribution under the Alternative Plan on account of their Claims or Interests and are, therefore, presumed to have rejected the Alternative Plan under section 1126(g) of the Bankruptcy Code.

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5. Tabulation of Ballots

The Alternative Plan Sponsors will tabulate all votes on the Alternative Plan on a consolidated basis to determine whether the Alternative Plan satisfies sections 1129(a)(8) and (10) of the Bankruptcy Code.

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6. Confirmation Under Bankruptcy Code Sections 1129(a) and (b)

Bankruptcy Code section 1129(a) will be satisfied for purposes of Confirmation by acceptances of the Alternative Plan by an Impaired Class of Claims. The Alternative Plan Sponsors will seek Confirmation under Bankruptcy Code section 1129(b) with respect to any rejecting Class of Claims or Interests.

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7. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or interests, or any Class of Claims or interests, are Impaired, the Bankruptcy Court will, after notice and a hearing, determine such controversy on or before the Confirmation Date.

D. Procedures for Resolving Disputed Claims

1. Claims Administration

The Alternative Plan Sponsors shall be responsible for and shall retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving Claims against, and Interests in, the Debtors and making distributions (if any) with respect to all Claims and Interests, except that the Creditors' Committee shall be responsible for and shall retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving all Class 12 Claims (General Unsecured Claims Against Casino), as provided for in article 5 of the Alternative Plan. The Creditors' Committee shall be entitled to compensation for its activities relating to Claims administration under this section solely from the Unsecured Distribution Fund, and the Alternative Plan Sponsors and Reorganized Debtors shall have no obligation to provide any funding or compensation for such Claims administration. Nothing in article 5 of the Alternative Plan shall prevent the DIP Agent or the Prepetition Agent from

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disputing or objecting to any Claim on its own behalf or on behalf of the DIP Lenders or Pre-petition Lenders.

2. Filing of Objections

Unless otherwise provided in the Alternative Plan or extended by the Bankruptcy Court, any objections to Claims and/or Interests shall be served and Filed on or before the Claims Objection Deadline. Notwithstanding any authority to the contrary, an objection to a Claim or Interest shall be deemed properly served on the Holder of the Claim or Interest if the Debtors, Reorganized Debtors, or the Creditors' Committee, as the case may be, effect service in any of the following manners: (i) in accordance with Fed. R. Civ. P. 4, as modified and made applicable by Bankruptcy Rule 7004, (ii) to the extent counsel for a Holder of a Claim or Interest is unknown, by first-class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto (or at the last known addresses of such Holders of Claims if no Proof of Claim is Filed or if the Debtors and the Creditors' Committee have been notified in writing of a change of address), or (iii) by first-class mail, postage prepaid, on any counsel that has appeared on behalf of the Holder of the Claim or Interest in the Chapter 11 Cases and has not withdrawn such appearance.

3. Claim Dispute Resolution Procedures

Resolution of disputes regarding Claims shall be subject to the following parameters:

- If the Settlement Amount for a General Unsecured Claim, Secured Claim, Priority Claim, Administrative Claim, or other Claim or postpetition Claim is less than $500,000, the Debtors, Reorganized Debtors, or Creditors' Committee, as applicable, after consultation with the Secured Lenders and the Plan Proponents, shall be authorized to settle such Claim or Interest without the need for further Bankruptcy Court approval or further notice.

- If the Settlement Amount for a General Unsecured Claim, Secured Claim, Priority Claim, Administrative Claim, or other Claim or postpetition Claim is greater than or equal to $500,000, the Debtors, Reorganized Debtors or Creditors' Committee, as applicable, after consultation with the Secured Lenders and the Plan Proponents, shall file a proposed settlement stipulation with the Bankruptcy Court with notice and hearing consistent with the Local Rules and the Bankruptcy Rules.

- Settlement of any pre-petition controversies in these categories resulting in monetary Claims against the Debtors shall be resolved solely by determination and allowance of a Claim, subject to the requirements of Article V of the Alternative Plan.

- Settlement of any postpetition controversies in these categories resulting in monetary Claims against the Debtors or Reorganized Debtors may be resolved, where applicable, by the Debtors or Reorganized Debtors, subject to the Consent of the Lenders and the Plan Proponents, by an allowance of an Administrative

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Claim related to such settlement, subject to the requirements of Article V of the Alternative Plan.

- The Debtors are authorized, subject to Consent of the Lenders and the Plan Proponents, to allow Claims against specific Debtors and their Estates, where the allowance of such Claims otherwise meets the requirements of Article V of the Alternative Plan.

- The Debtors are authorized, subject to Consent of the Lenders and the Plan Proponents, to allow Claims with a specific priority and security status, where the allowance of such Claims otherwise meets the requirements of Article V of the Alternative Plan and does not in any way affect, whether as a prior or subordinated Lien, the Lien of any other party. For purposes of clarity and without limitation, the granting or recognition of a subordinated Lien shall not be Allowed, absent a Bankruptcy Court order, without the consent of all other Lien Holders with respect to the affected collateral.

- The Creditors' Committee shall be authorized to settle only Class 12 Claims, and shall not be authorized to allow or permit any recovery other than the allowance of the Claim Holder's Class 12 Claims. For purposes of clarity and without limitation, the Creditors' Committee shall not be authorized to recognize or allow any Secured Claim or Priority Claim. Notwithstanding anything to the contrary in these procedures, to the extent that an asserted Secured Claim, Priority Claim, or Trade Claim is recharacterized as a Class 12 Claim, the Creditors' Committee shall have no less than thirty (30) days after entry of a Final Order recharacterizing the Claim to object to Allowance of the Claim in full or in part.

4. Determination of Claims or Interests

Any Claim or Interest (or any revision, modification, or amendment thereof) determined and liquidated pursuant to (i) the procedures listed in Article V of the Plan or (ii) a Final Order of the Bankruptcy Court shall be deemed an Allowed Claim or an Allowed Interest in such liquidated amount and satisfied in accordance with the Alternative Plan. The payment of any Allowed Claim or Allowed Interest shall be made pursuant to Articles III and VIII of the Alternative Plan, unless otherwise ordered by the Bankruptcy Court.

5. Insider Settlements

Notwithstanding anything in the Alternative Plan to the contrary, any settlement that involves an insider shall be effected only in accordance with Bankruptcy Rule 9019(a).

6. Ordinary Course of Business Exception

Article V of the Alternative Plan shall in no manner affect, impair, impede, or otherwise alter the right of the Debtors or Reorganized Debtors to resolve any controversy arising in the ordinary course of the Debtors' or Reorganized Debtors' business or under any other order of the Bankruptcy Court.

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7. Objections to Trade Claims

The Debtors or Reorganized Debtors may object at any time prior to the first anniversary of the Effective Date to any Trade Claim on the basis that the Trade Creditor has failed to comply with the Trade Claim Election. If the objection is sustained, the Claim held by the Trade Creditor shall be recharacterized as a General Unsecured Claim under Class 12 and shall be entitled to receive or retain distributions only in the amount of its Pro Rata distribution as a Holder of a Class 12 Claim. The Debtors and Reorganized Debtors, after consultation with the Secured Lenders and the Plan Proponents, shall be authorized to settle such objection without the need for further Bankruptcy Court approval or further notice.

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8. Adjustment to Claims Without Objection

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized Debtor without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Person.

9. Disallowance of Claims or Interests

Any Claim or Interest held by Persons from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that are transferees of transfers avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims and Interests may not receive any distribution of account of such Claims and Interests until such time as such Causes of Action against that Person have been settled or a Final Order with respect thereto has been entered and all stun due, if any, to the Debtors by that Person have been turned over or paid. All Claims Filed on account of any employee benefits or wages referenced in the Schedules which were paid by the Debtors before the Confirmation Date, shall be deemed satisfied and expunged from the Claims Register as of the Effective Date, without further notice to, or action, order, or approval of, the Bankruptcy Court.

10. Claims Bar Date

Except as provided in the Plan or otherwise agreed, any and all Claims for which a Proof of Claim was Filed after the applicable Bar Date shall be deemed to be a Disallowed Claim and expunged as of the Effective Date without any further notice to or action, order, or approval of the Bankruptcy Court, and Holders of such Claims may not receive any distributions on account of such Claims, unless on or before the Confirmation Date such late Claims have been deemed timely Filed by a Final Order.

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11. Amendments to Claims

On or after the Effective Date, except as provided herein, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized Debtors. To the extent that any such Claim is Filed without such authorization, such Claim shall be deemed to be a Disallowed Claim and expunged without any further notice to or action, order, or approval of the Bankruptcy Court or any other Person.

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12. Offer of Judgment

The Reorganized Debtor is authorized to serve upon a Holder of a Claim or Interest an offer to allow judgment to be taken on account of such Claim, and, pursuant to Bankruptcy Rules 7068 and 9014, Fed. R. Civ. P. 68 shall apply to such offer of judgment. To the extent the Holder of a Claim must pay the costs incurred by the Reorganized Debtor after the making of such an offer, the Reorganized Debtor is entitled to setoff such amounts against the amount of any distribution to be paid to such Holder without any further notice to or action, order, or approval of the Bankruptcy Court or any other Person.

E. Executory Contracts and Unexpired Leases

1. Executory Contract and Unexpired Lease Assumption and Rejection

All executory contracts and unexpired leases as to which any Debtor is a party shall be deemed automatically assumed in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless such executory contracts or unexpired leases (i) shall have been previously rejected by the Debtors by Final Order of the Bankruptcy Court; (ii) shall be the subject of a motion to reject or assume such contract or lease pending on the Effective Date; (iii) shall have expired or terminated on or prior to the Effective Date (and not otherwise extended) pursuant to their own terms; (iv) are listed on the schedule of rejected executory contracts and unexpired leases attached to the Plan as Exhibit 13.1, provided, however, that the Plan Proponents reserve their right, at any time prior to the Effective Date, to amend Exhibit 13.1 to delete therefrom or add thereto an executory contract or unexpired lease with notice to the affected Creditor only; or (v) are otherwise rejected pursuant to the terms of the Alternative Plan.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejections and assumptions contemplated hereby pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Each executory contract or unexpired lease assumed pursuant to section 13.1 of the Plan shall vest in, and be fully enforceable by, the applicable Reorganized Debtor in accordance with its terms, except as modified by the provisions of the Alternative Plan, any order of the Bankruptcy Court authorizing or providing for its assumption, or applicable federal law. The Plan Proponents reserve the right to file a motion on or before the Effective Date to assume or reject any executory contract or unexpired lease.

2. Claims Based on Executory Contract or Unexpired Lease Rejection

On the Effective Date, each executory contract and unexpired lease listed on Exhibit 13.1 to the Alternative Plan shall be rejected pursuant to section 365 of the Bankruptcy Code but only to the extent that any such contract is an executory contract or unexpired lease. The Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejections described above, pursuant to section 365 of the Bankruptcy Code, as of the earlier of the Confirmation Date or (ii) the date that the affected Creditor party to such lease or executory contract is provided written notice of such rejection. All Allowed Claims arising from the rejection of unexpired leases and executory contracts shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Alternative Plan.

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For a full description of the City's appeal of the Bankruptcy Court's Order approving the assumption of the Development Agreement, please see pp. 16-21, above.

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3. Rejection Damages Bar Date

If the rejection by a Debtor, pursuant to the Plan or otherwise, of an executory contract or unexpired lease results in a Claim, then such Claim shall be forever barred and shall not be enforceable against any Debtor or Reorganized Debtor or the properties of any of them unless a Proof of Claim is Filed with the Claims Agent and served upon counsel to the Debtors or Reorganized Debtors within thirty (30) days after the later of (a) the Effective Date or (b) notice that the executory contract or unexpired lease has been rejected, unless otherwise ordered by the Bankruptcy Court. Any Proofs of Claim arising from the rejection of the Debtors' executory contracts or unexpired leases that are not timely Filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Reorganized Debtor without any further notice to or action, order, or approval of the Bankruptcy Court or other Person, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary.

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4. Cure of Assumed Executory Contract and Unexpired Lease Defaults

If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of the Reorganized Debtor or any assignee to provide "adequate assurance of performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (c) any other matter pertaining to the assumption, the Cure shall occur following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be; provided, however, if there is a dispute as to the amount of Cure that cannot be resolved consensually among the parties, the Debtors or the Reorganized Debtors shall have the right to reject the contract or lease for a period of five (5) days after entry of a Final Order establishing a Cure amount in excess of that provided by the Debtors or the Reorganized Debtors. Upon reasonable request, the Notice Parties shall be provided access to information regarding the Debtors' or the Reorganized Debtors' proposed Cure payments.

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5. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease in the Alternative Plan, Exhibit 13.1, nor anything contained in the Alternative Plan, shall constitute an admission by the Debtors or the Plan Proponents that any such contract or lease is in fact an executory contract or unexpired lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, the Plan Proponents or the Reorganized Debtors, as applicable, shall have thirty (30) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

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F. Means for Implementation of the Plan

1. Cash Contribution Consideration

The Reorganized Debtors shall transfer to the Plan Proponents, or their designees, 66.87% of the Plan Proponents New Common Stock in exchange for the Cash Contribution on the Effective Date.

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2. Continued corporate or company existence of Reorganized Holdings and Reorganized Casino; Vesting of Assets

After Alternative Plan Confirmation, Holdings and Casino will continue to exist as Reorganized Holdings and Reorganized Casino, respectively, each with all of the powers of a limited liability company under Michigan law pursuant to their respective organizational documents in effect before the Effective Date. Builders and Realty will also continue to exist after Confirmation, as Reorganized Realty and Reorganized Builders, respectively, each with all the powers of a corporation under Michigan law pursuant to their respective organizational documents in effect before the Effective Date. Reorganized Holdings, Reorganized Casino, Reorganized Realty, and/or Reorganized Builders will retain all of the assets held by Holdings, Casino, Realty, and Builders, respectively.

The Alternative Plan Sponsors currently contemplate forming a limited liability company LPF Holdings, LLC, which, as of the Effective Date, and subject to it and its appropriate stakeholders receiving all of the necessary approvals from the Michigan Gaming Control Board (the "MGCB"), will own all of the Plan Proponents New Common Stock.

3. Restructuring Transactions

On the Effective Date

- Except as otherwise provided in the Alternative Plan, all assets of each of the Non-reorganizing Debtors shall be transferred to Reorganized Casino free and clear of all Liens, Claims, mortgages, options, rights, encumbrances, and interests of any kind or nature whatsoever.
- Each and every Intercompany Executory Contract shall be rejected.
- Each and every Intercompany Claim shall be eliminated, including any Rejection Damages Claims arising from the implementation of section 4.3.2 of the Alternative Plan.
- Each and every Intercompany Interest shall be retained, except for the Interests in Holdings, and in each of the Non-reorganizing Debtors, which Interests shall be canceled as of the Effective Date.
- Reorganized Holdings shall issue 100% of the New Common Stock to the Pre-petition Lenders and the Plan Proponents or their respective designees as provided for in the Alternative Plan.
- On the Effective Date, or as soon thereafter as practicable, each of the Non-reorganizing Debtors shall be dissolved.

4. Exit Financing

The Debtors, the Reorganized Debtors or the Plan Proponents shall obtain Exit Financing, subject to the following limitations: (a) No Exit Financing shall be drawn or used by

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the Debtors or Reorganized Debtors until the Effective Date; and (b) the Debtors shall not grant or attempt to grant any Liens or security interests with priority greater than or equal to the Liens and security interests granted under the Exit Financing, except as permitted under the Exit Financing or to satisfy the Exit Financing in full.

5. Cancellation of Existing Equity Interests in Holdings and the Non-Reorganizing Debtors

Except as otherwise set forth in the Alternative Plan, on the Effective Date, all agreements, Instruments, and other documents evidencing any equity Interest in Holdings, or in any of the Non-reorganizing Debtors, and any right of any Holder in respect thereof including any Claim related thereto, shall be deemed cancelled, discharged and of no force or effect.

6. Reservation of Substantial Contribution Claim, Break-up Fees and Expense Reimbursement.

The Alternative Plan Sponsors reserve the right to seek a Substantial Contribution Claim or otherwise seek the payment of the Break-Up Fee in the event that a plan based upon a Competing Proposal is confirmed, as well as reimbursement of all out of pocket expenses incurred in relation to the proposal of the Alternative Plan.

7. Competing Proposals

The Debtors may continue to market their assets for sale to prospective purchasers at any time on or before two (2) weeks prior to the date set for the Confirmation Hearing, subject to the conditions set forth in section 4.8 of the Alternative Plan.

No Competing Proposal shall be accepted unless:

(i) the proponent of the Competing Proposal provides a Cash bid in an amount that is not less than the Minimum Competing Proposal;

(ii) the proponent of the Competing Proposal shows to the reasonable satisfaction of the Alternative Plan Sponsors that there is a reasonable likelihood that the Competing Proposal will result in Confirmation and Consummation of this Plan, including, without limitation, proof of committed financing and satisfactory indications that all necessary regulatory approvals will be obtained within a reasonable time; and

(iii) the proponent of the Competing Proposal provides a Cash deposit in an amount that is not less than 5% of the Minimum Competing Proposal.

In the event that the Alternative Plan Sponsors accept an Competing Proposal and the Plan is confirmed, the Alternative Plan Sponsors shall be entitled to payment of the Break Up Fee on the Effective Date.

The Alternative Plan Sponsors shall have the right to outbid any Competing Proposal pursuant to any bid procedures set by the Bankruptcy Court.

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In the event that a Competing Proposal is accepted, the distributions of proceeds from the Competing Proposal shall be made in accordance with the priorities of the Bankruptcy Code.

8. Dissolution of the Creditors' Committee

The Creditors' Committee shall continue in existence until the Effective Date, shall continue to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code, and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. On the Effective Date, the Creditors' Committee shall be dissolved and its members shall be deemed released of all of their duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Alternative Plan and its implementation, and the retention or employment of the Creditors' Committee's attorneys, financial advisors, and other agents shall terminate except as provided in the Alternative Plan.

Notwithstanding the foregoing, after the passage of the Effective Date, the Creditors' Committee shall continue with respect to: (a) claims for compensation for the Creditors' Committee's Professionals; (b) any appeals of the Confirmation Order; and (c) any adversary proceedings or contested matters pending as of the Effective Date to which it is a party, including final resolution of any objections to Claims Filed by the Creditors' Committee. But the Debtors and Reorganized Debtors shall have no further obligation to fund, compensate, or reimburse the Creditors' Committee for any costs, fees, or expenses incurred after the Effective Date. The Creditors' Committee shall be entitled to compensation for all fees and expenses accruing after the Effective Date, if any, solely from the Unsecured Distribution Fund.

9. Funding

The Reorganized Debtors shall fund Cash distributions to be made under the Alternative Plan with the Exit Financing, Cash on hand, including Cash proceeds from current and future operations, existing assets, and any proceeds of litigation or settlements thereof. The Reorganized Debtors or the Alternative Plan Sponsors may seek any refinancing as shall be determined in the discretion of the Reorganized Debtors or the Alternative Plan Sponsors, or the sale or other disposition of additional stock or other securities, subject to the limitations contained in the Alternative Plan. Under no circumstances shall any financing, refinancing, or sale of securities, of any kind, obligate the Alternative Plan Sponsors or the Reorganized Debtors to accelerate any payment obligation set forth in the Alternative Plan, except as explicitly set forth in the Alternative Plan or the Alternative Plan Note.

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10. Other Restructuring Transactions

Upon the occurrence of the Effective Date, subject to the provisions and obligations set forth in the Alternative Plan, the Reorganized Debtors may enter into such other transactions and may take any such actions as the Reorganized Debtors may deem to be necessary or appropriate without the need to provide notice or to seek approval from the Bankruptcy Court. After Confirmation, but before the occurrence of the Effective Date, after seven (7) days notice to the Stipulating Parties and subject to (i) the Consent of the Secured Lenders and the Alternative Plan Sponsors, (ii) applicable law, and (iii) the provisions of the Alternative Plan, the Debtors may enter into further or additional restructuring transactions which may include, among other things,

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a change in the organizational form of any of the Debtors or Reorganized Debtors, the merger, disposition, liquidation, or dissolution of one or more of the Asset Debtors, or the filing of registration statements of any or all of the Reorganizing Debtors with the Securities and Exchange Commission and any appropriate state agency. Provided no objection from a Stipulating Party is received within seven (7) days after service, no further notice or Bankruptcy Court approval of any kind shall be necessary for any such transactions consistent with the Alternative Plan that shall become effective after the Effective Date.

11. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, except as otherwise provided in the Plan, the Reorganized Debtors shall retain and may (but are not required to) enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether belonging to the Reorganizing Debtors or the Non-reorganizing Debtors, and whether arising before or after the Petition Date, including, but not limited to, Avoidance Claims, claims and Causes of Action assigned to the Reorganized Debtors by the Non-reorganizing Debtors as provided in the Alternative Plan, and any claims and Causes of Action specifically listed in this Disclosure Statement. With respect to Avoidance Claims arising under section 547 of the Bankruptcy Code, only Casino and Kewadin made transfers to creditors within 90 days before the Petition Date, as set forth in detail in such Debtors' Statements of Financial Affairs at docket numbers 217 and 216, respectively, totaling $45,691,785.21 and $198,295.00, respectively. Debtors have not undertaken any other analysis of potential defenses to Avoidance Claims, including defenses arising under section 547 of the Bankruptcy Code. With respect to any potential Avoidance Claims under any other section of the Bankruptcy Code, Debtors have not undertaken any analysis of such potential claims or of any potential defenses to such claims.

Among other preserved Causes of Action, to the extent not released in the Alternative Plan, the Debtors reserve (i) all Causes of Action under section 547 of the Bankruptcy Code against any and all Persons that received any transfer of property from the Debtors within 90 days before the Petition Date, and any and all insiders that received any transfer of property from the Debtors within one year before the Petition Date. including, but not limited to, those Persons listed on the Debtors' Statements of Financial Affairs[4] as having received such transfers, and all subsequent transferees; (ii) all Causes of Action under section 549 of the Bankruptcy Code against any and all Persons that received unauthorized transfers of property of one or more of the Debtors' estates after the Petition Date, (iii) all Causes of Action under section 548 and/or 544 of the Bankruptcy Code and any applicable state law against any and all Persons that received property from the Debtors' estate for less than reasonably equivalent value within six years of the Petition Date and while the Debtors were insolvent, (iv) all Causes of Action of any nature whatsoever against current or former insiders that are not Released Parties and against former officers, directors, equity owners, agents and representatives that are not Released Parties, including any all Causes of Action relating to the operation or management of the Debtors, the receipt of dividends, distributions or other transfers from the Debtors, self-interested dealing with the Debtors and fiduciary obligations, (v) all Causes of Action relating to the construction of

[4] The Debtors' Schedules and Statements of Financial Affairs were previously filed with the Bankruptcy Court and can be found on the Debtors' website: http://www.kcclic.net/greektowncasino.

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Debtors' hotel and expanded casino, including all actions, demands or setoffs for cost overruns, delays, defects, insufficient service, over-billing, credits, bad faith dealing, and breaches of contractual obligations that the Debtors may have against all material suppliers, construction companies, architects, designers and service providers, including Jenkins/Skanska and the City of Detroit, and (vi) all Causes of Action arising before or after the Petition Date in the ordinary course against any and all Persons with which the Debtors have contractual, trade or account relations, including all Causes of Action relating to breaches of contract, collection of accounts receivable and other actions against the Debtors' clientele that may owe money or other obligations to the Debtors, breach of warranties or representations, supply of non-conforming or deficient goods or services, collection of lease or rental payments, overpayments, credits, setoffs, demands for turnover of property, and any other Causes of Action that the Debtors may have arising under applicable state or federal law against the Debtors' customers, trade suppliers and other business partners of any nature whatsoever. All such claims and Causes of Action, along with all rights, interests and defenses related thereto, shall vest with the applicable Reorganized Debtor. All Causes of Action of the Non-reorganizing Debtors shall be transferred to, and shall vest in, Reorganized Holdings.

In addition to the foregoing Causes of Action, and not by way of limitation, the Debtors specifically retain any Causes of Action arising from or relating to the $49.36 million (the "Bond Amount") in City of Detroit Economic Development Agency Series 1999 C taxable and tax exempt bonds (the "Bonds"). Pursuant to the Development Agreement, the Debtors caused National City to issue a letter of credit in favor of the Bonds' Indenture Trustee. Upon information and belief, National City and/or certain other parties to the Credit Agreement caused National City to send a notice that it would terminate the letter of credit, which caused the Bonds' Indenture Trustee to draw down the letter of credit. As a result, the Bonds Amount was included under the Prepetition Credit Agreement, which causes the Debtors an estimated additional $2.5 million per year in interest because interest rate on the Bond Amount rose from 2.6% under letter of credit interest rate to 7.6% under the Prepetition Credit Agreement.

Unless any Cause of Action against a Person is expressly waived, relinquished, exculpated, released, compromised, or settled in the Alternative Plan or a Final Order, the Reorganized Debtors specifically reserve all Causes of Action for later adjudication, including all Causes of Action belonging to the Non-reorganizing Debtors. The Alternative Plan is not intended to be a final judgment as to the Debtors' Causes of Action or to in any way preclude the Debtors from pursuing any Causes of Action before or after the Effective Date of the Alternative Plan. Therefore, no preclusion doctrine, estoppel (judicial, equitable, or otherwise) or laches shall apply to any of the Causes of Action upon, after or as a consequence of the Confirmation, the Effective Date, or Consummation of the Alternative Plan, and neither the Alternative Plan nor the order confirming the Alternative Plan shall have the effect of res judicata as to any Cause of Action belonging to any of the Debtors' estates.

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Whether or not any Cause of Action is pursued or abandoned, the Alternative Plan Sponsors and Reorganized Debtors reserve their rights to use any Cause of Action defensively, including for the purposes of asserting a setoff or recoupment, or to object to all or part of any claim pursuant to section 502(d) of the Bankruptcy Code or otherwise.

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G. Provisions Governing Distributions

1. Distribution on Claims Allowed as of the Effective Date

Except as otherwise provided for in the Plan or this Disclosure Statement, as agreed by the relevant parties, or ordered by the Bankruptcy Court, distributions on account of Claims Allowed on or before the Effective Date under the Alternative Plan shall be made on the Distribution Date; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors before the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice.

2. No Interest on Disputed Claims

Unless otherwise specifically provided for in the Alternative Plan or as otherwise required by section 506(b) of the Bankruptcy Code, interest shall not accrue or be paid on any Disputed Claim for the period from the Effective Date to the date a final distribution is made when and if such Disputed Claim becomes an Allowed Claim.

3. Disbursing Agent

The Disbursing Agent shall make all distributions required under the Alternative Plan. The Debtors and the Reorganized Debtors, as applicable, have the authority, in their sole discretion, to enter into agreements with one or more Disbursing Agents to carry out the distributions required under the Plan or to not engage a Disbursing Agent. As a condition to serving as a Disbursing Agent, a Disbursing Agent must: (a) affirm its obligation to promptly distribute any documents; (b) affirm its obligation to promptly distribute any recoveries or distributions required under the Alternative Plan; and (c) waive any right or ability to setoff, deduct from, or assert any Lien or encumbrance against, the distributions required under the Alternative Plan. The Reorganized Debtors will reimburse any Disbursing Agent for reasonable and necessary services performed by it (including reasonable attorneys' fees and documented out-of-pocket expenses) in connection with the making of distributions under the Plan to Holders of Allowed Claims or Allowed Interests, without the need for the filing of an application with, or approval by, the Bankruptcy Court. The Disbursing Agent must submit detailed invoices to the Alternative Plan Sponsors or the Reorganized Debtors, as applicable, for all fees and expenses for which the Disbursing Agent seeks reimbursement and the Debtors or the Reorganized Debtors, as applicable, will pay those amounts that they, in their sole discretion, deem reasonable, and will object in writing to those fees and expenses, if any, that the Debtors or the Reorganized Debtors, as applicable, deem to be unreasonable. To the extent there are any disputes that the reviewing parties are unable to resolve with the Disbursing Agent, the reviewing parties will report to the Bankruptcy Court as to whether there are any unresolved disputes regarding the reasonableness of the Disbursing Agent's (and their attorneys') fees and expenses. Any such unresolved disputes may be submitted to the Bankruptcy Court for resolution.

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4. Surrender of Securities or Instruments

On or before the Distribution Date, or as soon as practical after the Distribution Date, each Holder of an Instrument evidencing a Claim or an Interest must surrender the Instrument to the Disbursing Agent, and the Instrument will be cancelled (automatically on the Effective Date and without regard to surrender) solely with respect to the Debtors and such cancellation shall not alter the obligations or rights of any non-Debtor third parties vis-a-vis one another to such Instruments; provided, however, that this paragraph does not apply to any Claims Reinstated under the terms of the Alternative Plan. In the event an Instrument has been lost, stolen, destroyed, or is otherwise unavailable, the Holder of a Claim shall, in lieu of surrendering the Instrument, execute an affidavit of loss setting forth the unavailability of the Instrument and provide indemnity reasonably satisfactory to the Disbursing Agent to hold the Disbursing Agent harmless from any liabilities, damages, and costs incurred in treating the Holder as a Holder of an Allowed Claim or Allowed Interest. The acceptance of the affidavit of loss and indemnity by the Disbursing Agent shall be deemed, for all purposes pursuant to the Alternative Plan, to be a surrender of the Instrument. No distribution of property under the Alternative Plan shall be made to or on behalf of any such Holder unless and until such Instrument is received by the Disbursing Agent or the unavailability of such Instrument is reasonably established to the satisfaction of the Disbursing Agent. Any Holder who fails to surrender or cause to be surrendered such Instrument, or fails to execute and deliver an affidavit of loss and indemnity reasonably satisfactory to the Disbursing Agent before the first anniversary of the Effective Date, shall be deemed to have forfeited all rights and Claims in respect of such Instrument and shall not participate in any distribution under the Alternative Plan, and all property in respect of such forfeited distribution, including any dividends or interest attributable thereto, shall revert to the Reorganized Debtors notwithstanding any federal or state escheat laws to the contrary.

5. Delivery of Distributions in General

Except as otherwise provided in the Alternative Plan, and notwithstanding any authority to the Reorganized Debtors or to the contrary, distributions to Holders of Allowed Claims and Allowed Interests shall be made by the Disbursing Agent (a) at the addresses set forth on the Proofs of Claim Filed by such Holders of Claims or Interests (or at the last known addresses of such Holders of Claims or Interests if no Proof of Claim is Filed or if the Debtors and the Alternative Plan Sponsors have been notified in writing of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent and the Claims Agent after the date of any related Proof of Claim, (c) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Disbursing Agent and Claims Agent have not received a written notice of a change of address, or (d) on any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Except as set forth in the Alternative Plan, distributions under the Alternative Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Alternative Plan. The Debtors, the Reorganized Debtors, and the Disbursing Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

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6. Compliance with Tax Requirements and Allocations

In connection with the Alternative Plan, to the extent applicable, the Reorganized Debtors and the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Alternative Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Alternative Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Alternative Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right, in their sole discretion, to allocate all distributions made under the Alternative Plan in compliance with all applicable wage garnishments, alimony, child support, other spousal awards, Liens, and encumbrances.

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7. Distributions for Tax Purposes

For tax purposes, distributions in full or partial satisfaction of Allowed Claims shall be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims.

8. Undeliverable Distributions

If any distribution to a Holder of a Claim or Interest is returned as undeliverable, no further distributions to such Holder of such Claim or Interest shall be made unless and until the Disbursing Agent is notified of the then-current address of such Holder of the Claim or Interest, at which time all missed distributions shall be made to such Holder of the Claim or Interest without interest. Amounts in respect of undeliverable distributions shall be returned to the Reorganized Debtors until such distributions are claimed. No later than ninety (90) days after the first Distribution Date, the Reorganized Debtors shall File with the Bankruptcy Court a list of the Holders of undeliverable distributions. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtors for as long as the Debtors' Chapter 11 Cases stay open. Nothing contained in this Disclosure Statement or the Alternative Plan shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim or Allowed Interest. All claims for undeliverable distributions must be made on or before the later to occur of (i) the first anniversary of the Effective Date or (ii) six months after such Holder's Claim or Interest becomes an Allowed Claim or Allowed Interest, after which date all such Allowed Claims or Allowed Interests shall be deemed unclaimed property under section 317(b) of the Bankruptcy Code and shall revert to the Reorganized Debtors free of any restrictions, and the Claim of any Holder or successor to such Holder with respect to such property shall be discharged and forever barred, notwithstanding federal or state escheat laws to the contrary.

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9. Distributions with Respect to Disputed Claims

a. Payments and Distributions on Disputed Claims

Except as otherwise provided in the Alternative Plan, ordered by the Bankruptcy Court, or as agreed to by the relevant parties, distributions under the Alternative Plan on account of Disputed Claims that become Allowed after the Effective Date shall be made on a Distribution Date or the first Periodic Distribution Date that is at least thirty (30) days after the Disputed Claim becomes an Allowed Claim or Allowed Interest; provided, however, that disputed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice.

b. No Distributions Pending Allowance

Notwithstanding any provision otherwise in the Alternative Plan and except as otherwise agreed by the relevant parties: (a) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order; and (b) any Person that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order and the Claims have been Allowed. All distributions made pursuant to the Alternative Plan on account of an Allowed Claim or Allowed Interests shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim or Allowed Interest had been an Allowed Claim or Allowed Interest on the dates distributions were previously made to Holders of Allowed Claims or Allowed Interests included in the applicable Class.

c. Distribution Reserve

On the Effective Date, the Reorganized Debtors shall establish one or more Distribution Reserves for the purpose of reserving for distributions to Holders of Disputed Claims or Disputed Interests pending the allowance or disallowance of such Claims or Interests in accordance with the Alternative Plan.

d. Estimation of Claims for Distribution Reserve

The number of units of New Common Stock or amount of Cash withheld as a part of each Distribution Reserve for the benefit of a Holder of a Disputed Claim shall be equal to the lesser of the following: (a) (i) if no estimation is made by the Bankruptcy Court pursuant to section 502(c) of the Bankruptcy Court hereof, the number of units of New Common Stock or amount of Cash necessary to satisfy the distributions required to be made pursuant to the Alternative Plan based on the asserted amount of the Disputed Claim or, if the Claim is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code as of the Distribution Record Date, the amount that the Reorganized Debtors elect in their sole discretion to withhold on account of such Claim in the Distribution Reserve; or (ii) the number of units of

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New Common Stock or amount of Cash necessary to satisfy the distributions required to be made pursuant to the Plan for such Disputed Claim based on an amount as estimated by and set forth in a Final Order for purposes of allowance and distributions; and (b) the number of units of New Common Stock or Cash necessary to satisfy the distributions required to be made pursuant to the Plan based on an amount as may be agreed upon by the Holder of such Disputed Claim and the Reorganized Debtors. As Disputed Claims are Allowed, the Disbursing Agent or Reorganized Debtors shall distribute, in accordance with the terms of the Alternative Plan, the appropriate New Common Stock or Cash, as applicable, to Holders of Allowed Claims or Allowed Interests, and the appropriate Distribution Reserve shall be adjusted accordingly.

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e. No Recourse to Debtors or Reorganized Debtors

Any Disputed Claim or Disputed Interest that ultimately becomes an Allowed Claim or Allowed Interest, as the case may be, shall be entitled to receive its applicable distribution under the Plan solely from the Distribution Reserve established on account of such Disputed Claim or Disputed Interest. In no event shall any Holder of a Disputed Claim or Disputed Interest have any recourse with respect to distributions made, or to be made, under the Alternative Plan to Holders of such Claims or Interests to any Debtor or Reorganized Debtor on account of such Disputed Claim or Disputed Interest, regardless of whether such Disputed Claim or Disputed Interest shall ultimately become an Allowed Claim or Allowed Interest, as the case may be, or regardless of whether sufficient Cash, New Common Stock, or other property remains available for distribution in the applicable Distribution Reserve established on account of such Disputed Claim or Disputed Interest at the time such Claim or Interest becomes entitled to receive a distribution under the Plan.

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f. Tax Reporting Matters

Subject to definitive guidance from the Internal Revenue Service or an applicable court to the contrary (including the receipt by the Reorganized Debtors of a private letter ruling or the receipt of an adverse determination by the Internal Revenue Service upon audit, if not contested by the Reorganized Debtors), the Reorganized Debtors shall treat each Distribution Reserve as a single trust, consisting of separate and independent assets to be established with respect to each Disputed Claim, in accordance with the trust provisions of the IRC, and, to the extent permitted by law, shall report consistently with the foregoing for federal, state, and local tax purposes. All Holders of Claims shall report, for federal, state, and local tax purposes, consistently with the foregoing.

10. De Minimis Distributions

Neither the Disbursing Agent, the Reorganized Debtor, nor any Debtor shall have any obligation to make a distribution on account of an Allowed Claim or Allowed Interest from any Distribution Reserve or otherwise if (i) the aggregate amount of all distributions authorized to be made from such Distribution Reserve or otherwise on the Distribution Date in question is or has a value less than $10,000; provided that the Debtors shall make a distribution on a Distribution Date of less than $10,000 if the Debtors expect that such Distribution Date shall be the final Distribution Date or (ii) the amount to be distributed to the specific Holder of the Allowed Claim

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or Allowed Interest on the particular Distribution Date does not both (x) constitute a final distribution to such Holder and (y) has a value less than $100.

11. Fractional Payments

Notwithstanding any other provision to the contrary in the Alternative, payments of fractions of dollars or units shall not be required. Payment of fractions of dollars or units that would otherwise be distributed under the Alternative Plan shall be rounded to the nearest whole number of units or dollars, as applicable, in accordance with the following method: (a) fractions of greater than one-half (1/2) shall be rounded to the next higher whole number of dollars or units; and (b) fractions of one-half (1/2) or less shall be rounded to the next lower whole number of dollars or units.

12. Failure to Negotiate Checks

Checks issued by a Disbursing Agent or Reorganized Debtors on account of Allowed Claims shall be null and void if not negotiated within 120 days after the issuance of such check. In an effort to ensure that all Holders of Allowed Claims receive their allocated distributions, no later than 120 days after the issuance of such checks, the Reorganized Debtors shall File with the Bankruptcy Court a list of the Holders of any un-negotiated checks. This list shall be maintained and updated periodically in the sole discretion of the Reorganized Debtors for as long as the Debtors' Chapter 11 Cases stay open. Requests for reissuance of any check shall be made directly to the Disbursing Agent or Reorganized Debtors by the Holder of the relevant Allowed Claim with respect to which such check originally was issued. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such gym-negotiated check within 180 days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check discharged and expunged and be discharged and forever barred, estopped, and enjoined from asserting any such Claim against the Reorganized Debtors or their property. In such cases, any Cash held for payment on account of such Claims shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and become property of the Reorganized Debtors, free of any Claims of such Holder with respect thereto. Nothing in this Disclosure Statement or in the Alternative Plan requires the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

13. Manner of Payment Under the Alternative Plan

Any payment in Cash to be made pursuant to the Alternative Plan shall be made at the election of the Reorganized Debtors, any Debtor, or the Disbursing Agent, as applicable, by check or by wire transfer.

H. Settlement, Release, Injunction, and Related Provisions

1. Claim Discharge and Interest Termination

Pursuant to section 1141(d) of the Bankruptcy Code, except as otherwise specifically provided in the Plan or in the Confirmation Order, the distributions and rights that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims and causes of action, whether known or unknown, against, liabilities of, Liens

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on, obligations of, rights against, and Interests in the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims, rights, and Interests, including, but not limited to, Claims and Interests that arose before the Effective Date, any liability (including withdrawal liability) to the extent such Claims relate to services performed by employees of the Debtors before the Petition Date and that arise from a termination of employment or a termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date, all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not (a) a Proof of Claim based upon such Claim, debt, right, or Interest is Filed or deemed Filed under section 501 of the Bankruptcy Code, (b) a Claim or Interest based upon such Claim, debt, right, or Interest is Allowed under section 502 of the Bankruptcy Code, or (c) the Holder of such a Claim, right, or Interest accepted the Plan, The Confirmation Order shall be a judicial determination of the discharge of all Claims against and Interests in the Debtors, subject to the occurrence of the Effective Date.

2. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and confirm the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principals of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtor reserves the right to reclassify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

3. Releases

a. Release by the Debtors

Pursuant to section 1123(b)(3) of the Bankruptcy Code, effective as of the Effective Date, each Debtor, in its individual capacity and as a debtor in possession for and on behalf of its Estate, automatically and without further notice, consent or order be deemed to have, and shall have, conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged all Released Parties (subject only to the limitations of this section) for and from any and all Claims or Causes of Action existing from the beginning of time through the Effective Date in any manner arising from, based on, or relating to, in whole or in part, the Exculpated Claims, the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Alternative Plan, the business or contractual arrangements between any Debtors and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, or any act, omission, occurrence, or event in any manner relating to any such Claims, Interests, restructuring, a Restructuring Transaction or the Chapter 11 Cases, provided, however, all such Claims and Causes of Action against the Released Parties, except the Lenders, shall be retained by the Debtors and Reorganized Debtors solely for defensive purposes to defend against Claims asserted by the Released Parties against the Debtors or Reorganized Debtors (but such retained Claims and Causes of Action shall not be assignable except as assigned pursuant to this Plan). Notwithstanding anything to the contrary in section 7.3 of the

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Alternative Plan, the releases provided herein are applicable to Trade Creditors only with respect to Avoidance Claims and do not effect a release of any other Claims, Causes of Action, or any other liabilities or obligations owed by the Trade Creditors to the Debtors or Reorganized Debtors and only if the Trade Creditors that are, at all times, in compliance with the Trade Claim Election. The Reorganized Debtors and any newly formed entities that will be continuing the Debtors' business after the Effective Date shall be bound, to the same extent the Debtors are bound, by the releases and discharges set forth in the Alternative Plan.

b. Release by Claim and Interest Holders

Except as otherwise specifically provided in the Alternative Plan on or after the Effective Date, Holders of Claims and Interests (a) voting to accept this Plan or (b) abstaining from voting on this Plan and electing not to opt out of the release contained in this section 7.4 (which by definition, does not include Holders of Claims and Interests that are not entitled to vote in favor of or against the Alternative Plan), shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the Debtors, the Reorganized Debtors, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of any Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Person would have been entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, a Restructuring Transaction, the Debtors' Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Alternative Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Alternative Plan and this Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of the Debtors, the Reorganized Debtors, or a Released Party that constitutes failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Debtors, the Reorganized Debtors, or the Released Parties reasonably believe to be in the best interest of the Debtors (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence; provided, however, that section 7.4 of the Alternative Plan shall not release any Released Party from any Cause of Action held by a Governmental Unit existing as of the Effective Date based on (i) the IRC or other domestic state, city, or municipal tax code; (ii) the environmental laws of the United States or any domestic state, city or municipality; (iii) any criminal laws of the United States or any domestic state, city or municipality; (iv) the Exchange Act, the Securities Act, or other securities laws of the United States or any domestic state, city or municipality; (v) the ERISA; or (vi) the Michigan Gaming Control and Revenue Act, MCL 432.201, *et seq.*, as amended, or the regulations promulgated thereunder.

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4. Exculpation

Except as otherwise provided in the Alternative Plan, each Released Party is hereby released and exculpated from any Claim, obligation, cause of action, or liability for any Exculpated Claim, except for gross negligence or willful misconduct, but in all respects such Released Parties shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Alternative Plan. The Debtors and the Reorganized Debtors (and each of their respective Affiliates, agents, directors, members, managers, partners, officers, employees, advisors, and attorneys) have, and on the Confirmation Date shall be deemed to have, participated in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions made pursuant to the Alternative Plan, and therefore are not, and on account of such distributions, shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Alternative Plan or such distributions made pursuant to the Alternative Plan.

5. Injunction

Except as provided in the Alternative Plan or the Confirmation Order, as of the Confirmation Date, all Persons that have held, currently hold, or may hold Claims or Interests that have been discharged or terminated pursuant to the terms of the Alternative Plan, including, without limitation, this Article VII, are permanently enjoined from taking any of the following actions against any of the Debtors, the Reorganized Debtors, or their property on account of any such discharged Claims, debts, liabilities, or terminated Interests or rights: (i) commencing or continuing, in any manner or in any place, any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order; (iii) creating, perfecting, or enforcing any Lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability, or obligation due to the Debtors; and (v) commencing or continuing any action in any manner, in any place that does not comply, or is consistent, with the provisions of the Alternative Plan.

6. Protections Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the United States Constitution, all Persons, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or other Person with whom the Reorganized Debtors have been associated, solely because one or more of the Debtors has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

7. Setoffs

Except as otherwise expressly provided for in the Alternative Plan, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable to non-bankruptcy law, or as may be agreed by the Holder of a Claim, may setoff

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against any Allowed Claim and the distributions to be made pursuant to the Alternative Plan on account of such Allowed Claim (before any distribution is made on account such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such Debtors or Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or before the Effective Date (whether pursuant to the Alternative Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Alternative Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such Holder. In no event shall any Holder of Claims be entitled to setoff any Claim against any Claim, right, or Cause of Action of the Debtors or Reorganized Debtor, as applicable, unless such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

8. Recoupment

In no event shall any Holder of a Claim or Interest be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

9. Lien Release

Except as otherwise provided in the Alternative Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Alternative Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Articles III and VIII of the Alternative Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns.

10. Document Retention

On and after the Effective Date, the Reorganized Debtors may maintain documents in accordance with their current document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized Debtors.

11. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of a Person pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 5020) of the Bankruptcy Code, unless before the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant

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Holder of a Claim has Filed anon-contingent Proof of Claim on account of such Claim and a Final Order has been entered before the Confirmation Date determining such Claim as no longer contingent.

12. Exclusions and Limitations on Exculpation and Releases

Notwithstanding anything in the Plan to the contrary, no provision of the Plan or the Confirmation Order, including, without limitation, any exculpation or release provision, shall modify, release, or otherwise limit the liability of any Person not specifically released under the Plan, including, without limitation, any Person who is a co-obligor or joint tortfeasor of a Released Party or who is otherwise liable under theories of vicarious or other derivative liability.

I. Allowance and Payment of Certain Administrative Claims

1. Professional Claims

a. Final Fee Applications

All final requests for payment of Professional Claims and requests for reimbursement of expenses of Creditors' Committee members must be Filed no later than forty-five (45) days after the Effective Date. After notice and a hearing under the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of the Professional Claims and expenses shall be determined by the Bankruptcy Court.

b. Payment of Interim Amounts

Subject to the Professional Fee Order, on the Effective Date, the Alternative Plan Sponsors or Reorganized Debtors shall pay all outstanding amounts owing to Professionals and members of the Creditors' Committee for then outstanding amounts payable.

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c. Holdback Amount

On the Effective Date, the Debtors or the Reorganized Debtors shall fund an account with sufficient Cash to pay all Professionals for services rendered and costs incurred through the Effective Date, along with all applicable US Trustee fees. Within ten (10) days of entry of an order allowing final requests for Professional Claims, the amounts funded above, along with the remaining amount of the Professional Claims owing to the Professionals, shall be paid to such Professionals.

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Any Person who requests compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and/or (5) of the Bankruptcy Code shad File an application with the clerk of the Bankruptcy Court on or before the Administrative Claims bar Date or be forever barred from seeking such compensation or expense reimbursement. The Bankruptcy Court shall determine any timely Filed request for compensation or expense reimbursement made under section 2.5 of the Plan, and the Reorganized Debtors shall pay any Allowed amount within thirty (3.0) days of entry of a Final Order approving such payment.¶

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d. Post-Effective Date Retention

On the Effective Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date or to make any disclosures pursuant to Bankruptcy Rules 2014 and 2016 shall terminate, and the Reorganized Debtors shall employ and pay Professionals in the ordinary course of business.

2. Other Administrative Claims

All other requests for payment of an Administrative Claim (other than as set forth in section 2.4 or 2.5 of the Plan) must be Filed with the Bankruptcy Court on or before the Administrative Claims Bar Date. Any Administrative Claim that (i) was required to be Filed before the Bar Date pursuant to the Bar Date Order, and (ii) was not so filed, shall be a Disallowed Claim. Any request for payment of an Administrative Claim pursuant to section 2.6 of the Plan that is not Filed before the Administrative Claims Bar Date shall be automatically deemed a Disallowed Claim without the need for any objection. The Alternative Plan Sponsors or the Reorganized Debtors may settle an Administrative Claim without further Bankruptcy Court approval (with the Consent of the Secured Lenders). Unless an objection to an Administrative Claim is Filed within sixty (60) days of the Administrative Claims Bar Date (unless such objection period is extended by the Bankruptcy Court), such Administrative Claim shall be deemed Allowed in the amount requested. In the event that an objection to an Administrative Claim is filed, the Bankruptcy Court shall determine the Allowed Amount of such Administrative Claim. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim that is paid or payable in the ordinary course of business.

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J. Confirmation and Consummation of the Plan

1. Conditions Precedent to Confirmation

The following are conditions precedent to Confirmation of the Alternative Plan, each of which may be satisfied or waived in accordance with section 6.3 of the Alternative Plan:

(a) The Confirmation Order is reasonably acceptable in form and substance to the Plan Proponents.

(b) All Exhibits to the Alternative Plan are in form and substance reasonably acceptable to the Plan Proponents.

(c) The Plan Proponents shall have secured Exit Financing on terms and conditions that are acceptable to the Plan Proponents.

2. Conditions Precedent to the Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which may be satisfied or waived in accordance with section 6.3 of the Alternative Plan:

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(a) The Bankruptcy Court shall have approved by Final Order a Disclosure Statement with respect to the Plan in form and substance acceptable to each of the Plan Proponents.

(b) The Bankruptcy Court shall have entered one or more orders, which may include the Confirmation Order, authorizing the assumption and rejection of unexpired leases and executory contracts by the Debtors as contemplated by the Plan.

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(c) The Confirmation Order, in form and substance acceptable to the Plan Proponents, shall have been entered by the Bankruptcy Court and shall be a Final Order, the Confirmation Date shall have occurred, and no request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending.

(d) The Plan Supplement and each Exhibit, document, or agreement to be executed in connection with the Plan shall be in form and substance reasonably acceptable to the Plan Proponents.

(e) All authorizations, consents, and regulatory approvals required for the Plan's effectiveness shall have been obtained including, without limitation, any required MGCB regulatory approvals, and consents.

(f) The Tax Rollback shall have become effective.

(g) Reorganized Holdings' ownership structure and Casino's capitalization and management shall have been approved by the MGCB.

(h) Pursuant to Section 8.2 of the Development Agreement, Reorganized Holdings' ownership structure shall have been approved by the City of Detroit in accordance with the Development Agreement and Detroit, Mich., Code, Chapter 18, Article XIII, Section 18-13-10.

3. Waiver of Conditions Precedent

The Alternative Plan Sponsors may waive any of the conditions to Confirmation of the Alternative Plan or the Effective Date (other than those set forth in sections 6.2.5 and 6.2.7 of the Alternative Plan and subparagraphs 1(e) and 1(g) above) and without further notice to or action, order, or approval of the Bankruptcy Court or any other Person, and without any formal action other than proceeding to Consummate the Plan. A failure to satisfy or waive any condition to Consummation of the Alternative Plan or the Effective Date may be asserted as a failure of Consummation of the Alternative Plan or the Effective Date regardless of the circumstances giving rise to such failure (including any action or inaction by the Person asserting such failure). The failure of the Alternative Plan Sponsors, as applicable, to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

4. Effect of Nonoccurrence of Conditions to Plan Consummation

Each of the conditions to the Effective Date must be satisfied or waived pursuant to section 6.1 or 6.2 of the Plan, and the Effective Date must occur within 180 days of when the Confirmation Order becomes a Final Order, or by such later date established by any other Final Order. If the Effective Date has not occurred within 180 days of when the Confirmation Order becomes a Final Order, then upon motion by one or more of the Alternative Plan Sponsors made before the Effective Date and a hearing, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the Filing of such motion to vacate, the Confirmation Order may not be vacated if the Effective Date occurs before the Bankruptcy

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Court enters a Final Order granting such motion. If the Confirmation Order is vacated pursuant to this section 6.3 of the Plan or otherwise, then except as provided in any Final Order vacating the Confirmation Order, the Plan will be null and void in all respects, including the discharge of Claims and termination of Interests pursuant to the Plan and section 1141 of the Bankruptcy Code and the assumptions, assignments, and rejections of executory contracts or unexpired leases pursuant to Article XIII of the Plan and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims, Interests, Causes of Action, or Retained Actions; (2) prejudice in any manner the rights of any Debtor or any other Person; or (3) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Person.

5. Satisfaction of Conditions Precedent to Confirmation

On entry of a Confirmation Order acceptable to the Alternative Plan Sponsors each of the conditions precedent to Confirmation, as set forth in Article VI of the Alternative Plan, shall be deemed to have been satisfied or waived in accordance with the Alternative Plan.

K. Alternative Plan Modification, Revocation, or Withdrawal

1. Alternative Plan Modification and Amendment

Except as otherwise provided in the Alternative Plan, the Alternative Plan Sponsors may, from time to time, propose amendments or modifications to the Alternative Plan before the Confirmation Date, without leave of the Bankruptcy Court. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modification set forth in the Alternative Plan, the Alternative Plan Sponsors expressly reserve their right to revoke or withdraw, or to alter, amend or modify materially the Alternative Plan with respect to one or more Debtors, one or more times, after the Confirmation Date. After the Confirmation Date, the Reorganized Debtor may, with leave of the Bankruptcy Court, and upon notice and opportunity for hearing to the affected Creditor(s) and the Notice Parties only, remedy any defect or omission, reconcile any inconsistencies in the Alternative Plan or in the Confirmation Order, or otherwise modify the Alternative Plan.

2. Effect of Confirmation on Alternative Plan Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Alternative Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

3. Alternative Plan Revocation or Withdrawal

The Alternative Plan Sponsors reserve the right to revoke or withdraw the Alternative Plan before the Confirmation Date and to File subsequent chapter 11 plans. If the Alternative Plan Sponsors revoke or withdraw the Alternative Plan, or if Confirmation or Consummation does not occur, then: (1) the Alternative Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Alternative Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption,

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assignment, or rejection of executory contracts or unexpired leases effected by the Alternative Plan, and any document or agreement executed pursuant to the Alternative Plan, shall be deemed null and void; and (3) nothing contained in the Alternative Plan shall: (i) constitute a waiver or release of any Claims, Interests, or Causes of Action; (ii) prejudice in any manner the right of such Alternative Plan Sponsors or any other Person; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Alternative Plan Sponsors or any other Person. In the event that one or more, but less than all, of the Alternative Plan Sponsors seeks to revoke or withdraw the Alternative Plan, nothing in the Alternative Plan prevents any Alternative Plan Sponsors from continuing to seek Confirmation of the Alternative Plan or from Filing and seeking Confirmation of any alternative or competing Plan.

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L. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, and subject to the MGCB retaining exclusive jurisdiction to determine all regulatory matters arising under the Michigan Gaming Act, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including without limitation, jurisdiction to:

- Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;

- Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

- Resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including Cure or Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any executory contract or unexpired lease that is assumed; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article XI, any executory contracts or unexpired leases to the list of executory contracts and unexpired leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

- Ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

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- Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

- Adjudicate, decide, or resolve any and all matters related to any Causes of Action;

- Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

- Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Alternative Plan and Confirmation Order and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

- Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

- Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Person's obligations incurred in connection with the Alternative Plan;

- Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Person with Consummation or enforcement of the Alternative Plan;

- Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VII, and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

- Resolve any and all cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by a Holder of a Claim for amounts not timely repaid;

- Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

- Adjudicate any and all disputes arising from or relating to payments or distributions under the Alternative Plan;

- Consider any and all modifications of the Alternative Plan, to cure any defect or omission, or to reconcile any inconsistency in any Final Order, including the Confirmation Order;

- Hear and determine requests for the payment or distribution on account of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

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- Hear and determine any and all disputes arising in connection with the interpretation, implementation, or enforcement of the Alternative Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Alternative Plan;

- Hear and determine any and all disputes arising under sections 525 or 543 of the Bankruptcy Code;

- Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code with any tax incurred or alleged to be incurred by any Debtor or Reorganized Debtor as a result of Consummation of the Plan being considered to be incurred or alleged to be incurred during administration of these Chapter 11 Cases for purposes of section 505(b) of the Bankruptcy Code, with the exception of Casino or Reorganized Casino's request for the tax rollback pursuant to MCLA 432.212;

- Hear and determine any and all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

- Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

- Enforce any orders previously entered by the Bankruptcy Court;

- Hear any and all other matter not inconsistent with the Bankruptcy Code; and

- Enter an order or Final Decree concluding or closing the Chapter 11 Cases.

M. Miscellaneous Provisions

1. Immediate Binding Effect

Subject to Article VI of the Alternative Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Alternative Plan shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether any such Holders of Claims or Interests did not vote to accept or reject the Alternative Plan, voted to accept or reject the Alternative Plan, or is deemed to accept or reject the Alternative Plan), all Persons that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Alternative Plan and this Disclosure Statement, each Person acquiring property under the Alternative Plan, and any and all non-Debtor parties to executory contracts and unexpired leases with the Debtors.

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2. Additional Documents

On or before the Effective Date, the Alternative Plan Sponsors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Alternative Plan. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims or Interests receiving distributions pursuant to the Alternative Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Alternative Plan.

3. Statutory Fee Payment

The Reorganized Debtors shall pay to the United States Trustee the appropriate sum required pursuant to 28 U.S.C. § 1930(a)(6) and shall provide the United States Trustee with an appropriate affidavit indicating the Cash disbursements for the relevant period until such time as the Chapter 11 Cases are administratively closed.

4. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan or this Disclosure Statement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests before the Effective Date.

5. Successors and Assigns

The rights, benefits, and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiary, or guardian, if any, of such Person.

6. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Alternative Plan to be .served or delivered to the Plan Proponents, the Debtors or the Reorganized Debtors must be sent by overnight mail, postage prepaid to:

To the Debtors

555 E. Lafayette
Detroit, MI 48226
Attn: Chief Executive Officer

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with a copy to:

Schafer and Weiner, PLLC
40950 Woodward Ave., Ste. 100
Bloomfield Hills, MI 48304
Attn: Daniel Weiner, Esq.
Michael E. Baum, Esq.

To the Plan Proponents

[_____]

with a copy to:
Foley & Lardner LLP
500 Woodward Ave., Ste. 2700
Detroit, Michigan 48226
Attn: Salvatore A. Barbatano, Esq.
Thomas B. Spillane, Esq.

To the Reorganized Debtors

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After the Effective Date, the Reorganized Debtors have authority to send a notice to Persons that continue to receive documents pursuant to Bankruptcy Rule 2002, that each such Person must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized Debtors are authorized to limit the list of Persons receiving documents pursuant to Bankruptcy Rule 2002 to those Persons who have Filed such renewed requests.

7. Term of Injunctions or Stays

Unless otherwise provided in the Alternative Plan or Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases under Bankruptcy Code sections 105 or 362 or any Bankruptcy Court order, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or Confirmation Order), will remain in full force and effect until the Effective Date. All injunctions or stays in the Alternative Plan or Confirmation Order will remain in full force and effect in accordance with their terms.

8. Termination of Liens and Encumbrances

Any of the Debtors, the Reorganized Debtor, and all parties in interest, including without limitation any Creditor, shall be required to execute any document reasonably requested by the other to memorialize and effectuate the terms and conditions of the Alternative Plan. This shall include without limitation any execution by any of the Debtors or the Reorganized Debtors of Uniform Commercial Code financing statements and the execution by creditors of any Uniform Commercial Code termination and mortgage releases and termination. The Reorganized Debtor

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is expressly authorized to file any termination statement to release a Lien which is either discharged or satisfied as a result of the Alternative Plan or any payments made in accordance with the Alternative Plan.

9. Limitations on Operations

When the Debtors or the Reorganized Debtor have made all payments and distributions required under the Alternative Plan, all restrictions, negative covenants, and other limitations on the Debtors' operations provided in the Alternative Plan or in the Confirmation Order shall terminate.

10. Causes of Action; Standing

Except as otherwise provided in the Alternative Plan, the Reorganized Debtor shall have the right to commence, continue, amend or compromise all Causes of Action available to any Debtor, the Estate or the debtor in possession, including without limitation all Avoidance Claims whether or not those Causes of Action or Avoidance Claims were the subject of a suit as of the Confirmation Date.

11. Entire Agreement

Except as otherwise indicated, the Alternative Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Alternative Plan.

12. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) unless otherwise specifically stated, the laws of the State of Michigan, including any regulatory rules and laws of the MGCB, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Alternative Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Alternative Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control).

13. Alternative Plan Provisions Nonseverable

If, before Confirmation, any term or provision of the Alternative Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Alternative Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Alternative Plan, as it may have been altered or interpreted in accordance with

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<#>Sale of Assets¶
The Debtors shall be authorized from the Confirmation Date until the Effective Date to sell any assets pursuant to section 363 of the Bankruptcy Code. Such assets shall be sold free and clear of all Liens and encumbrances or interests. If the sale price of such asset is less than $100,000 the Debtors shall be allowed to sell such asset without further notice to any party except any party that asserts a Lien against such asset. If the sale price is greater than, $100,000, the Debtors shall provide notice to (i) any party who asserts a Lien against the asset being sold; and (ii) the Stipulating Parties. If the Debtor receives a written objection, within seven (7) days, the sale shall only proceed with a motion Filed by the Debtor with notice to the objecting party. If no objections are received, the sale may be consummated by the Debtor.¶
To the extent of any asset sale by the Reorganized Debtors within the earlier of (a) one year after the Effective Date or (b) the administrative closing of the Chapter 11 Cases, the Reorganized Debtors may elect to sell such assets under section 363 of the Bankruptcy Code, and, if elected, such sale shall have be deemed to be a sale under the Plan for purposes of applying section 1146 of the Bankruptcy Code.

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the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Alternative Plan and may not be deleted or modified without the Debtors' consent; and (3) nonseverable and mutually dependent.

14. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of any of the Chapter 11 Cases, File with the Bankruptcy Court, all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close their Chapter 11 Cases.

15. Waiver or Estoppel

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured, or not subordinated by virtue of an agreement made with the Debtors, the Stipulating Parties, or their counsel, or any other Person, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court before the Confirmation Date.

16. Conflicts and Plan Interpretation

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, or any other Bankruptcy Court order (other than the Confirmation Order) referenced in the Plan (or any Exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control.

V. STATUTORY REQUIREMENTS FOR PLAN CONFIRMATION

The following is a brief summary of the Plan Confirmation process. Claim and Interest Holders are encouraged to review the Bankruptcy Code's relevant provisions and to consult their own attorneys.

A. The Confirmation Hearing

Bankruptcy Code section 1128(a) requires the Bankruptcy Court, after notice, to hold a hearing on Plan Confirmation. Under Bankruptcy Code section 1128(b), any party in interest may object to Plan Confirmation.

The Confirmation Hearing will commence on [_____], 2009 at [_____] P.M. (prevailing Eastern time), before the Honorable Walter Shapero, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Eastern District of Michigan, Southern Division, located at The Theodore Levin Courthouse, 211 West Lafayette Blvd., 10th Floor, Detroit, Michigan 48226. The Bankruptcy Court may adjourn the Confirmation Hearing from time to time without further notice except by announcing the adjournment date at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

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The Bankruptcy Court has directed that objections, if any, to Plan Confirmation be Filed with the Bankruptcy Court clerk and served so that they are **RECEIVED** on or before [_____], at [_____] (prevailing Eastern time) by counsel to the Alternative Plan Sponsors, Foley & Lardner LLP, 500 Woodward Avenue, Suite 2700, Detroit, MI 48226, Attn: Salvatore A. Barbatano, Katherine R. Catanese, & Adam J. Wienner; counsel to the Debtors, Schafer & Weiner PLLC, 40950 Woodward Avenue, Suite 100, Bloomfield Hills, MI 48034, Attn: Daniel J. Weiner & Michael E. Baum; counsel for the DIP Agent and Pre-petition Agent, Mayer Brown LLP, 1675 Broadway, New York, New York 10019, Attn: J. Robert Stoll & Andrew D. Shaffer; counsel for the Creditors' Committee, Clark Hill, PLC, 500 Woodward Ave., Suite 3500, Detroit, MI 48226-3435, Attn: Joel D. Applebaum & Robert A. Gordon; and the United States Trustee, 211 West Fort, Suite 700, Detroit, MI 48226, Attn: Leslie Berg.

B. Confirmation Standards

To confirm the Alternative Plan, the Bankruptcy Court must find that, among other things, the requirements of Bankruptcy Code section 1129 are satisfied. In summary, these requirements include the following:

1. The Alternative Plan complies with all applicable Bankruptcy Code provisions.

2. The Alternative Plan Sponsors have complied with the applicable Bankruptcy Code provisions.

3. The Alternative Plan has been proposed in good faith and not by any means forbidden by law.

4. Any payment made or promised under the Alternative Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Alternative Plan and incident to the cases, has been disclosed to the Bankruptcy Court, and any such payment made before Alternative Plan Confirmation is reasonable, or if such payment is to be fixed after Confirmation, such payment is subject to Bankruptcy Court approval as reasonable.

5. With respect to each Class of Impaired Claims or Interests, either each Claim or Interest Holder in such Class has accepted the Alternative Plan or will receive or retain under the Alternative Plan on account of such Claim or Interest, property of a value, as of the Effective Date, not less than the amount such Holder would receive or retain if the Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code.

6. Each Class of Claims or Equity Interests entitled to vote on the Alternative Plan either has accepted the Alternative Plan or is not Impaired under the Alternative Plan, or the Alternative Plan can be confirmed without the approval of each voting Class under Bankruptcy Code section 1129(b).

7. Except to the extent a particular Claim Holder agrees to different treatment, Allowed Administrative Claims and other Allowed Priority Claims will be fully paid on, or as soon as reasonably practical after, the Effective Date.

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8. At least one Class of Impaired Claims or Equity Interests has accepted the Alternative Plan, determined without including any acceptance of the Alternative Plan by any Insider holding a Claim or Interest in such Class.

9. Confirmation is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Alternative Plan, unless the liquidation or reorganization is proposed in the Plan.

10. All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

11. The Alternative Plan addresses payment of retiree benefits in accordance with Bankruptcy Code section 1114.

The Alternative Plan Sponsors believe that the Alternative Plan satisfies the requirements of Bankruptcy Code section 1129, including, without limitation, that (i) the Alternative Plan satisfies or will satisfy all of the Bankruptcy Code's statutory requirements; (ii) the Plan Proponents have complied or will have complied with all of the Bankruptcy Code's requirements; and (iii) the Alternative Plan Sponsors proposed the Alternative Plan in good faith.

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C. Best Interests of Creditors Test

Before it can confirm the Alternative Plan, the Bankruptcy Court must find (with certain exceptions) that the Alternative Plan provides, with respect to each Class, that each Claim or Interest Holder in such Class either: (a) has accepted the Alternative Plan; or (b) will receive or retain under the Alternative Plan property of a value, as of the Effective Date, not less than the amount that such Person would receive or retain if the Debtors liquidated under chapter 7 of the Bankruptcy Code.

In chapter 7 liquidation cases, unsecured creditors and interest holders are generally paid from available assets in the following order, with no junior class receiving any payments until all amounts due to senior classes have been fully paid or any such payment is provided for:

- Secured creditors (to the extent of their collateral's value);
- Administrative and other priority creditors;
- Unsecured creditors;
- Debt expressly subordinated by its terms or by Bankruptcy Court order; and
- Equity interest holders.

As described in more detail in the Liquidation Analysis set forth on Exhibit B to the Debtors' Disclosure Statement, the Alternative Plan Sponsors believe that the value of any distributions in a chapter 7 case would be less than the value of Alternative Plan distributions because, among other reasons, distributions in a chapter 7 case may not occur for a longer period of time, reducing the distributions' present value. In this regard, it is possible that chapter 7

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distributions could be delayed for a period for a trustee and its professionals to become knowledgeable about the Chapter 11 Cases and the Claims against the Debtors. In addition, chapter 7 distributions are likely to be significantly discounted because of the sale's distressed nature, and because the chapter 7 trustee's and professionals' fees and expenses would likely exceed those of the Debtors' Professionals (further reducing Cash available for distribution).

D. Financial Feasibility

Before it can confirm the Alternative Plan, the Bankruptcy Court must also find that Confirmation is not likely to be followed by the Reorganized Debtor's liquidation or the need for further financial reorganization, unless that liquidation or reorganization is contemplated by the Alternative Plan. For purposes of showing that the Alternative Plan meets this feasibility standard, the Alternative Plan Sponsors have analyzed the Reorganized Debtors' ability to meet their obligations under the Alternative Plan and to retain sufficient liquidity and capital resources to conduct their businesses.

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The Alternative Plan Sponsors believe that, with a significantly deleveraged capital structure, the Debtors' businesses will be viable. The decreased debt on the Debtors' balance sheet will substantially reduce their interest expense, thereby improving cash flow.

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Projections indicate that the Reorganized Debtors should have sufficient cash flow to pay and service their debt obligations and to fund their operations. Accordingly, the Alternative Plan Sponsors believe that the Alternative Plan complies with Bankruptcy Code section 1129(a)(11)'s financial feasibility standard.

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E. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to plan confirmation, that, except as described in the following section, each class of impaired claims or equity interests accept the plan. A class not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable and contractual rights to which the claim or interest entitles the holder of that claim or interest; (b) cures any default and reinstates the original terms of the obligation; or (c) provides that, on the consummation date, the claim or interest holder receives cash equal to the allowed amount of its claim or, with respect to any interest, any fixed liquidation preference to which the interest holder is entitled or any fixed price at which the debtors may redeem the security.

F. Confirmation Without Acceptance by All Impaired Classes

Bankruptcy Code section 1129(b) allows a Bankruptcy Court to confirm a plan, even if all impaired classes entitled to vote on the plan have not accepted it, provided that the plan has been accepted by at least one impaired class. Bankruptcy Code section 1129(b) states that, notwithstanding an impaired class's failure to accept a plan, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests impaired that is impaired under, and has not accepted, the plan.

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Courts will take into account a number of factors in determining whether a plan discriminates unfairly, including the effect of applicable subordination agreements between parties. Accordingly, a plan could treat two unsecured-creditor classes differently without unfairly discriminating against either class.

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (a) the secured claim holders retain the liens securing their claims for the claims' allowed amount, whether the debtors' retain the applicable encumbered property or transfer it to another entity under the plan; and (b) each secured claim holder in the class receives deferred cash payments totaling at least the claims' allowed amount with a present value, as of the plan's effective date, at least equivalent to the value of the secured claimant's interest in the applicable encumbered property.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims requires that either: (a) the plan provides that each claim holder in the class receive or retain property valued, as of the plan's effective date of the plan, equal to the claim's allowed amount; or (b) any claim or interest holder junior to the claims of the class will not receive or retain under the plan any property for the junior claim or equity interest.

The condition that a plan be "fair and equitable" to a non-accepting class of equity interests requires that either: (a) the plan provides that each interest holder in the class receives or retains under the plan property of a value, as of the plan's effective date, equal to the greater of the allowed amount of any fixed liquidation preference to which the interest holder is entitled, any fixed redemption price to which the interest holder is entitled, or (iii) the interest's value; or (b) if the class does not receive such an amount as required under (a), no class of equity interests junior to the non-accepting class receives a distribution under the plan.

The Alternative Plan provides that if any Impaired Class rejects the Plan, the Alternative Plan Sponsors reserve the right to seek to Alternative Plan Confirmation under Bankruptcy Code section 1129(b)'s "cram down" provisions. If any Impaired Class rejects the Plan or is deemed to have rejected the Alternative Plan, the Alternative Plan Sponsors will request Confirmation of the Alternative Plan under Bankruptcy Code section 1129(b). The Alternative Plan Sponsors reserve the right to alter, amend, modify, revoke or withdraw the Alternative Plan or any Alternative Plan Exhibit or Schedule, including for the purpose of satisfying Bankruptcy Code section 1129(b)'s requirements, if necessary.

VI. CERTAIN FACTORS TO BE CONSIDERED BEFORE VOTING

Before voting on the Plan, all Impaired Claim Holders should read and carefully consider the factors set forth below, as well as all other information set forth or otherwise referenced in this Disclosure Statement. These factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation.

A. Certain Bankruptcy Law Considerations

Information on certain bankruptcy law considerations is set forth on pages 67-69 of the Debtors' Disclosure Statement. In addition, confirmation of the Alternative Plan is conditioned upon the Alternative Plan Sponsors obtaining $275 million in Exit Financing from third parties

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<#>Parties in Interest May Object to the Debtors' Classification of Claims and Interests¶
Bankruptcy Code section 1122 provides that a plan may place a claim or an equity interest in a particular class only if such claim or interest is substantially similar to other claims or equity interests in such class. The Plan Proponents believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Plan Proponents created Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to other Claims and Interests in each such Class. There can be no assurance, however, that the Bankruptcy Court will reach the same conclusion.¶
<#>Failure to Satisfy Vote Requirements¶
If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Plan Proponents intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. If sufficient votes are not received, the Plan Proponents may seek to accomplish an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.¶
<#>The Debtors May Not be Able to Secure Confirmation of the Plan¶
There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A nonaccepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the ... [149]

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to fund distributions under the Plan and the Debtors' business operations. While the Alternative Plan Sponsors believe that it is likely that they will secure such Exit Financing, there is no assurance that they will be able to do so.

B. Risk Factors That May Affect Allowed Claim Holders' Recovery

Information on risk factors that may affect Allowed Claim Holders' recovery is set forth on pages 69-70 of the Debtors' Disclosure Statement.

C. Risk Factors that Could Negatively Impact the Debtors' Businesses

Information on risk factors that may negatively impact the Debtors' businesses is set forth on pages 70-78 of the Debtors' Disclosure Statement.

D. Risk Factor on Licensing of Casino

Under the rules promulgated by the MGCB (the "MGCB Rules"), any owner of more than a 1% direct or indirect interest of a casino must either be (i) licensed by the MGCB, or (ii) qualify for any exemptions to the MGCB's licensing requirements. The MGCB's licensing requirements are rigorous and the exemptions relatively narrow. While the Alternative Plan Sponsors believe that (a) they will be able to be licensed under the MGCB Rules, and (b) the Alternative Plan otherwise will satisfy any licensing requirements, there is no guarantee that the Alternative Plan Sponsors' views are correct.

E. Risks and Issues Associated with Substantive Consolidation

At various times during these Chapter 11 Cases, certain parties may have asserted, or may hereafter assert, that the businesses of the Debtor entities should be "substantively consolidated," pursuant to applicable bankruptcy law. The decision to substantive consolidate the various Debtors would be premised on a determination by the Bankruptcy Court that, by virtue of the manner in which the enterprises have been historically managed and operated, it is appropriate to treat the assets and liabilities of all of the enterprises as the assets and liabilities of one common enterprise.

In the event of such a court ruling, some classes of creditors would be entitled to share in the distribution of assets to which they had not previously been entitled. One example of such an outcome would be a sharing in the proceeds of the litigation or settlement of causes of action or claims of certain Debtor entities against third parties. Substantive consolidation could also result in the elimination of causes of action or claims which one or more Debtor entities may have against other Debtor entities.

Although the Alternative Plan does not contemplate substantive consolidation, the Alternative Plan Sponsors have not adopted a position with respect to the applicability of the substantive consolidation doctrine to these Chapter 11 Cases. In the event, however, that it becomes apparent that the assertion of substantive consolidation claims may jeopardize the timely adoption and effectuation of the Alternative Plan, the Alternative Plan Sponsors retain the right and discretion to resolve such disputes through the implementation of one or more

Deleted: Claim Holders should read and consider carefully the risk factors set forth below, as well as the other information set forth in this Disclosure Statement and related documents, referred to or incorporated by reference in this Disclosure Statement, before voting to accept or reject the Plan. This Article provides information regarding potential risks in connection with the Plan, the financial projections attached to the Plan, and other risks that could impact the Reorganized Debtors' future business operations and performance. These factors should not, however, be regarded as the only risks involved in connection with the Plan and its implementation.¶
<#>The Reorganized Debtors May Not Be Able to Achieve Projected Financial Results or Meet Post-Reorganization Debt Obligations and Finance All Operating Expenses, Working Capital Needs, and Capital Expenditures¶
The Reorganized Debtors may not be able to meet their projected financial results or achieve projected revenues and cash flows that they have assumed in projecting future business prospects. To the extent that the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due, or may not be able to meet their operational needs. Anyone of these failures may preclude the Reorganized Debtors from, among other things, (a) enhancing their current customer offerings; (b) taking advantage of future opportunities; (c) growing their businesses; or (d) responding to competitive pressures. Further, a failure of the Reorganized Debtors to meet their projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints n ... [150]

Deleted: <#>Bankruptcy-Related Risk Factors¶
During the pendency of the Chapter 11 Cases, the Debtors are subject to various risks, including the following:¶
<#>The Chapter 11 Cases may adversely affect the Debtors' business prospects and/or their ability to operate during the reorganization.¶
<#>The Chapter 11 Cases and the attendant difficulties of operating the Debtors' business while attempting to reorganize the business in bankruptcy may make it more difficult to maintain and promote the Debtors' facilities and attract customers to their facilities.¶
<#>The Chapter 11 Cases will cause the Debtors to incur substantial costs for Professional fees and other expenses associated with the Chapter 11 Cases.¶
<#>The Chapter 11 Cases may adversely affect the Debtors' ability to ma ... [151]

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settlements pursuant to Bankruptcy Rule 9019 and applicable provisions of the Bankruptcy Code.

F. Risks Associated With Forward-Looking Statements

1. Financial Information Is Based on Information provided by the Debtors and, Unless Otherwise Stated, No Audit Was Performed

The financial information in this Disclosure Statement is based on information provided by the Debtors. The financial information has not been audited. While the Alternative Plan Sponsors have no reason to believe that such financial information does not fairly reflect the financial condition of the Debtors, the Alternative Plan Sponsors are unable to warrant or represent that the financial information is without inaccuracies.

2. Financial Projections and Other Forward-Looking Statements Are Not Assured, Are Subject to Inherent Uncertainty Due to the Numerous Assumptions on which They Are Based and, as a Result, Actual Results May Vary

This Disclosure Statement contains various projections concerning the financial results of the Reorganized Debtors' operations, including the Financial Projections that are, by their nature, forward looking, and which projections are necessarily based on certain assumptions and estimates. Should any or all of these assumptions or estimates ultimately prove to be incorrect, the actual future experiences, of the Reorganized Debtors may turn out to be different from the Financial Projections. Due to the inherent uncertainties associated with projecting financial results generally, the projections contained in this Disclosure Statement will not be considered assurances or guarantees of the amount of funds or the amount of Claims that may be Allowed in the various Classes.

Specifically, the projected financial results contained in this Disclosure Statement reflect numerous assumptions concerning the anticipated future performance of the Reorganized Debtors, some of which may not materialize, including, without limitation, assumptions concerning: (a) the timing of Confirmation and Consummation of the Alternative Plan in accordance with its terms; (b) the anticipated future performance of the Reorganized Debtors, including without limitation, the Debtors' ability to maintain or increase revenue and gross margins, control future operating expenses, or make necessary capital expenditures; (c) general business and economic conditions; (d) overall industry performance and trends; (e) the Debtors' ability to maintain market strength and receive vendor support by way of favorable purchasing terms; and (f) consumer preferences continuing to support the Debtors' business plan.

G. Disclosure Statement Disclaimer

1. Information Contained in this Disclosure Statement Is for Soliciting Votes

The information contained in this Disclosure Statement is for the purpose of soliciting votes on the Alternative Plan and may not be relied on for any other purposes.

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2. This Disclosure Statement Was Not Approved by the U.S. Securities and Exchange Commission

This Disclosure Statement was not filed with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Act or applicable state securities laws. Neither the SEC nor any state regulatory agency has passed on the accuracy or adequacy of this Disclosure Statement, or the Exhibits or the statements contained in this Disclosure Statement, and any representation to the contrary is unlawful.

3. Reliance on Exemptions from Registration under the Securities Act

This Disclosure Statement has been prepared under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily in accordance with federal or state securities laws or other similar laws. The offer of Reorganized Holdings' New Common Stock to certain Claim Holders has not been registered under the Securities Act or similar state securities laws or "blue sky" laws.

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4. No Legal or Tax Advice Is Provided to You by this Disclosure Statement

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Claim and Interest Holder should consult his or her own legal counsel and accountant for legal, tax, and other matters related to his or her Claim or Interest. This Disclosure Statement may not be relied on for any purpose other than to determine how to vote on the Alternative Plan or object to Confirmation of the Alternative Plan.

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5. No Admissions Made

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Person (including, without limitation, the Alternative Plan Sponsors or the Debtors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on the Debtors, the Reorganized Debtors, Allowed Claim or Interest Holders, or any other parties in interest.

6. Failure to Identify Litigation Claims or Projected Objections

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The Debtors or the Reorganized Debtors may seek to investigate, file, and prosecute Claims and Interests and may object to Claims after the Confirmation or Effective Date of the Alternative Plan irrespective of whether this Disclosure Statement identifies such Claims or objections to such Claims.

7. No Waiver of Right to Object or Right to Recover Transfers and Assets

The vote by a Holder of an Allowed Claim for or against the Alternative Plan does not constitute a waiver or release of any Claims, Causes of Action, or rights of the Debtors or the Reorganized Debtors (or any party in interest, as the case may be) to object to that Holder's

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Allowed Claim, or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims or Causes of Action of the Debtors or their respective Estates are specifically or generally identified herein.

8. Information Was Provided by the Debtors and Was Relied on by the Alternative Plan Sponsors

The Alternative Plan Sponsors have relied on information provided by the Debtors in connection with the preparation of this Disclosure Statement. The Alternative Plan Sponsors have not verified independently the information contained in this Disclosure Statement.

9. Potential Exists for Inaccuracies, and the Plan Proponents Have No Duty to Update

The statements contained in this Disclosure Statement are made by the Alternative Plan Sponsors as of the date of this Disclosure Statement, unless otherwise specified, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information since that date. While the Alternative Plan Sponsors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Alternative Plan based on information available to them, the Alternative Plan Sponsors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Alternative Plan Sponsors may subsequently update the information in this Disclosure Statement, the Alternative Plan Sponsors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

10. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or relating to the Debtors, these Chapter 11 Cases, or the Alternative Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Alternative Plan other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your decision. You should promptly report unauthorized representations or inducements to the Alternative Plan Sponsors' counsel, Debtors' counsel, the Creditors' Committee counsel, and the United States Trustee.

H. Alternatives to Confirmation and Consummation of the Plan

1. Liquidation under Chapter 7

If no plan can be confirmed, the Debtors' Chapter 11 Cases may be converted to a case (or cases) under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and Interests and the Liquidation Analysis is set forth above. The Alternative Plan Sponsors believe that liquidation under chapter 7 would result in (1) smaller distributions being made to Creditors than those provided for in the Plan because of: (a) the likelihood that the assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion over a shorter period of time; (b) additional administrative expenses

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involved in the appointment of a trustee; and (c) additional expenses and claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the Debtors' operations; and (2) no distributions being made to any class junior to the Holders of Allowed Secured Claims.

2. Other Plans of Reorganization

If the Alternative Plan is not confirmed, the Alternative Plan Sponsors (or any other party in interest) could attempt to formulate a different plan, including the Debtors' Plan. Such a plan might involve either a reorganization and continuation of the Debtors' business or an orderly liquidation of their assets. The Alternative Plan Sponsors believe that the Alternative Plan, as described herein, enables Creditors to realize the most value under the circumstances. In a liquidation under chapter 11, the Debtors' assets would be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7, possibly resulting in somewhat greater (but indeterminate) recoveries than would be obtained in chapter 7. Further, if a trustee were not appointed, because such appointment is not required in a chapter 11 case, the expenses for Professional fees would most likely be lower than those incurred in a chapter 7 case. Although preferable to a chapter 7 liquidation, the Alternative Plan Sponsors believe that any alternative liquidation under chapter 11 is a much less attractive alternative to Creditors and Interest Holders than the Alternative Plan because of the greater return provided by the Alternative Plan.

VII. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain United States federal income tax consequences of the Alternative Plan to the Debtors, the Reorganized Debtors and to the Holders of Allowed Claims who are entitled to vote on the Alternative Plan. This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations promulgated thereunder, and administrative and judicial interpretations and practice, all as in effect on the date hereof and all of which are subject to change, with possible retroactive effect. No ruling from the Internal Revenue Service (the "Service") or opinion of counsel will be sought as to any of the tax consequences discussed below. Substantial uncertainty may exist with respect to some of the tax consequences described below due to the lack of definitive judicial or administrative authority or interpretations in a number of areas, and the fact that the Alternative Plan Sponsors have not had access to the detailed tax records of the Debtors and have not analyzed specific tax positions of the Debtors in developing the Alternative Plan. Accordingly, there can be no assurance that the Service will not take a contrary position with respect to one or more of the tax consequences discussed below.

The following discussion is for informational purposes only and does not address all of the matters that may be relevant to particular Holders or Classes of Holders, including those that are subject to special rules under the Code, including, without limitation, financial institutions, securities dealers, broker-dealers, tax-exempt entities, insurance companies, foreign persons, or holders that hold their Securities as part of a "straddle" or a "conversion transaction" (as defined in the Code). Consequently, such Holders may be subject to special rules not discussed below. In addition, neither state and local or estate and gift tax issues are addressed herein.

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To the extent that a transaction under the Alternative Plan gives rise to taxable gain or loss, the nature of that gain or loss and the tax consequences will depend on a number of factors ("Tax Factors") and the tax consequences of the transaction may vary among Holders even in the same class. Such Tax Factors include the tax status of the Holder, whether the obligation from which the Claim arose is a capital asset in the hands of the Holder and how long it has been held, and whether and to what extent the Holder has previously claimed a bad debt deduction. A Holder that purchased its Claim from a prior Holder at a market discount may be subject to the market discount rules of Code which could characterize a portion of the gain recognized as ordinary income. In addition, Section 582(c) of the Code provides that the sale or exchange of a bond, debenture, note or certificate or other evidence of indebtedness by certain financial institutions shall be considered the sale or exchange of a non-capital asset. Accordingly, any gain or loss recognized by such financial institutions may not be treated as capital in nature.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE ALTERNATIVE PLAN ARE COMPLEX AND ARE SUBJECT TO SIGNIFICANT UNCERTAINTIES. ALL HOLDERS OF CLAIMS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ALTERNATIVE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY FEDERAL ESTATE, STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

IRS Circular 230 Notice. To ensure compliance with IRS Circular 230, Holders of Claims are hereby notified that (i) any discussions of federal tax issues contained or referred to in this Disclosure Statement is not intended or written to be used, and can not be used, by Holders of Claims for the purpose of avoiding penalties that may be imposed on them under the Code, (ii) such discussion is written in connection with the promotion or marketing of the transactions or matters discussed herein, and (iii) Holders of Claims should seek advice based on their particular circumstances from an independent tax advisor.

A. Certain Federal Income Tax Consequences to the Debtors

1. Tax Status of the Debtors

Holdings is a limited liability company taxable as partnerships for federal income tax purposes. Holdings does not pay federal income tax. Rather, all of the income, gain, loss, deductions and credits generated by Holdings flow through to, and are reportable on, the tax returns of Holdings' members. Accordingly, the federal income tax consequences to Holdings resulting under the Alternative Plan will be borne by its members. Each such member will be subject to federal income tax on its proportionate share of any taxable income of Holdings resulting from the Alternative Plan, regardless of whether any distribution or cash or property is made to such member. While the character of any gain or loss normally is determined at the partnership level, the specific federal income tax treatment of certain items must be determined at the partner/member level. Each such member is encouraged to consult its own tax advisor regarding the tax consequences of the Alternative Plan with respect to such member.

Holding is the sole member of each of the Non-reorganizing Debtors. A limited liability company that has a single member generally will be treated as a disregarded entity tax purposes,

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The Plan contemplates the possible implementation of alternate reorganizational structures that could potentially have varying tax consequences for the Debtors and the Holders of Claims. No such alternate structures have been proposed as of the date hereof and this discussion does not specifically address the tax consequences of any possible alternate structu ... [173]

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with its business activities being included in the federal income tax return filed by its sole member. To the knowledge of the Alternative Plan Sponsors, the Non-reorganizing Debtors are disregarded entities for federal income tax purposes and the tax consequences of the Alternative Plan with respect to the Non-reorganizing Debtors will also flow through to the tax returns of the members of Holdings at the time the Alternative Plan is confirmed.

Realty and Building are corporations taxable as C Corporation for federal income tax purposes. The Alternative Plan Sponsors do not have access to the information necessary to determine the federal income tax consequences resulting to such Debtors under the Alternative Plan, if any.

2. Restructuring Transactions

For federal income tax purposes, Holdings and Reorganized Holdings will be considered one and the same taxpayer.

The federal income tax consequences of any Restructuring Transaction would be considered prior to implementing any such transaction. As all of the other Debtors are directly or indirectly wholly owned by Holdings, it is anticipated that most mergers or liquidations involving the Debtors could be accomplished on a tax free basis. However, it is possible that one or more Restructuring Transactions may give rise to taxable income.

Under the Alternative Plan, all of the Equity Interests in Holdings will be cancelled and New Common Stock issued to holders of certain Claims. Under federal income tax rules, the taxable income or loss of Holdings for the year in which the ownership of interests changes must be allocated among the holders of Equity Interests and New Common Stock based on the number of days during the year in which they held interests in Holdings.

3. Issuance of New Equity Interests and Cancellation of Equity Interests

The Alternative Plan anticipates that Holdings will issue New Common Stock in full or payment of existing Claims. No gain or loss should be recognized by Holdings for federal income tax purposes with respect to the issuance of the New Common Stock.

The Alternative Plan further anticipates that the Equity Interests will be cancelled and no distributions made to the Holders of such interests with respect to such cancellation. No gain or loss should be recognized by Holdings for federal income tax purposes with respect to the cancellation of the Equity Interests.

4. Cancellation of Indebtedness

When indebtedness of a taxpayer is cancelled during a taxable year, the taxpayer is generally required by the Code to include in gross income the amount of indebtedness that is discharged or cancelled ("COD income"). The amount of COD income realized is the aggregate amount of debt cancelled or retired under the Alternative Plan, including previously accrued but unpaid interest (unless not deducted by the taxpayer) over the amount of cash, the issue price of any new debt, and the fair market value of other property issued in satisfaction of such cancelled or retired debt. However, Section 108 of the Code provides several exceptions to this general

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In February 2009, Congress enacted as part of the American Recovery and Reinvestment Act an elective CODI deferral and ratable inclusion provision with respect to the reacquisition of "applicable debt instruments" within the meaning of IRC section 108(i). Applicable debt instruments include indebtedness of a C corporation or any other person in connection with ... [175]

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rule, including exceptions that apply if the cancellation occurs in a case under the Bankruptcy Code or the taxpayer is insolvent.

As a result of the exchanges contemplated by the Alternative Plan, Holdings will be required to recognize COD income for federal income tax purposes. The amount of such COD income is, in general, equal to the excess of the adjusted issue price (including accrued but unpaid interest) of the indebtedness over the fair market value of the other property issued therefore (e.g. the New Common Stock, warrants, cash and other property transferred to the Holders).

Section 108(e) of the Code provides that any COD income of a partnership is includible in the gross income of the taxpayers that were partners immediately before such discharge. Accordingly, the holders of Equity Interests will be required to report their distributive shares of the COD income realized by Holdings whether or not they receive any distribution of or with respect to such income.

Section 108(a) of the Code provides that if the discharge is granted by a court in a Chapter 11 proceeding or is pursuant to a plan approved by such court, such income is excluded from the debtor's taxable income. Section 108(a) further provides that no COD income is recognized to the extent that the taxpayer is insolvent before the cancellation. However, in the case of a partnership, Section 108(a) is applied at the partner level and would not be applicable to the discharge occurring under the Alternative Plan unless Section 108(a) is applicable to the Holder of the Equity Interest. Any COD income attributable to the Alternative Plan will be taxable to the Holders of Equity Interests at the time the Alternative Plan is confirmed.

5. Use of Remaining NOLs by the Reorganized Debtors

Any pre-Confirmation losses generated by Holdings will have been passed through to the holders of Equity Interests and will remain with the Holders of such interests and will not be available for use by the Reorganized Debtors or holders of New Common Stock.

B. Federal Income Tax Consequences To Holders of Claims and Equity Interests

1. Holders Of Allowed Claims

a. Classes 1, 8, 14, 19, 24 and 29 – Secured Claims of DIP Lenders

Under the Alternative Plan, each Holder of an Allowed Claim in these Classes will receive in full satisfaction of such claims a Pro Rata share of the Exit Financing. The satisfaction of these Claims will have the same federal income tax consequences to the Holders that it would have had if the Alternative Plan were not confirmed and the Claims had been satisfied outside of bankruptcy.

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b. Classes 2, 9, 15, 20, 25 and 30 – Secured Claims of Pre-petition Lenders

Under the Alternative Plan, each Holder of an Allowed Claim in these Classes will receive in full satisfaction of these Claims, at the election of the Holder, but subject to certain conditions, a Pro Rata share of (i) the Prepetition Lender New Common Stock or (ii) the New Subordinated Debt and the Cash Distribution.

Holders receiving New Equity Interests will be deemed to have received an amount equal to the fair market value of the New Common Stock on the Effective Date in exchange for their Claims. Under regulations recently proposed by the Internal Revenue Service, the exchange will be deemed governed by Section 721 of the Code. As a result, such Holders will not recognize either gain or loss on the exchange and will have a tax basis in their New Common Stock equal to the tax basis of their Claims.

However, to the extent that the Claim represents a claim for unpaid rent, royalties or interest such exchange will constitute a taxable transaction and such a Holder will recognize gain or loss in an amount equal to the difference between (i) the "amount realized" by the Holder with respect to such Claim (other than any claim for accrued but unpaid interest) and (ii) the Holder's adjusted tax basis in its Allowed Claim (other than any claim for accrued but unpaid interest).

Receipt of the Cash Distribution shall be considered a partial payment against the Claim and will be taxable on the same basis as would receipt of a comparable payment outside of bankruptcy.

Holders receiving New Subordinated Debt may or may not recognize taxable gain or loss on the receipt of such debt depending on the facts and circumstances of each Holder. To the extent gain or loss is required to be recognized, the character of any such gain or loss will depend on the Tax Factors applicable to the Holder. Holders of such claims are urged to consult their own tax advisers regarding the taxability of the receipt of New Subordinated Debt and the character of taxable gain or loss realized, if any.

The payment of the principal of the New Subordinated Debt will constitute the payment of the Claim. The payment of interest under such notes will generally give rise to taxable interest income to the holders of such claims. Such interest income may have to be accrued for tax purpose, rather than deferred until payment, where the note is subject to the original issue discount rules under the Code.

c. Classes 3, 10, 16, 21, 26, and 31 – Secured Claims of Plan Proponents

Under the Alternative Plan, each Holder of Allowed Claims in these Classes will receive in complete satisfaction of such Claim a Pro Rata share of (i) 31.74% of the Plan Proponents New Common Stock and (ii) the Plan Proponents Warrants.

Holders of Allowed Claims in these Classes will be deemed to have received an amount equal to the fair market value of the New Common Stock and warrants on the Effective Date in exchange for their Claims. Under regulations recently proposed by the Internal Revenue Service, the exchange for New Common Stock will be deemed governed by Section 721 of the

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Code. The tax consequences of the receipt of the warrants is not clear and will depend on the Tax Factors and the terms of the warrants. Such Holders will not recognize either gain or loss on the receipt of the New Common Stock and will have a tax basis in their New Equity Interests and warrants equal to the tax basis of their Claims.

The foregoing not withstanding, to the extent that the Claim represents a claim for unpaid rent, royalties or interest such exchange will constitute a taxable transaction and such a Holder will recognize gain or loss in an amount equal to the difference between (i) the "amount realized" by the Holder with respect to such Claim (other than any claim for accrued but unpaid interest) and (ii) the Holder's adjusted tax basis in its Allowed Claim (other than any claim for accrued but unpaid interest).

d. Classes 4, 11, 17, 22, 27, 32, 34, and 37 – Other Allowed Secured Claims

Under the Alternative Plan, each Holder of an Allowed Claim in these classes will receive in full satisfaction of such Claim, at the discretion of the Reorganized Debtors either (i) the value of such Secured Claim or (ii) the collateral securing such Claim.

The satisfaction of these Claims will have the same federal income tax consequences to the Holders that it would have had if the Alternative Plan were not confirmed and the Claims had been satisfied outside of bankruptcy on the same terms.

e. Classes 5, 6, 18, 23, 28, 33, 35 & 38 -- Bond Claims Against Holdings and General Unsecured Claims Against Holdings, Holdings II, Builders, Realty, Trappers, Monroe and Kewadin

Under the Alternative Plan, each Holder of an Allowed Claim in these Classes will receive in full satisfaction of such Claim its Pro Rata share of the Unsecured Distribution Warrants.

The tax consequences of the receipt of the warrants is not clear and may vary from Holder to Holder. Each such Holder is encouraged to discuss such tax consequences with its own tax adviser.

f. Class 12 – General Unsecured Claims Against Casino

Under the Alternative Plan, each Holder of an Allowed Claim in this Class will receive in full satisfaction of such claim its Pro Rata share of (i) the Unsecured Distribution Fund and (ii) the Unsecured Distribution Warrants with payment of the Pro Rata share of the Unsecured Distribution Fund being made in two semi-annual installments.

Receipt of the distributions from the Unsecured Distribution Fund will be considered in part a payment against the Claim and in part a payment of interest.

The tax consequences of the receipt of the warrants is not clear and may vary from Holder to Holder. Each such Holder is encouraged to discuss such tax consequences with its own tax adviser.

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g. Class 13 – Trade Claims Against Casino

Under the Alternative Plan, each Holder of an Allowed Claim in this Class will receive in full satisfaction of such Claim its Pro Rata share of the Trade Distribution Fund, payable in two semi-annual installments, and a release from Avoidance Claims.

Receipt of the distributions from the Trade Distribution Fund will be considered in part a payment against the Claim and in part a payment of interest.

The tax consequences of the receipt of the release of Avoidance Claims will vary from Holder to Holder. Each such Holder is encouraged to discuss such tax consequences with its own tax adviser.

2. Holders of Class 7, 36 or 39 Equity Interests

The tax consequences of the Alternative Plan to holders of Equity Interests are complex and largely dependent on the facts and circumstances of individual Holders. Holders of such Equity Interests should consult their own tax counsel regarding the tax consequences of the Alternative Plan.

C. Information Reporting and Backup Withholding

Under the Code's back up withholding rules, a holder of a Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Alternative Plan, unless the holder of the Claim falls comes within an excepted category or provides a correct taxpayer identification number and verifies under penalty of perjury that such number is correct and that the taxpayer is not otherwise subject to backup withholding.

VIII. VOTING INSTRUCTIONS

A. Record Date

On [_____], 2009 the Bankruptcy Court entered the Solicitation Procedures Order approving the adequacy of this Disclosure Statement and approving the Solicitation Procedures (as defined in the Solicitation Procedures Motion, incorporated by reference into the Solicitation Procedures Order), which set forth procedures for the solicitation of votes to accept or reject the Plan [Docket No. [_____]]. A copy of the Solicitation Procedures is attached as an exhibit to the Solicitation Procedures Motion. In addition to approving the Solicitation Procedures, the Solicitation Procedures Order established certain dates and deadlines, including the date for the Confirmation Hearing, the Voting Record Date, and the Voting Deadline. The Solicitation Procedures Order also approved the forms of Ballots and certain Confirmation-related notices. The Solicitation Procedures Order and Solicitation Procedures should be read in conjunction with this Article VIII. Capitalized terms used in this Article VIII that are not otherwise defined in this Disclosure Statement or the Alternative Plan have the meanings given them in the Solicitation Procedures.

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<#>Holders of the Plan Note¶
Original Issue Discount. The Plan Note may be issued with original issue discount ("OID") for U.S. federal income tax purposes. If the Plan Note is treated as issued with OID, a Holder of the Plan Note will be required to include the OID as discussed below.¶
In general, the amount of OID on a debt instrument is equal to the excess of (i) the sum of the debt instrument's stated redemption price at maturity over (ii) the issue price of the debt instrument. The stated redemption price at maturity of the Plan Note will include all payments on the note other than payments of "qualified stated interest." The "issue price" of the Plan Note will depend on whether either (x) the Plan Note or (y) the Secured Claims of the DIP Lenders exchanged therefor are "publicly traded" under applicable Treasury Regulations. If neither (a) the Plan Note nor (b) the Secured Claims of the DIP Lenders exchanged therefor is so traded, the issue price of the Plan Note will be equal to its stated principal amount. In such event, the Plan Note will not be treated as issued with OID.¶
If the Plan Note is "traded on an established securities market," then the issue price of the Plan Note will be the fair market value of the Plan Note. If the Secured Claims of the DIP Len ... [176]

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B. Confirmation Generally

The Bankruptcy Court may confirm a plan only if it determines that the plan complies with the requirements of chapter 11 of the Bankruptcy Code. One of these requirements is that the Bankruptcy Court find, among other things, that the plan has been accepted by the requisite votes of all classes of impaired claims and impaired interests unless approval will be sought under Bankruptcy Code section 1129(b) despite the non-acceptance by one or more such classes. The process by which the Alternative Plan Sponsors solicit votes to accept or reject the Alternative Plan will, be governed by the Solicitation Procedures Order and the Solicitation Procedures.

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The following is a brief and general summary of the Solicitation Procedures. Claim and Interest Holders are encouraged to review the Solicitation Procedures Order, the Solicitation Procedures, the relevant provisions of the Bankruptcy Code, and to consult their own advisors. To the extent of any inconsistency between the summary below and the Solicitation Procedures Order or the Solicitation Procedures, the Solicitation Procedures Order and the Solicitation Procedures control.

C. Who Can Vote

In general, a claim or interest holder may vote to accept or reject a plan if (i) no party in interest has objected to such claim or interest, and (ii) the claim or interest is impaired by the plan. If the holder of an impaired claim or interest will not receive any distribution under the plan for the claim or interest, the Bankruptcy Code deems such holder to have rejected the plan for that claim or interest. If a claim or interest is not impaired, the Bankruptcy Code deems that the holder of such claim or interest has accepted the plan and the plan proponent need not solicit such holder's vote.

Under Bankruptcy Code section 1124, a class of claims or interests is deemed to be "impaired" under a plan unless the plan leaves unaltered the claim or interest holder's legal, equitable, and contractual rights, or, notwithstanding any legal right to accelerate payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of bankruptcy events), reinstates the maturity of such claim or interest as it existed before the default, compensates the holder of such claim or interest for any damages incurred as result of reasonable reliance on the holder's legal right to an accelerated payment, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest holder is entitled.

None of the Impaired Interest Holders are entitled to vote on the Plan. Only the following Impaired Claims in Voting Classes shall be entitled to vote on the Plan with regard to such Claims:

1. Holders of Claims for which Proofs of Claim have been timely filed, as reflected on the Claims register, as of the Voting Record Date;

2. Holders of Claims that are listed in the Debtors' Schedules, with the exception of those Claims that are listed in the Schedules as contingent, unliquidated, and/or

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disputed (excluding such Claims listed in the Debtors' Schedules that have been superseded by a timely filed Proof of Claim); and

3. Holders whose Claims arise pursuant to an agreement or settlement with the Debtors executed before the Voting Record Date, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, regardless of whether a Proof of Claim has been filed.

The assignee of a transferred and assigned Claim (whether a timely-Filed Claim or a Claim on the Schedules) shall be permitted to vote such Claim only if (i) the transfer or assignment has been fully effected under the procedures dictated by Bankruptcy Rule 3001(e) and such transferor and assignor of such Claim would be permitted to vote such Claim if such transfer and assignment had not occurred.

For purposes of determining the Claim amount associated with each Holder's vote, such amount shall not include applicable interest accrued after the Petition Date only if the Claim Holder is entitled to payment of interest under the Alternative Plan.

A vote may be disregarded under Bankruptcy Code section 1126(e) if the Bankruptcy Court determines that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Solicitation Procedures also set forth assumptions and procedures for tabulating Ballots.

D. Classes Impaired Under the Plan

1. Unimpaired Classes of Claims

Classes 1, 8, 14, 19, 24, and 29 are Unimpaired under the Alternative Plan and deemed to have accepted the Alternative Plan under Bankruptcy Code section 1126(f).

2. Impaired Voting Classes of Claims and Interests

Classes 2, 3, 4, 5, 6, 9, 10, 11, 12, 13, 15, 16, 17, 18, 20, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 37, and 38 are Impaired under the Alternative Plan and are therefore entitled to vote to accept or reject the Alternative Plan.

3. Impaired Non-Voting Classes of Claims and Interests

Classes 7, 36, and 39 are wholly Impaired under the Plan and are deemed to have rejected the Plan under Bankruptcy Code section 1126(g). Thus, Holders in such Classes will not be solicited to vote on the Alternative Plan. Rather, acceptances or rejections of the Alternative Plan are being solicited only from those who hold Claims in an Impaired Class whose members will receive a distribution under the Alternative Plan. Under the Solicitation Procedures, these parties will receive a notice, substantially in the form attached as an exhibit to the Solicitation Procedures Order, notifying them of their non-voting rights.

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E. Contents of the Solicitation Package

The following materials will constitute the Solicitation Package:

1. The Alternative Plan;

2. This Disclosure Statement;

3. The Disclosure Statement Order;

4. The Solicitation Procedures Order (without exhibits, except the Solicitation Procedures);

5. The Confirmation Hearing Notice;

6. The appropriate Ballot and voting instructions;

7. A pre-addressed, postage pre-paid, return envelope; and

8. A solicitation letter describing certain key provisions of the Alternative Plan, comparing it to the Debtors' Plan and urging Creditors to (a) vote in favor of the Alternative Plan, and (b) vote against the Debtors' Plan.

9. An appropriate cover letter (i) describing the contents of the Solicitation Package, and (ii) explaining that the Plan Supplement, if any, will be Filed with the Bankruptcy Court five (5) days before the Voting Deadline or such later date as may be approved by the Bankruptcy Court on notice to parties in interest.

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Any party who receives portions of the Solicitation Package in electronic format but who desires a paper copy of these documents may request a copy from the Claims Agent. The Solicitation Package (except the Ballots) may also be obtained by accessing the Debtors' restructuring website at http://www.kccllc.net/greektowncasino.

F. Distribution of Solicitation Package

The Solicitation Package will be served on the Holders of Claims in the Voting Classes; the Internal Revenue Service; the United States Trustee for the Eastern District of Michigan; and all other parties in interest on the Voting Record Date.

G. Voting

The Claims Agent will carry out the solicitation process, including answering questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, providing additional copies of all materials, and overseeing the voting tabulation process.

To be counted, Ballots cast by Holders of Claims in Voting Classes indicating acceptance or rejection of the Plan must be RECEIVED by the Claims Agent by the Voting Deadline at the address listed on the Ballot, whether by first-class mail, overnight. courier,

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or personal delivery. The Ballots and the accompanying pre-addressed postage-paid envelopes will clearly indicate the appropriate return address. Completed Ballots must be returned to: Luna Greektown LLC and Plainfield Asset Management LLC, C/O Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, Attn: Ballot Processing Department. Such Ballots should be cast in accordance with the Solicitation Procedures. Any Ballot received after the Voting Deadline will be counted in the Plan Proponents' sole discretion.

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For answers to any questions regarding the Solicitation Procedures, parties may call the Claims Agent toil free at 888-733-1425.

To obtain an additional copy of the Alternative Plan, this Disclosure Statement, or other Solicitation Package materials (including Ballots), please refer to the Claims Agent's website at http://www.kccllc.net/greektowncasino or request a copy from the Claims Agent by mail at 2335 Alaska Avenue, El Segundo, California 90245, Attn: Greektown Balloting; by telephone toll free at 888-733-1425; or by e-mail at greektowninfor@kccIlc.com.

H. Establishing Claim Amounts

In tabulating votes, the following hierarchy will be used to determine the Claim amount associated with each Creditor's vote:

(1) The Claim's Allowed Amount, if the Claim has been Allowed pursuant to Court order;

(2) The Claim amount settled and/or agreed upon by the Debtors prior to the Voting Record Date, as reflected in a court pleading, stipulation, term sheet, agreement, or other document filed with the Bankruptcy Court, in an order entered by the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, regardless of whether a Proof of Claim has been filed;

(3) The Claim amount contained on a Proof of Claim that has been timely filed by the relevant Bar Date (or deemed timely filed by the Bankruptcy Court under applicable law); provided, however, that Ballots cast by Holders whose Claims are not listed on the Debtors' Schedules, but who timely filed Proofs of Claim in unliquidated or unknown amounts that are not the subject of an objection filed before the Voting Deadline, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and the unliquidated or unknown portion of the Claims will count in the amount of $1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code; and

(4) The Claim amount listed in the Debtors' Schedules, provided that such Claim is not scheduled as contingent, disputed, and/or unliquidated and has not been paid.

(5) In the absence of any of the foregoing at zero.

The Claim amount established pursuant to the foregoing will control for voting purposes only, and will not be determinative of the Allowed Amount of any Claim.

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I. Ballot Tabulation

The following voting procedures and standard assumptions shall be used in tabulating Ballots:

(1) Except as otherwise provided in the Solicitation Procedures, unless a Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Alternative Plan Sponsors may reject such Ballot as invalid and, therefore, decline to count it in connection with Confirmation;

(2) The Claims Agent will date all Ballots when received. The Claims Agent shall retain the original Ballots and an electronic copy of the same for a one (1) year period after the Effective Date of the Plan or provide such documents to the Reorganized Debtors, unless otherwise ordered by the Bankruptcy Court;

(3) As soon as reasonably practicable before the Confirmation Hearing, unless such other date is set by the Bankruptcy Court, the Alternative Plan Sponsors will file a verified summary of the Ballot count in accordance with sections 1126(c) and (d) and Local Rule 3018-1 (the "Voting Report") with the Bankruptcy Court. The Voting Report shall, among other things, delineate every irregular Ballot including, without limitation, those Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking original signatures, or lacking necessary information, received via facsimile, email, or any other electronic means, or damaged. The Voting Report shall indicate the Alternative Plan Sponsors' intentions with regard to such irregular Ballots;

(4) The method of delivery of Ballots to be sent to the Claims Agent is at the election and risk of each Holder, and except as otherwise provided, a Ballot will be deemed delivered only when the Claims Agent actually receives the original executed Ballot;

(5) An original executed Ballot is required to be submitted by the Person submitting such Ballot. Delivery of a Ballot to the Claims Agent by facsimile, e-mail, or any other electronic means will not be valid;

(6) No Ballot should be sent to any of the Alternative Plan Sponsors, the Debtors, the Debtors' agents (other than the Claims Agent), any indenture trustee (unless specifically instructed to do so), or the Debtors' financial or legal advisors, and, if so sent, will not be counted;

(7) The Alternative Plan Sponsors expressly reserve the right to amend from time to time the terms of the Plan in accordance with the terms thereof (subject to compliance with the requirements of section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification);

(8) If multiple Ballots are received from the same Claim Holder with respect to the same Claim prior to the Voting Deadline, the latest valid Ballot will be deemed to reflect that voter's intent and will supersede and revoke any prior received Ballot for the same Claim;

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(9) Claim Holders must vote all of their Claims within a particular Class either to accept or to reject the Plan and may not split such votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, to the extent there are multiple Claims within the same Class, the Alternative Plan Sponsors may, in their sole discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes;

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(10) A person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity should indicate such capacity when signing and must submit proper evidence to the requesting party to so act on behalf of such Holder or beneficial Holder;

(11) The Alternative Plan Sponsors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the Voting Deadline, and any such waivers will be documented in the Voting Report;

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(12) Neither the Alternative Plan Sponsors, nor any other Person, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;

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(13) Unless waived or as ordered by the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots will not be counted;

(14) In the event a designation of lack of good faith is requested by a party-in-interest under section 1126(e) of the Bankruptcy Code, the Alternative Plan Sponsors will count that Person's vote unless otherwise ordered by the Bankruptcy Court under section 1126(e) of the Bankruptcy Code;

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(15) If a Claim is listed in the Schedules as being a non-Priority Claim (or is not listed in the Schedules) and a Proof of Claim is filed as a Priority Claim (in whole or in part), such Claim will be temporarily Allowed for voting purposes as a non-Priority Claim in an amount that such Claim would have been so Allowed in accordance with the tabulation procedures set forth in the Solicitation Procedures had such Proof of Claim been filed as a non-Priority Claim;

(16) If a Claim is listed in the Schedules as being an unsecured Claim (or is not listed in the Schedules) and a Proof of Claim is filed as a Secured Claim (in whole or in part), such Claim will be temporarily Allowed for voting purposes as an unsecured Claim in an amount that such Claim would have been so Allowed in accordance with the tabulation procedures set forth in the Solicitation Procedures had such Proof of Claim been filed as an unsecured Claim.

(17) Subject to any contrary order of the Bankruptcy Court, the Alternative Plan Sponsors reserve the right to reject any and all Ballots not in proper form, the acceptance of which, in the opinion of the Alternative Plan Sponsors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections will be documented in the Voting Report;

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(18) If a Claim has been estimated or otherwise allowed for voting purposes only by an order of the Bankruptcy Court, such Claim shall be temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court for voting purposes only and not for purposes of allowance or distribution;

(19) The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot that is illegible or contains insufficient information to permit the identification of the Claim Holder; (ii) any Ballot cast by a Person that does not hold a Claim in a Class that is entitled to vote on the Plan; (iii) any Ballot cast for a Claim listed on the Debtors' Schedules as contingent, unliquidated, and/or disputed for which no Proof of Claim was timely filed; (iv) any unsigned Ballot or one lacking an original signature; (v) any Ballot not marked to accept or reject the Alternative Plan, or marked both to accept and reject the Alternative Plan; and (vi) any Ballot submitted by any Person not entitled to vote pursuant to the procedures described in the Solicitation Procedures.

IX. RECOMMENDATION

In the Alternative Plan Sponsors' opinion, the Alternative Plan is preferable to the alternatives described in this Disclosure Statement because the Alternative Plan provides for a larger distribution to Claim Holders than would otherwise result from a liquidation under chapter 7 of the Bankruptcy Code. In addition, any alternative to Alternative Plan Confirmation could result in extensive delay and increased administrative expense, resulting in smaller distributions to Claim Holders. Accordingly, the Alternative Plan Sponsors recommend that the Claim Holders entitled to vote on the Alternative Plan support Alternative Plan Confirmation by voting to accept the Alternative Plan.

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[Signature Page to First Amended Disclosure Statement for Joint Plans of Reorganization]

Respectfully Submitted,

LUNA GREEKTOWN LLC AND PLAINFIELD ASSET MANAGEMENT, LLC AND ITS AFFILIATES

By:_____
Name: James Oegema
Title: Authorized Agent

Dated: August 11, 2009

Prepared By:

FOLEY & LARDNER LLP
Counsel for the Alternative Plan Sponsors

By: */s/ Katherine R. Catanese*
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Thomas B. Spillane, Jr. (P39672)
Katherine R. Catanese (P P67542)
Adam J. Wienner (P71768)
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Detroit, Michigan 48226
313.234.7100 (telephone)
313.234.2800 (facsimile)

- and –

Geoffrey S. Goodman
Joanne Lee
321 N. Clark St., Ste. 2800
Chicago, Illinois 60654
312.832.4500 (telephone)
312.832.4700 (facsimile)

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Michael E. Baum (P29446)¶
Ryan Heilman (P63952)¶
Brendan G. Best (P66370)¶
John J. Stockdale

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HONIGMAN MILLER SCHWARTZ AND COHN LLP¶
Special Counsel for the Debtors and Debtors-in-Possession¶
¶
¶
By:_____¶
Judy B. Calton (P38733)¶
Melissa A. Langridge (P67726)¶
Adam K. Keith (P71167)¶
2290 First National Building¶
660 Woodward Avenue¶

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Exhibit G -- Claims Summary and Estimated Recoveries

Exhibit H -- Supplemental Statement of Debtors Regarding Position of Certain Creditors With Respect to Disclosure Statement for Joint Plans of Reorganization

Exhibit I -- Additional Historical Financial Information

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In the Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed DIP Facility Claim

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(1) On account of its Pre-petition Adequate Protection Claim, at such Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed Pre-petition Adequate Protection Claim; and (2) on account of its Pre-Petition Credit Agreement Claim, either (a) Pro Rata share of (i) the New Equity or Reorganized Holdings and (ii) the Additional Plan Note, or (b) if an Alternative Proposal is accepted, Pro Rata share of the Alternative Proposal distribution

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3: Other Allowed Secured Claims Against

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In the Reorganized Debtors' full discretion, either: (i) the value of the Holder's Allowed Secured Claim or, (ii) return of the collateral securing the Holder's Secured Claim

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Pro Rata share of the Unsecured Distribution Fund, paid in two equal installments 6 and 12 months after the Effective Date

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Both (i) a Pro rata share of the Trade Distribution Fund, paid in two equal installments 6 and 12 months after the Effective Date, and (ii) a release from Avoidance Claims

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In the Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed DIP Facility Claim

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In the Reorganized Debtor's full discretion, either: (i) the value of the Holder's Allowed Secured Claim or, (ii) return of the collateral securing the Holder's Secured Claim

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In the Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed DIP Facility Claim

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(1) On account of its Pre-petition Adequate Protection Claim, at such Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed Pre-petition Adequate Protection Claim; and (2) on account of its Pre-Petition Credit Agreement Claim, either (a) Pro Rata share of (i) the New Equity of Reorganized Holdings and (ii) the Additional Plan Note, or (b) if an Alternative Proposal is accepted, Pro Rata share of the Alternative Proposal distribution

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In the Reorganized Debtors' full discretion, either: (i) the value of the Holder's Allowed Secured Claim or, (ii) return of the collateral securing the Holder's Secured Claim

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Class 19: General Unsecured Claims

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In the Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed DIP Facility Claim

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In the Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed DIP Facility Claim

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(1) On account of its Pre-petition Adequate Protection Claim, at such Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed Pre-petition Adequate Protection Claim; and (2) on account of its Pre-Petition Credit Agreement Claim, either (a) Pro Rata share of (i) the New Equity of Reorganized Holdings and (ii) the Additional Plan Note, or (b) if an Alternative Proposal is accepted, Pro Rata share of the Alternative Proposal distribution

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Trappers or Trappers Property

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Class 31: Allowed Secured Claims Against Kewadin	In the Reorganized Debtors' full discretion, either: (i) the value of the Holder's Allowed Secured Claim or, (ii) return of the collateral securing the Holder's Secured Claim	100%
Class 32: Unsecured Claims Against Kewadin	No distribution	0%
Class 33: Interests in Kewadin	No distribution	0%

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The following discusses the Debtors' business before they commenced the Chapter 11 Cases, including the events leading to the Chapter 11 Cases.

The Debtors' Businesses

Corporate Structure

As illustrated in the corporate organization chart attached as Exhibit C, the assets of the Greektown Casino ("Greektown") are owned by Greektown Casino, L.L.C. ("Casino"). Greektown Holdings, L.L.C. ("Holdings"), a holding company, owns 100% of Casino's membership interests. Holdings' membership interests, in turn, are owned

50% by Monroe Partners, L.L.C. ("Monroe"), a holding company, and 50% by Kewadin Greektown Casino, L.L.C. ("Kewadin"). Kewadin also owns 97.1875% of Monroe's membership interests.

Kewadin is wholly owned by the Kewadin Casinos Gaming Authority, a tribal instrumentality wholly owned by the Sault Ste. Marie Tribe of Chippewa Indians, a federally recognized Indian Tribal Government (the "Tribe"). The Tribe established Kewadin to oversee its gaming operations.

Casino also owns 100% of the shares of Realty Equity Company, Inc. ("Realty"), 100% of Contract Builders Corporation ("Builders") shares, and 100% of the membership interests of Trappers GC Partner, LLC ("Trappers"). Realty, Builders, and Trappers are real-estate holding companies that each own certain real property located in Detroit, Michigan. Holdings also owns 100% of the shares of Greektown Holdings II, Inc. ("Holdings II") a holding company that does not own any assets.

Background

Greektown, which was developed by the Tribe in a partnership with private investors, opened in November 2000 as the first tribal-owned casino in the U.S. to operate on non-tribal lands. One of only three commercially licensed casinos operating in Michigan, Greektown is located in the historic Greektown district of downtown Detroit, Michigan. Greektown is accessible from the six interstate highways that pass through downtown Detroit, including Interstate 375, which has an off-ramp adjacent to one of Greektown's parking structures.

Greektown offers a full range of gaming, dining, and entertainment alternatives. In 2008, Greektown's share of the Metro Detroit Gaming Market (defined below) was 23.2%, and Greektown generated $286.7 million in net revenues and $(153.1) million in net income. Greektown generates stable cash flow from its slot-based business, which represented approximately 83% of gross gaming revenues in 2008, and from table games, which are predominantly cash based.

Greektown's market is primarily a "drive-to" gaming market, with over 90% of its patrons residing within 100 miles of its location. It is estimated that Greektown attracts approximately 15,800 patrons per day, a significant number of which make regular visits to its property. "Club Greektown," Greektown's players club, is a membership/loyalty program that attracts customers by offering incentives to frequent casino visitors. As of December 31, 2008, there were approximately 1,005,000 people in the Club Greektown database, 73,000 of which are considered active members.

Overview of the Greektown Property

Greektown was designed to blend in with the fabric of its neighborhood surroundings while providing a destination of excitement and entertainment for visitors. A number of public attractions and corporate offices are located within walking distance or a short drive from Greektown, including stadiums for the Detroit Tigers, Detroit Lions,

and Detroit Red Wings and the headquarters for Blue Cross Blue Shield of Michigan, Compuware, and General Motors.

Since July 2006, Greektown has been engaged in an expansive renovation of its gaming floor and amenities, including construction of an adjacent parking garage and 400-room hotel (the "Expanded Complex"). The following table summarizes the impact on Greektown's property of the Expanded Complex, which was substantially completed in February 2009:

	Pre-Expanded Complex	**Expanded Complex**	**February 2009**
Gaming Square Feet	75,000	25,000	100,000
No. of Slots	2,308	592	2,900
No. of Tables	73	1	74
No. of Parking Spaces	1,882	2,900	4,782
No. of Hotel rooms	N/A	400	400

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The Debtors' Boards of Directors/Managers and Executive Officers

The following persons are the Debtors' executive officers and/or serve on the Debtors' boards of directors or managers. A brief biography of each follows in the next section.

Kewadin. Kewadin's Chairman is D. Joe McCoy; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Kewadin is a manager-managed LLC.

Monroe. Monroe's Chairman is D. Joe McCoy; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Monroe is a manager-managed LLC.

Holdings. Holdings' Chairman is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Chief Financial Officer is Cliff Vallier; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Holdings is a manager-managed LLC.

Casino. Casino's Chairman is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its General Manager is Chris Colwell; its Chief Financial Officer is Cliff Vallier; its Vice President of Marketing is Amanda Totaro; and its Managers are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Casino is a manager-managed LLC.

Holdings II. Holdings II's Chairman is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Chief Financial Officer is Cliff Vallier; and its Directors are D. Joe McCoy, Jake Miklojcik and Louis Glazier.

Realty. Realty's President is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Secretary and Treasurer is Cliff Vallier; and its Directors are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Realty is a corporation.

Builders. Builders' President is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Secretary and Treasurer is Cliff Vallier; and its Directors are D. Joe McCoy, Jake Miklojcik and Louis Glazier. Builders is a corporation.

Trappers. Trappers' President is D. Joe McCoy; its Chief Executive Officer is Randall Fine; its Secretary and Treasurer is Cliff Vallier; and its sole member is Greektown Casino, LLC. Trappers is a member-managed LLC.

Biographical Information

Darwin "Joe" McCoy is a successful self-made businessman. He is the owner and President of MCM Marine, Inc., which is a marine construction company. He is also the owner of Soo Marine Supply. Joe has owned and operated his local small businesses for over 30 years. Joe McCoy is the elected Tribal Chairman of the Tribe. Additionally, he sits on the board of the Sault Ste. Marie Country Club, and has been a board member of Old Mission Bank since its inception.

Louis Glazier is a certified public accountant, attorney, and principal at Franklin Advisors LLC, a Farmington Hills financial consulting firm specializing in corporate restructuring, turn-around management, and business planning. From 1975 to 1999, Glazier served as CFO of Thornapple Valley, a publicly traded company with more than $1 billion in average yearly sales. He holds a bachelor of science degree from Wayne State University and a law degree from the University of Detroit School of Law.

Jacob Miklojcik is a casino gaming industry analyst based in Lansing, Michigan. Miklojcik provides financial and other business planning consulting services to gaming clients across the country. He assists clients in various industries with financial and economic impact analyses, business plan preparation, market analyses, and other strategic consulting services both public and private. Miklojcik holds a Bachelor of Science degree from Carnegie Mellon University and a master of public policy from the University of Michigan.

Randall Fine is an expert in customer relationship marketing and gaming strategy and execution. Before founding the Fine Point Group ("FPG"), he served as both Vice President of Total Rewards and Product Marketing and Vice President of Slots and Total Rewards Operations at Harrah's Entertainment, the world's largest gaming company. Fine left Harrah's to join Carl Icahn's casino company, where he helped position those properties for sale at a $1 billion profit to Goldman Sachs. Before entering the gaming industry, Fine worked at McKinsey & Company, Lehman Brothers, and for the U.S. House of Representatives, and taught Economics at Harvard College. Fine holds both his

undergraduate degree, magna cum laude, and his MBA degree, with high honors, from Harvard University.

Clifford T. Vallier has been Greektown's Chief Financial Officer since December 2006. He also served as Greektown's Vice President of Finance and Accounting and Guest Services from February 2004 to December 2006, and Senior Director of Finance from July 2002 to February 2004. Mr. Vallier has worked for Greektown since November 2000. He has over 16 years of experience in the gaming industry. Before joining Greektown, Mr. Vallier served as Senior Director of Finance of the Kewadin Casinos located in Sault Ste. Marie, Michigan, from 1992 to 2000. Mr. Vallier was also a member of the management team during his tenure. From 1988 to 1992, he was employed by Anderson Tackman & Co, CPAs, in various capacities, rising to Senior Auditor.

Chris Colwell has been Greektown's General Manager since June 2009. He is also a Senior Vice President with FPG, where he has worked since September 2008. In this capacity, Chris is responsible for Gaming Operations which includes property operations and execution as well as asset profit optimization. Previously, Mr. Colwell was the Director of Project Development at Station Casinos, responsible for project management and analysis for Viva Resort and Casino from 2007 to 2008. Prior to this, he was the Vice President of Gaming Operations at Bally Technologies, a major slot manufacturing company. Mr. Colwell was also an executive to the Senior Vice President of Gaming and was responsible for all financial matters including budgeting, forecasting, and material planning. Mr. Colwell also worked for Harrah's Entertainment in Kansas City as Director of Gaming Operations. Chris holds an MBA from Kellogg Graduate School of Management at Northwestern University, as well as a degree in civil engineering from Duke University in Durham, NC. Chris additionally is a certified nuclear engineer through the DOE Naval Reactors program having achieved the rank of Lieutenant Commander before resigning his Naval commission to enter the private workforce.

Amanda Totaro is a marketing turn-around specialist with a demonstrated ability to design and implement strategic, analytically-based marketing plans and programs which have driven increased profitability at three major casino operators, including Harrah's Entertainment, Carl Icahn's gaming companies and Isle of Capri Casinos, Inc. As the Chief Marketing Officer with Isle of Capri Casinos, Totaro was responsible for the entire marketing function of this $1.28 gaming company with 15 properties across 3 countries, serving 10 million customers annually, with a $250M marketing budget. Totaro joined the Isle of Capri, from American Casinos & Entertainment Properties where she served as Chief Marketing Officer for Carl Icahn's gaming properties in Nevada and New Jersey where her marketing strategy positioned the company for a highly profitable private equity sale. Previously, she was the Vice President of Brand Marketing for Harrah's Entertainment, Inc., where she repositioned all of this gaming giant's casino brands, earning 3 prestigious Telly awards for program efficacy and creative excellence. Totaro is a graduate of the University of Miami.

The Debtors' Industry

The Michigan gaming market, which contains both commercial and tribal casinos, consists of three commercial casinos located in the City of Detroit: Greektown, MGM Grand Detroit ("MGM") and MotorCity Casino ("MotorCity") and seventeen Native American gaming facilities that operate under compacts (the "Michigan Gaming Market"). Seven racetracks are also located in Michigan, each of which offer horse betting, but which are not authorized to offer slot machine or table gaming. Caesars Windsor, a casino owned by the Ontario government, is located in Windsor, Ontario, Canada, across the Detroit River from Detroit, and is accessible via bridge or tunnel ("Caesars"). There is also a racetrack in Windsor that operates 750 slot machines. Collectively, Greektown, MGM, MotorCity, and Caesars make up the Metro Detroit gaming market (the "Metro Detroit Gaming Market"), which generates gross gaming revenues in excess of $1.6 billion per year.

Direct Competition Overview

The direct competitors of Greektown are the two other Detroit casinos, which initially opened in 1999, and Caesars, which initially opened in 1994. The three Detroit casinos operate as commercial entities under the Michigan Gaming Control and Revenue Act (the "Gaming Act"). Detroit casinos are licensed to offer both slot machines and table games, with no specific limit on the number of gaming positions that a casino may operate within the authorized gaming square footage. MGM, MotorCity, and Caesars may each have greater name recognition and financial, marketing, and other resources than Greektown. For example, MGM benefits from the use of a national player database. MGM, MotorCity, and Greektown, had 42.5%, 34.2%, and 23.2% market share, respectively, as of December 31, 2008. Below is a summary of the gaming amenities offered by MGM and MotorCity.

MGM Grand Detroit

MGM was the first casino to open in Detroit, in July 1999, and since 2001 has been the market leader. In October 2007, MGM completed construction of a new, permanent casino, which significantly increased MGM's gaming revenues over the prior twelve-month period. The new facility houses approximately 100,000 square feet of gaming space with an estimated 4,200 slot machines and 98 table games, 400 hotel rooms, over 5,000 parking spaces, 13 restaurants/bars, and five entertainment venues. The property also offers a 30,000-square-foot meeting facility, which includes a 14,000-square-foot ballroom. For the twelve months ending December 31, 2008, MGM's adjusted gross gaming revenue was $578 million, a significant increase over the prior year. MGM Mirage owns a controlling interest in the casino, with the remaining interest held by Detroit Partners, LLC, a group of local residents and businesses.

MotorCity Casino

MotorCity was the second casino to open in Detroit, in December 1999, and since 2001 has maintained a second-place market position behind MGM. In 2005, MotorCity began renovating its existing casino space. The new facility has 100,000 square feet of gaming space with an estimated 2,850 slot machines and 83 table games, over 4,000

parking spaces, 10 restaurants/bars, and two entertainment venues. For the twelve months ending December 31, 2008, MotorCity's adjusted gross gaming revenue was $464 million, a slight decline over the prior year. The facility is privately owned by its sole stockholder, Marian Ilitch, and was formerly owned by Mandalay Resort Group.

Caesars Windsor

Caesars opened in a temporary location in May 1994. Caesars is the largest casino-resort in Canada and is owned by the government of Ontario and operated by a consortium that includes Harrah's Entertainment, Inc. and Hilton Hotels Corporation. At its peak in the late 1990s, the casino attracted in excess of 6 million visitors annually. In February 2005, the casino announced a $400 million expansion, which resulted in a complex of approximately 100,000 square feet of gaming space, 95 table games, 2,600 slot machines, and 3,000 parking spaces. Caesars now offers 758 hotel rooms, a 5,000-seat entertainment center, and approximately 100,000 square feet of convention space.

Michigan Tribal Gaming

Nineteen Native American casinos are currently operating in western, central, and northern Michigan, five of which are owned and operated by the Tribe, and the closest of which is 150 miles from Greektown. Furthermore, a number of additional Native American casinos are in various stages of the planning process:

> The Tribe has entered into a land settlement agreement with the State of Michigan and is currently seeking government approvals to construct a casino in Monroe County, Flint, or Romulus, which would be within 20 to 75 miles of Greektown.
>
> Another tribe has also entered into a land settlement agreement with the State of Michigan and is currently seeking government approval for a casino in Port Huron, which would be within 75 miles of Greektown.
>
> Two more tribes were authorized to open casinos in western Michigan under compacts signed in 1998, but no facility has opened to date.
>
> Another tribe has been federally recognized and seeks to enter into a compact with the State of Michigan for a casino in western Michigan.
>
> Another tribe has indicated an intention to apply to the Bureau of Indian Affairs for trust status for a site in Romulus.

The opening of additional Native American casinos near Detroit or throughout Michigan could have a detrimental effect on Greektown's gaming revenues.

The Michigan Lottery

Greektown competes with the State of Michigan Lottery, which offers a variety of lottery tickets and drawings. Additionally, the Bureau of State Lottery oversees and

licenses charitable gaming by non-profit organizations throughout the state. In 2004, Michigan also introduced new "Club Games," including keno and various pull-tab games, in licensed bars and restaurants.

Other Competition

Greektown also competes, to some extent, with other forms of gaming on both a local and national level, including state-sponsored lotteries, Internet gaming, on- and off-track wagering, and card parlors. The expansion of legalized gaming to new jurisdictions throughout the United States has also increased competition and will continue to do so in the future. An Ohio casino initiative may appear on the November 3, 2009 ballot in Ohio. Penn National Gaming, Inc. has suggested that it may join forces with Lakes Entertainment of Minnesota to organize a petition drive to qualify an initiative that would authorize casino-style gaming at four locations in the state: Cincinnati, Cleveland, Columbus, and Toledo. Ohio voters have considered and rejected four previous casino measures, but none of those were for a casino in the Columbus area. If gaming facilities in Greektown's markets were purchased by entities with more recognized brand names or larger capital resources, or if gaming were legalized in jurisdictions near Greektown where gaming currently is not permitted, Greektown would face additional competition.

Proposal 1

In November 2004, Michigan voters passed Proposal 1, which requires a voter referendum before new forms of gambling are permitted in Michigan. This limits the government's ability to enact changes to state laws permitting incremental forms of gaming in Michigan. Proposal 1 does not apply to tribal gaming or to the three existing Detroit casinos, but applies to new lottery games, consisting of "table games" and "player-operated mechanical or electronic devices" or other forms of gaming or additional casinos.

Regulation Under the Michigan Gaming Control and Revenue Act

Michigan Regulation

The Debtors' gaming facility and operations are subject to various state and local laws and regulations. In November 1996, Michigan voters approved Proposal E, which effectively authorized three licensed casinos to be built in Detroit, and was later substantially amended and signed into law as the Michigan Gaming Control and Revenue Act, M.C.L. §§ 432.201 *et seq.*, referred to in this Disclosure Statement as the Gaming Act. Greektown is subject to the provisions of the Gaming Act, including rules promulgated pursuant thereto (the "Gaming Rules"), MGCB Orders and Resolutions ("Board Orders and Resolutions"), various local ordinances and regulations, and is subject to the regulatory control of the MGCB, the City of Detroit, and other applicable governmental entities, including, without limitation, the Michigan Liquor Control Commission and the Michigan Department of Treasury.

Among other things, the Gaming Act:

Authorizes up to three licensed commercial casinos in any "city", which currently includes only the City of Detroit;

Vests the MGCB (a Type I state agency within the Michigan Department of Treasury) with exclusive authority to license, regulate, and control casino gaming operations at the three authorized Detroit casinos;

Authorizes the MGCB to promulgate necessary administrative rules to properly implement, administer, and enforce the Gaming Act;

Provides for the licensing, regulation, and control of casino gaming operations, manufacturers and distributors of gaming equipment and supplies, and casino employees;

Establishes licensing standards and procedures for the issuance of casino licenses, casino-supplier licenses, and occupational licenses;

Imposes civil and criminal penalties for violations of the Gaming Act;

Authorizes and imposes certain taxes and fees on casinos and others involved in casino gaming;

Provides for the distribution of casino tax revenue for certain purposes, including K-12 public education in Michigan, and for capital improvements, youth programs, and tax relief in the City of Detroit;

Creates certain funds for the operation of the MGCB to license, regulate, and control casino gaming, and addresses contributions to compulsive gambling prevention programs, and other casino-related Michigan programs;

Requires certain safeguards by casino licensees to prevent compulsive and underage gambling;

Prohibits state and local political contributions by certain persons with casino interests, including licensed suppliers and supplier-license applicants; and

Establishes ethical standards and requirements for members, employees, and agents of the MGCB, license applicants, licensees, and others involved in gaming.

The Gaming Act also vests the MGCB with extensive authority to conduct background investigations to determine the suitability and eligibility of casino-license applicants, affiliated companies, persons, and entities. Typically, persons who have a 1% or greater ownership interest in a licensee and all persons considered "key," such as

upper management and board members, are required to undergo an extensive application and disclosure process with the MGCB, pursuant to which an investigation is conducted before a decision is made by the MGCB as to suitability and eligibility.

Prior to the Debtors' bankruptcy, in November of 2005 the Board issued an Order Approving Debt Transaction, Supplier-Licensing Exemption Requests, and Eligibility, Suitability, and Qualification of Certain Key Persons of Greektown Casino, L.L.C. ("2005 Order"). This Order provided that Casino, Holdings and Holdings II could enter into credit agreements with Merrill Lynch Capital Corporation and Merrill Lynch Pierce Fenner and Smith Inc. to refinance a 2003 credit agreement, refinance letter of credit obligations to the City of Detroit, fund operations, and expand the casino ("Debt Transaction"). The 2005 Order required, as a condition of approval of the Debt Transaction, that Holdings meet and maintain financial benchmarks, including net debt to EBITDA ratios and fixed charge coverage ratios. The Gaming Act requires that a casino licensee have sufficient liquidity to responsibly maintain the casino operation.

The Board's approval of the Debt Transaction in the 2005 Order was also conditioned upon the Board's right to initiate a sale process if the Financial Benchmarks were not met. If, in the judgment of the Executive Director of the Board, any Financial Benchmark is not satisfied by the date that the certified audit for a particular fiscal year is due, the Board may notify Casino in writing that the process for sale of its interests in the casino operations ("Sale Transaction") will take effect. Within 180 days of that notification, Debtors must enter a contract to transfer all interests in the casino and the transferee(s) must file a transfer of interest application. If the Sale Transaction process obligations are not satisfied or if the Board finds a transferee ineligible, unsuitable, or unqualified, the Gaming Act's provisions for appointment of a conservator to operate the casino enterprise take effect.

In the fall of 2006, the Debtors requested that the Board amend the covenants to allow an additional year for them to come into compliance with the 2008 Financial Benchmarks and each successive benchmark. The Board denied this request for modification in an order dated December 12, 2006. The Debtors thereafter failed to meet the December 31, 2007, net debt to EBITDA ratios. The Debtors have remained continuously in default of these regulatory requirements since that date.

In March of 2008, Debtors again requested a waiver of the Financial Benchmark requirements of the 2005 Order and further requested that the initiation of the Sale Transaction be waived. The Board denied Debtors' request in an Order dated May 13, 2008. This order found that the Debtors had failed to meet one of the Financial Benchmarks for the fiscal year ending December 31, 2007 and the matter was set for a June 10, 2008 show cause hearing as to why the Board should not invoke the Sale Transaction. During the interim period between the May 13, 2008 Order and the show cause hearing, which was scheduled for June 10, 2008, the Debtors filed their Chapter 11 petitions. At the show cause hearing, in deference to the Bankruptcy Court and the bankruptcy process, the Board took the decision on whether to invoke the Sale Transaction under advisement. The MGCB continues to assert that its regulatory powers under the Gaming Act, Gaming Rules, and previous orders are not stayed by the

bankruptcy proceedings and could be exercised at any point. As noted above these powers include, but are not limited to, the ability to order a sale of the casino assets, appoint a conservator, and suspend or revoke the Debtors' gaming license.

In August of 2008, the Debtors' gaming license was up for renewal. To date, in an exercise of its discretion, the Board has taken no administrative action with respect to the Debtors' defaults and has held the decision on license renewal in abeyance for over a year. The Debtors are under a statutory duty to prove by clear and convincing evidence that they meet the criteria for continuation of a casino license. M.C.L. § 432.206(5). These criteria include that they be well capitalized and that they responsibly maintain casino operations and assets.

City of Detroit Regulation

The Detroit City Council (the "City Council") has enacted several ordinances affecting Detroit casinos. One ordinance, entitled "Casino Gaming Authorization and Casino Development Agreement Certification and Compliance," (the "City Gaming Ordinance") authorizes casino gaming only by a person who is licensed by the MGCB and is a party to a "development agreement" approved and certified by the City Council and currently in effect.

After a lengthy competitive bidding process in 1997, Greektown, MGM, and MotorCity negotiated development agreements with the City of Detroit (the "City"), which were finalized and approved by City Council on March 12, 1998. The City's initial plan was to acquire sufficient land to locate all three casinos on the Detroit riverfront, which plan was ultimately unsuccessful. Because of this significant change in plans and for other less material factors, the three developers and the City renegotiated their respective development agreements and, on August 2, 2002, finalized revised development agreements, permitting the casinos to develop their casino complexes in various locations within the City, which remain effective as of this date. Both MotorCity and Greektown chose to expand their complexes at their existing location, whereas MGM chose to develop an entirely new facility at a different location. Greektown's Revised Development Agreement is referenced in the Plan as the "Development Agreement."

The revised development agreements require the three casinos to construct expanded casino complexes to include at least 400 hotel rooms and other amenities within certain designated time frames, which were modified as a result of litigation that enjoined construction of the facilities for 2-1/2 years. Greektown did not meet the initial completion date but did complete construction of its hotel. It opened all 400 rooms to the public on February 15, 2009 within the final completion deadlines set forth in the Development Agreement.

The City Gaming Ordinance requires each casino operator to submit to the Mayor of Detroit and to the City Council annual reports regarding the operator's compliance with its development agreement or, in the event of noncompliance, reasons for non-compliance and an explanation of its efforts to comply. The City Gaming Ordinance requires the Mayor of Detroit to monitor each casino operator's compliance with its

respective development agreement, to take appropriate enforcement action in the event of default, and to notify the City Council of defaults and enforcement action taken. If a development agreement is terminated, the City Gaming Ordinance requires the City Council to transmit notice of such action to the MGCB within five business days, along with the City request that the MGCB revoke the relevant operator's certificate of suitability or casino license. If a development agreement is terminated, the Gaming Act requires the MGCB to revoke the relevant operator's casino license upon the request of the City.

Greektown filed a motion with the United States Bankruptcy Court on March 11, 2009, seeking authority to assume the Development Agreement (the "Assumption Motion"). Greektown asserted that the Development Agreement is necessary for Greektown to operate its casino under the Michigan Gaming Control and Revenue Act and that the right to assume the Development Agreement was an important step toward receiving certification for a reduction in the Michigan wagering tax rate.

The City of Detroit opposed the Assumption Motion, alleging that Greektown was in default under the Development Agreement for various reasons, including: (1) failure to build a 1,000-plus seat theater as a component of its Casino Complex; (2) violation of a City Zoning Ordinance for failing to build a theater in accordance with the plans approved by the City Council; (3) failure to complete construction of the Casino Complex by the Final Completion Date; (4) failure to pay Development Process Costs; and (5) failure to conduct a public offering (the "Public Offering") to local residents. The City claimed that some of the alleged defaults were incapable of being cured and that as a result Greektown could not assume the Development Agreement. The City also argued that Greektown could not assume the Development Agreement in any event because the City does not consent to assignment of the Development Agreement by Greektown.

Greektown denied, in detail, each allegation of default by the City, contended that it has performed all of its obligations thereunder, and further responded that the City has never declared a default of any kind in the six-plus years of the Development Agreement's existence.

After conducting a two-day evidentiary hearing on the matter and receiving additional briefing as well as oral argument, the Court granted the Assumption Motion in a written opinion dated May 13, 2009. The Court found that there was no dispute that the Development Agreement was beneficial to the Debtors' estates and also found that, contrary to the City's position, Greektown was not in default under the Development Agreement.

On May 14, 2009, Greektown submitted a letter to the MGCB requesting certification for the tax rate reduction under the Gaming Act. The City submitted a letter to the MGCB on May 20, 2009 asking the MGCB to delay consideration of Greektown's request for certification because the City intended to seek authority from the Court to issue a notice of default under the Development Agreement and because the City intended to appeal the Court's ruling finding that no defaults existed. The City also stated in its letter that Greektown would not be harmed by the delay because if the

MGCB ultimately determines that Greektown's certification request is meritorious, Greektown will be entitled to retroactive application of the tax rollback.

Greektown believes that under the Gaming Act, whether the City issues a notice of default in the future is of no relevance to Greektown's pending request for tax rollback certification before the MGCB because, among other things, Greektown has already met both of the tax rollback certification requirements (that Greektown was both fully operational, and in compliance with the Development Agreement, for 30 consecutive days) and therefore Greektown is entitled to the tax rollback regardless of whether the City sends a notice of default at some point in the future.

The MGCB requested and received submissions from the City and Greektown in support of their positions on Greektown's tax rollback certification request and the request is pending. In its submission to the MGCB, the City of Detroit reiterated the alleged defaults in the Development Agreement that it had raised before this Court in the litigation of the Assumption Motion, and added three additional alleged defaults: (1) the filing of a bankruptcy petition, (2) failure to meet certain financial covenants in MGCB Order NO. GTC-2005-006, and (3) inadequacies in the 2009 annual Compliance Report regarding so-called "social" and other commitments by Greektown under the Development Agreement. Greektown denied in detail each of these additional default allegations.

On May 14, 2009, the City filed a motion with the Court requesting that the Court lift the automatic stay so that the City can issue a default notice under the Development Agreement; a hearing on this motion was held on June 3, 2009. The Court granted the City's motion but in doing so, (i) the Court did not make any finding that any default existed or appeared to exist, only that the City may issue a notice, as required under the Development Agreement, asserting that one or more defaults exist, and (ii) the Court held that the City may not issue any such notice of default until on or after August 10, 2009. Should the City issue such a notice, the issuance of the notice itself will not establish the existence of any default, and Greektown has the right under the Development Agreement to a cure period of at least 30 days, and up to 180 days under some circumstances.

On June 10, 2009, the Court entered its Order Approving Debtor's Assumption of Development Agreement (Docket No. 1207). On June 22, 2009, the City filed a Notice of Appeal with regard to the Court's rulings and order granting Greektown's Assumption Motion. The appeal will be heard by the United States District Court.

Statement by the City of Detroit

The City of Detroit has requested that the following statement be included with this Disclosure Statement. The Debtors do not agree with many of the positions taken by the City of Detroit in such statement and do not endorse the statement and make no representations with respect to the accuracy of the statement and reserve all of their rights to dispute all or portions of this statement.

There are five major areas of dispute between the City and Greektown which could materially impact Greektown's future business operations: 1) the reversal of the ruling allowing the assumption of the Development Agreement; 2) the City's claims for defaults under the Development Agreement; 3) Greektown's lack of entitlement to a tax rollback; 4) delinquent taxes owed by Greektown; and 5) the current lack of consent by the City to the Plan's proposed transfers.

As described in greater detail below, the risks for Greektown arising out of these disputes are significant, including, but not limited to, significant monetary damages, a prohibition on the transfer of the Development Agreement, termination of same and/or the shutdown of Greektown, and the inability to consummate the plan without the City's consent to the transfer. Under Michigan law, a casino must have a valid development agreement in order to obtain or renew a gaming license. Without a gaming license, a casino cannot operate.

Below is a description of each of the five areas of dispute between Greektown and the City.

Assumption of the Development Agreement

The City objected to the Assumption Motion for multiple reasons: 1) Greektown was barred from assuming the Development Agreement under the "hypothetical test" under Section 365(c) of the Bankruptcy Code; 2) Greektown's bankruptcy filing is a default under the Development Agreement because Section 365(e)(2) revived the "ipso facto" clause; 3) Greektown had failed to cure numerous defaults under the Development Agreement; and 4) Greektown was unable to cure certain historic defaults under the Development Agreement. The City alleged that Greektown was in default under the Development Agreement for the following reasons: 1) failure to build a 1,000-plus seat theater as a component of the Casino Complex; 2) violation of a City zoning ordinance for failing to build a theater in accordance with the plans that Greektown submitted to and that were approved by City Council; 3) failure to complete the construction of the entire Casino Complex by the date specified in the Development Agreement; 4) failure to pay development process costs; and 5) failure to conduct a public offering to local residents.

The crux of the Bankruptcy Court's ruling was that the City had not issued a formal notice of default under the Development Agreement. Thus, the Bankruptcy Court did not opine whether Greektown was or was not in compliance with the Development Agreement, but only whether formal notice had been given. The Bankruptcy Court subsequently allowed the City to issue a formal notice of default as of August 10, 2009, after which the City intends to pursue all of its rights and remedies, including filing an adversary complaint against Greektown for breach of the Development Agreement.

The City filed a Notice of Appeal to appeal certain rulings made by the Bankruptcy Court in connection with the Assumption Motion. The City is appealing the Bankruptcy Court's rulings relating to 1) application of the "hypothetical test" under

Section 365(c) to the Debtor's Assumption Motion; 2) whether the "ipso facto" clause in the Development Agreement creates an incurable default which the City may enforce pursuant to Section 365(e)(2); 3) whether the Debtor had notice of the defaults under the Development Agreement; 4) whether a debtor seeking to assume an executory contract must cure defaults for which it has no formal notice; and 5) whether Greektown had an obligation to cure the aforementioned defaults and provide adequate assurance of future performance. Greektown is opposing the City's appeal.

If the City is successful in its appeal, it could have material consequences for Greektown, including, but not limited to: 1) Greektown could be barred from assuming the Development Agreement, which would effectively terminate the Development Agreement; or 2) the case could be remanded to the Bankruptcy Court for further proceedings, which could result in further delay and could also ultimately result in Greektown being barred from assuming the Development Agreement, the award of compensatory and liquidated damages in favor of the City, specific performance of the terms of the Development Agreement, and/or termination of the Development Agreement.

Defaults Under the Development Agreement

The City intends to file an adversary proceeding in the Bankruptcy Court relating to Greektown's numerous defaults and breaches under the Development Agreement. In its adversary complaint, the City may allege, among other things, that Greektown is currently not in compliance with or in default of the Development Agreement for the following reasons:

> Greektown has failed to complete the "theater" component of the "Casino Complex," which has resulted in the following breaches of separate sections of the Development Agreement:
>
> > Greektown has failed to construct all of the components of the "Casino Complex."
> >
> > Greektown has failed to comply with governmental regulations by not constructing its Casino Complex in accordance with the plans submitted to the City Council of Detroit.
> >
> > Greektown is not in compliance with its approved zoning which requires the construction of a "theater."
> >
> > Greektown failed to construct the theater component "simultaneously" with the other components of its Casino Complex.
> >
> > Greektown failed to complete construction of certain components of its Casino Complex by the Completion Date.

Greektown failed to complete construction of all of the components of its Casino Complex by the Final Completion Date.

Greektown suspended its construction of its Casino Complex before all components were completed.

Greektown failed to comply with financial covenants established by the Board from December 31, 2007 to the present (and has stated it will not comply with them until 2010).

Greektown failed to conduct a public offering of its interests in the Casino to City residents.

Greektown failed to reimburse the City for the City's costs in connection with Greektown casino, which include the City's professional fees related to the bankruptcy and its restructuring.

Greektown failed to submit a complete and timely report showing its compliance with various "social" and other covenants as required under the Development Agreement.

Greektown's filing of bankruptcy constituted a violation of the Development Agreement.

Greektown has failed to pay a 1% tax increase that became effective on July 1, 2009, pursuant to M.C.L. 432.206 because Greektown's "casino enterprise" is not "fully operational."

Greektown has anticipatorily repudiated the Development Agreement through its proposed plan of reorganization by attempting to transfer ownership to a new entity, either the senior secured lenders or a third-party bidder, in derogation of the Development Agreement's prohibition on such transfers without the City's consent. In addition, such a transfer is a violation of the Detroit City Code, which presents another failure to comply with a Governmental Requirement.

The Development Agreement provides for different remedies for different breaches and defaults. These remedies could have a negative affect on Greektown's future business operations. The City's potential remedies against Greektown include, but are not limited to, the following: 1) specific performance of the terms of the Development Agreement; 2) liquidated damages of $40,000 per day; 3) actual damages caused by the breaches; 4) termination of the Development Agreement, which could result in the closure and mandatory sale of the Casino Complex.

Opposition to Greektown's Request for a Tax Rollback

In 2004, the Michigan State Legislature raised gaming taxes from 19% to 24% to provide an incentive for casinos to become fully operational and to comply with their development agreements. Under the Act, if the casinos met those requirements, the tax would "rollback" to the original 19%. But if the casinos were not in compliance with the requirements of the Act, the 24% tax would be raised by an additional 1%, commencing on July 1, 2009.

To be eligible for the "rollback" of the gaming tax, the Act requires a casino licensee to petition the Board and satisfy two preconditions:

> the casino licensee must have been "fully operational" for at least thirty consecutive days; and
>
> the casino licensee must have been "in compliance" with its development agreement with the City for at least thirty consecutive days since becoming fully operational.

M.C.L. 432.212(7). The Act defines "fully operational" to mean "a certificate of occupancy has been issued to the casino licensee for the operation of the hotel with not fewer than 400 guest rooms and, after issuance of the certificate of occupancy, the casino licensee's casino, *casino enterprise* [emphasis added], and 400-guest-room hotel have been opened and made available for public use at their permanent location and maintained in that status." M.C.L.432.212(15)(a).

The City alleges that Greektown has not satisfied the conditions of the tax rollback incentive. Greektown's casino enterprise is not "fully operational" because it has not constructed the theater component of the casino enterprise; moreover, Greektown is not in compliance with the Development Agreement for the reasons in the previous section above. Greektown has asserted that its casino is fully operational and that it is in compliance with the Development Agreement.

If the Board does not certify Greektown for a tax rollback, Greektown's future profits would be negatively affected, as the tax would remain at 25%, subject to increase by an additional 1% per year through 2011.

Assessment Enforcement, and Collection of Delinquent Taxes Owed By Greektown

The City believes Greektown was obligated to pay an additional 1% tax beginning on July 1, 2009 pursuant to M.C.L. 432.212(6) (the "1% Tax Increase") because its "casino enterprise" is not yet "fully operational." Greektown has failed to pay the 1% Tax Increase. The City is empowered to collect the tax under the Detroit City Code, Article XIV, Secs. 18-14-4, 1814-5. These provisions allow the City to collect the delinquent taxes in the same manner that income taxes are administered, enforced and collected under the Detroit City Code. The City is entitled to interest and penalties permitted under the Detroit City Code, Chapter 18, Article X, Sec. 18-10-17(6).

Greektown asserts that it has no obligation to pay the 1% Tax Increase because its "casino enterprise" is "fully operational." The City contests such assertion as the theater has not been constructed, and thus asserts that the "casino enterprise" is not "fully operational."

There are several potential consequences of Greektown's willful failure to pay the 1% Tax Increase, including the following: 1) conviction of a felony which would result in Greektown becoming ineligible to renew its gaming license, 2) the collection of the delinquent taxes plus interest accrued, 3) the imposition of a penalty, up to 25% of the delinquent taxes, and 4) the creation of a lien on Greektown's assets.

The Gaming Control and Revenue Act makes willful failure to pay taxes a felony. *See* M.C.L. 432.218(1)(e). A conviction of a felony renders an applicant ineligible to receive a license. *See* M.C.L. 432.206(4)(a). The interest charged for delinquent taxes is a formula linked to the prime rate, and the amount of the penalty for delinquent taxes is 1% of the tax owed, assessed on a monthly basis, up to a total of 25%. Furthermore, the City is empowered by the Detroit City Code to establish a lien against all of Greektown's assets to the extent that there are unpaid taxes. *See* Article XIV, Sec. 18-14-7.

Moreover, the failure to pay the 1% Tax Increase could subject Greektown to disciplinary actions by the Board up to and including revocation of Greektown's gaming license. The Board is permitted to consider whether a casino licensee has delinquent taxes when deciding whether to renew a gaming license.

Enforcement of the Anti-Transfer Provision of the Detroit City Code

Greektown's Plan proposes a transfer of ownership that would violate the Detroit City Code if not consented to by the City's Mayor and City Council. The Plan currently proposes to transfer ownership and thereby the Development Agreement to either the Senior Secured Lenders (*See* Plan § 3.3) or to a third-party successful bidder (*See* Plan § 4.6). Without receiving the required consents such a transfer would not only violate the Development Agreement's restrictions on transfers of ownership, but it would also violate the Detroit City Code. The Detroit City Code provides:

Sec. 18-13-10. Prohibitions upon assignment of development agreement.

> A development agreement may not be sold or transferred in any manner, nor may any party other than the designated developer operate a casino or casino complex pursuant to the development agreement, unless the mayor and city council give their consent to the sale or transfer (Ord. No. 17-97, § 1, 6-18-97).

DETROIT, MICH., CODE, Chapter 18, Article XIII, Sec. 18-13-10. To date, Greektown has not obtained the City's consent to a transfer either to the Senior Secured Lenders or a third-party. The Plan cannot be confirmed without the City's consent or any such transfer could be voided as an illegal transfer.

State of Michigan Casino Operating Fees

According to section 12 of the Gaming Act, the State of Michigan and the City of Detroit currently tax Greektown 12.1% and 11.9%, respectively, against adjusted gross gaming revenues. Additionally, the Development Agreement with the City of Detroit adds an incremental 1.0% to the current 11.9% tax rate. Therefore, the aggregate wagering tax is 25.0%. Under section 12 of the Gaming Act, if the MGCB determines that (1) Greektown has been "fully operational" for 30 consecutive days and (2) Greektown has been in compliance with the Development Agreement for at least 30 consecutive days, then the MGCB is required to certify that Greektown is entitled to have its tax rate under the Gaming Act reduced from 24% to 19% of adjusted gross receipts.

"Fully operational" is defined in the Gaming Act as follows:

> a certificate of occupancy has been issued to the casino licensee for the operation of a hotel with not fewer than 400 guest rooms and, after issuance of the certificate of occupancy, the casino licensee's casino, casino enterprise and 400-guest room hotel have been opened and made available for public use at their permanent location and maintained in that status.

MCL 432.212(15)(a). Greektown received a temporary certificate of occupancy for the 400 guest room hotel on February 6, 2009 and opened all of the 400 guest rooms to the public on February 15, 2009. Greektown submits that as of that date it was fully operational as defined by the Gaming Act and in compliance with its Development Agreement.

Greektown filed a motion with the United States Bankruptcy Court on March 11, 2009, seeking authority to assume the Development Agreement (the "Assumption Motion"). Greektown asserted that the Development Agreement is necessary for Greektown to operate its casino under the Michigan Gaming Control and Revenue Act and that the right to assume the Development Agreement was an important step toward receiving certification for a reduction in the Michigan wagering tax rate.

The City of Detroit opposed the Assumption Motion, alleging that Greektown was in default under the Development Agreement as follows: (1) failure to build a 1,000-plus seat theater as a component of its Casino Complex; (2) violation of a City Zoning Ordinance for failing to build a theater in accordance with the plans approved by the City Council; (3) failure to complete construction of the Casino Complex by the Final Completion Date; (4) failure to pay Development Process Costs; and (5) failure to conduct a public offering (the "Public Offering") to local residents. The City claimed that some of the alleged defaults were incapable of being cured and that as a result Greektown could not assume the Development Agreement. The City also argued that Greektown could not assume the Development Agreement in any event because the City does not consent to assignment of the Development Agreement by Greektown.

Greektown denied, in detail, each allegation of default by the City, contended that it has performed all of its obligations thereunder, and further responded that the City has never declared a default of any kind in the six-plus years of the Development Agreement's existence.

On May 14, 2009, Greektown submitted a letter to the MGCB requesting certification for the tax rate reduction under the Gaming Act. The City submitted a letter to the MGCB on May 20, 2009 asking the MGCB to delay consideration of Greektown's request for certification because the City intended to seek authority from the Court to issue a notice of default under the Development Agreement and because the City intended to appeal the Court's ruling finding that no defaults existed. The City also stated in its letter that Greektown would not be harmed by the delay because if the MGCB ultimately determines that Greektown's certification request is meritorious, Greektown will be entitled to retroactive application of the tax rollback.

Greektown believes that under the Gaming Act, whether the City issues a notice of default in the future is no relevance to Greektown's pending request for tax rollback certification before the MGCB because, among other things, Greektown has already met both of the tax rollback certification requirements (that Greektown was both fully operational, and in compliance with the Development Agreement, for 30 consecutive days) and therefore Greektown is entitled to the tax rollback regardless of whether the City sends a notice of default at some point in the future.

The MGCB requested and received submissions from the City and Greektown in support of their positions on Greektown's tax rollback certification request and the request is pending. In its submission to the MGCB, the City of Detroit reiterated the alleged defaults in the Development Agreement that it had raised before this Court in the litigation of the Assumption Motion, and added three additional alleged defaults: (1) the filing of a bankruptcy petition, (2) failure to meet certain financial covenants in MGCB Order NO. GTC-2005-006, and (3) inadequacies in the 2009 annual Compliance Report regarding so-called "social" and other commitments by Greektown under the Development Agreement. Greektown denied in detail each of these additional default allegations.

On May 14, 2009, the City filed a motion with the Court requesting that the Court lift the automatic stay so that the City can issue a default notice under the Development Agreement; a hearing on this motion was held on June 3, 2009. The Court granted the City's motion but in doing so, (i) the Court did not make any finding that any default existed or appeared to exist, only that he City may issue a notice, as required under the Development Agreement, asserting that one or more defaults exist, and (ii) the Court held that the City may not issue any such notice of default until on or after August 10, 2009. Should the City issue such a notice, the issuance of the notice itself will not establish the existence of any default, and Greektown has the right under the Development Agreement to a cure period of at least 30 days, and up to 180 days under some circumstances.

On June 10, 2009, the Court entered its Order Approving Debtor's Assumption of Development Agreement (Docket No. 1207). On June 22, 2009, the City filed a Notice

of Appeal with regard to the Court's rulings and order granting Greektown's Assumption Motion. The appeal will be heard by the United States District Court.

In addition to payment of the wagering tax, the City may impose an annual municipal service fee upon each of the licensed casinos in Detroit. Currently, the municipal service fee is the greater of 1.25% of gross gaming revenues or $4 million.

For a full description of the City's positions relating to the current disputes between the City and Greektown, please see pp. 16-21, above.

Legal/Compliance Matters

Various lawsuits were filed in the state and federal courts challenging the constitutionality of the Casino Development Competitive Selection Process Ordinance. The lawsuits sought to revoke the casino licenses issued to the three selected Detroit casino developers and to require the City to reselect casino developers. A settlement agreement reached in mid-2005 requires Greektown to pay $40 million in annual $1 million payments (inclusive of interest) through 2031. As of September 30, 2008, Greektown had paid $17 million toward the settlement agreement.

On June 8, 2006, Greektown entered into an Acknowledgment of Violation ("AOV") with the MGCB staff, which was approved by the MGCB on June 13, 2006, in an order titled Final Decision and Order Approving Acknowledgment of Violation and Approving Certain Amendments to the Debt Transaction Documents ("June 13th Order"). This matter arose out of Greektown's failure to comply with the MGCB's November 2005 order approving the Prepetition Credit Facility by failing to obtain MGCB approval before amending certain debt transaction documents. Greektown was assessed a $400,000 fine, although $300,000 is being held in abeyance so long as Greektown does not violate any MGCB order regarding a debt transaction. Greektown paid the $100,000 fine in 2006 and has not been required to make any additional payments under the June 13th Order. The AOV and MGCB order also required Greektown to establish an employment position for a person responsible for ensuring compliance with MGCB orders and to act as a liaison between Greektown and the MGCB, which it has done.

The MGCB's November 2005 order also made approval of the Pre-petition Credit Facility contingent upon Greektown maintaining certain financial covenants. Upon Greektown's noncompliance with such covenants, the MGCB was entitled to invoke a sale process that could potentially force Greektown to sell its casino interests on 180 days' notice (the "Sale Transaction Process"). Greektown subsequently failed to comply with one of the covenants, and the MGCB refused to waive such noncompliance, and ordered Greektown to "show cause" as to why the Sale Transaction Process should not have been invoked. Just before that hearing, Greektown filed for bankruptcy. MGCB nonetheless conducted the show cause hearing, but held in abeyance its rights in this regard contending that it still has the authority to invoke that process, despite the bankruptcy.

In December 2007, Greektown entered into another AOV regarding certain purchasing practices, among other things. Greektown agreed to a fine of $750,000, of which $450,000 is being held in abeyance for three years provided Greektown does not commit any violations of the nature at issue in this AOV. Greektown paid the $300,000 remainder of the fine. Greektown also agreed to various other commitments to ensure compliance.

The MGCB continues to assert that its regulatory authority is not stayed by the bankruptcy proceedings and believes that even were a plan of reorganization successfully confirmed, the Board would still have the authority to order the sale of the casino should violations of the Gaming Act, the Gaming Rules, or Board Orders continue. In addition, Board approval is required for any transfer of the casino license, and certain interests in the licensee, to another party and the decision on whether to renew Debtors' casino license remains under advisement. It is possible that the Board could decide to suspend or revoke the casino license either during or after the bankruptcy proceedings. Without a casino license, Reorganized Debtors cannot operate a casino in the state of Michigan and the value of the enterprise would be drastically affected by this decision.

Finally, Greektown is a party to various other legal and governmental proceedings arising in the ordinary course of business.

For a full description of the City's positions relating to Greektown's "Legal/Compliance Issues", please see pp. 16-21, above.

The Construction Project

In connection with its obligations under the Revised Development Agreement, Greektown has completed the Expanded Complex, which includes expanding the existing casino and building a new hotel and new parking garage on property adjacent to the casino. The Expanded Complex consists of approximately 25,000 square feet of additional gaming space, approximately 2,900 new attached parking spaces, a 400-room hotel, up to four restaurants (including buffet) and nine bars, convention space, and entertainment venue. The project includes the complete renovation of the high limit area (the "Pantheon Room") and patrons have direct access to the area through a special VIP valet service. There is currently 25,000 square feet of entertainment/event center space with 11,000 square feet adjacent space that have been left as unfinished core and shell space for future build out.

Construction Budget

The budget for the Expanded Complex construction cost is $245 million, and the project management team currently anticipates that the construction of the Expanded Complex will be completed within budget.

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[1]

Construction Contracts

Greektown engaged Jenkins/Skanska Venture LLC ("Jenkins/Skanska") to be the project general contractor and construction manager under an Agreement Between Owner and Construction Manager, dated October 3, 2002, as amended (the "GC Agreement"). Greektown engaged Hnedak Bobo Group to act as the master architect for the Expanded Complex and architect of record for the casino expansion/renovation, and Hnedak Bobo Group engaged Rossetti Associates to be the architect of record for the new hotel. Greektown engaged Rich and Associates, Inc. Parking Consultants to be the architect of record for the new parking garage.

Initially, the project was managed by Greektown's finance team in coordination with the primary general contractor, Jenkins/Skanska. Recognizing cost overruns and construction delays, Greektown's management board retained Hammes Company ("Hammes") in May 2007 on a month-to-month basis to assist in high-level project management decisions while Greektown continued to lead the project. The Hammes role was expanded in October 2007 when it was officially retained to provide project consulting on a full-time basis. This role gradually expanded until spring 2008 when Greektown retained Hammes to initiate financial management and logistics planning of the project.

Construction Summary

Greektown commenced construction of the Expanded Complex in July 2006. During the first 22 months of development, the Expanded Complex was subject to a number of cost overruns and construction delays. The primary cost overruns were related to design finalization and changes, ineffective contracts for concrete, and mechanical and engineering work. Through Hammes' effort, the project was restructured to focus on meeting construction milestones, managing costs and coordinating logistics so construction was in line with the other facets of the Expanded Complex. To date, construction of the Expanded Complex has been substantially completed.

For a full description of the City's positions relating to required additional construction by Greektown, including the construction of a theatre component, please see pp. 16-21, above.

Jenkins/Skanska Claim

On June 2, 2008, Jenkins/Skanska sent a letter to Greektown requesting reimbursement of $507,316 for attorneys fees and costs incurred by Jenkins/Skanska in connection with the Chapter 11 Cases. Jenkins/Skanska claims it is entitled to

[1] Amount excludes the costs of the site acquisition and improvements, furnishings and fixtures and the cost of the land and improvements which were approximately $97 million.

reimbursement of this amount under the GC Agreement. Greektown disputes this claim and has denied the request for payment.

The Debtors' Pre-petition Capital Structure

On December 2, 2005, Holdings and Holdings II, as borrowers, and Merrill Lynch Capital Corporation, as lender and agent for itself and other lenders (the "Pre-petition Lenders") entered into the Pre-petition Credit Agreement, under which Holdings and Holdings Il obtained a $290 million senior secured credit facility (the "Pre-petition Credit Facility") consisting of a $190 million seven-year term loan and a $100 million, five-year revolving credit facility. In April 2007, the Pre-petition Lenders provided Holdings and Holdings II with an additional $37.5 million incremental term loan and increased the availability under the revolving credit facility to $125 million. Approximately $49.5 million of the revolving credit facility had been issued as a letter of credit to support certain bonds. Each of Casino, Trappers, Contractors and Realty guaranteed the obligations of Holdings and Holdings II under the Pre-petition Credit Facility. The Pre-petition Credit Facility is secured by all of the assets of Holdings, Holdings II, Casino, Trappers, Contractors and Realty.

Also on December 2, 2005, Holdings and Holdings II issued $185 million in senior unsecured notes due 2013 (the "Notes").

As a result of certain covenant violations under the Pre-petition Credit Agreement, on November 14, 2007, the Tribe made an equity contribution to Holdings in the amount of $35 million, which was used to reduce the outstanding balance of the term loan and incremental term loan on a pro rata basis. As of March 31, 2008, the principal amount of $326 million was outstanding on the term loan and revolving credit facility. All amounts due and payable under the term loans are due December 3, 2012. All amounts due and payable under the revolving loans are due December 2, 2010, other than for the portion used to support the letter of credit, which became due the second business day after the letter of credit was presented for payment.

As of the Petition Date, the Debtors owed approximately $24 million to Jenkins/Skanska, the general contractor for the Expanded Complex construction project for work during March and April 2008. Also as of the Petition Date, the Debtors owed approximately $600,000 to Hnedek Bobo, the architect for the Expanded Complex ("Hnedek") and approximately $3.2 million to certain other contractors, consultants, architects, and suppliers (the "Other Contractors" and together with Jenkins/Skanska and Hnedek, collectively the "Contractors") who have contracted directly with the Debtors for goods or services related to the Expanded Complex.

In summary, as of the Petition Date, each of the Debtors' indebtedness was as follows:

> Holdings and Holdings, II. Holdings and Holdings II had total joint-and-several outstanding indebtedness of approximately $520 million, approximately $326 million of which represents the pre-petition secured

credit facility, and approximately $194 million of which represents senior unsecured notes.

Casino. Casino had outstanding indebtedness of approximately $84 million including the claims of suppliers, professionals, and construction contractors. Casino guaranteed the obligations of Holdings and Holdings II under the Pre-petition Credit Facility, which was approximately $326 million as of the Petition Date.

Kewadin. Kewadin had outstanding indebtedness of approximately $65.5 million, all of which represents claims for balances due to current or former members of Monroe for Kewadin's purchase of certain equity of Monroe.

Monroe. Monroe had outstanding indebtedness of approximately $70 million, approximately $64 million of which represents secured claims for balances due to current and former members of Monroe, and approximately $6 million of which represents general unsecured claims for balances due to Greektown and a former member of Monroe.

Realty, Builders, and Trappers. Neither Realty, nor Builders, nor Trappers had any outstanding indebtedness. Each of Realty, Builders and Trappers guaranteed the obligations of Holdings and Holdings II under the Pre-petition Credit Facility, which was approximately $326 million as of the Petition Date.

Events Leading to the Chapter 11 Cases

The following events were the primary causes of the Chapter 11 Cases:

Holdings' uncertainty over its ability to comply with certain covenants under the Pre-petition Credit Agreement after June 30, 2008

As of December 31, 2007, Holdings was not in compliance with certain covenants of the Pre-petition Credit Agreement, but had received a limited waiver of its covenant violations from the Pre-petition Lenders through June 30, 2008. The waiver required, among other things, an equity contribution in 2008, which the Debtors had not obtained by the Petition Date. As a result of the existing and anticipated covenant violations, all outstanding debt obligations of Holdings and Holdings II could have become due in 2008.

Greektown's inability to obtain sufficient debt or equity financing to complete the Expanded Complex

Significant delays and cost overruns related to the Expanded Complex adversely affected Greektown's business, results of operations, financial condition, and cash flow. As of the Petition Date, Greektown was unable to secure a financing source for the

approximately $161 million needed to complete the Expanded Complex. Failure to complete the Expanded Complex on a timely basis would have resulted in a default under the Development Agreement, may have hindered Greektown's ability to compete in the Metro Detroit Gaming Market, and may have resulted in monetary penalties and delays of the Tax Rollback (and eventually a tax increase). Further, because Greektown lacked sufficient funds to complete the Expanded Complex, Greektown's general contractor, Jenkins/Skanska, had threatened to suspend work.

Greektown's uncertainty with respect to its ability to cure or receive a waiver of certain financial covenant violations with the MGCB

As a condition to approving the Pre-Petition Credit Facility and Notes, the MGCB imposed certain financial covenants on Greektown with which Greektown had not complied as of December 31, 2007. Nor did Greektown cure or obtain a waiver of the covenant defaults before an MGCB-imposed April 30, 2008 deadline. The Debtors remain in default of certain of these covenants. As noted above, the MGCB believes that it retains the ability to exercise its regulatory authority despite the bankruptcy proceedings, including invoking the Sale Transaction Process.

Monroe's inability to make installment payments to its former members

In July 2000, Monroe agreed to make installment payments to certain of its members in exchange for all of their membership interests. Concurrently with the redemption, Kewadin purchased membership interests from Monroe in an amount equal to the redeemed interests and, in connection with that purchase, agreed to secure Monroe's payment obligations to its former members with Kewadin's membership interests in Monroe. An installment payment in the amount of $20.7 million was due to certain of the former members on November 10, 2007, but was extended through June 2008, subject to the former members' option to terminate the waiver on 14 days' written notice. Outside of bankruptcy, failure to make this installment payment could have resulted in Kewadin being required to sell its interests in Monroe, a "change-in-control" event of default under the Pre-petition Credit Agreement.

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, the stabilization of the Debtors' operations, the Debtors' restructuring initiatives, and the Debtors' business plan.

Filing the Chapter 11 Case Petitions

On the Petition Date, the Debtors commenced the Chapter 11 Cases by filing their voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession under Bankruptcy Code sections 1107(a) and 1108. On June 13, 2008, the Bankruptcy Court entered an order jointly administering the Chapter 11 Cases under Bankruptcy Rule 1015(b). Accordingly, the Chapter 11 Cases have been administered jointly under the

lead case, Greektown Holdings, L.L.C., Case No. 08-53104. No trustee or examiner has been appointed in the Chapter 11 Cases.

Business Continuation; Litigation Stay

The Debtors' chapter 11 filings immediately gave rise to the Bankruptcy Code's "automatic stay" which, with limited exceptions, enjoined commencement and continuation of all creditor collection efforts, litigation against the Debtors, and enforcement of Liens against the Debtors' property. This relief provided the Debtors with "breathing room" to assess and reorganize their businesses. The automatic stay remains in effect, unless modified by the Bankruptcy Court, until Consummation of the Plan.

Stabilizing Operations

Immediately following the Petition Date, the Debtors devoted substantial efforts to stabilizing their operations and preserving and restoring relationships impacted by the Chapter 11 Cases, including with vendors, customers, employees, and utility providers. These initial efforts minimized the Chapter 11 Cases' negative impact on the Debtors and others.

The day following the Petition Date, the Debtors filed a number of motions with the Bankruptcy Court (the "First Day Motions"). On the same day, the Bankruptcy Court entered an order scheduling hearings on the First Day Motions [Docket No. 18]. Within a short time, the Bankruptcy Court entered several orders in connection with the First Day Motions (the "First Day Orders") that, among other things: (1) prevented interruptions to the Debtors' businesses; (2) eased the strain on the Debtors' relationships with certain essential constituencies; (3) provided access to much-needed working capital; and (4) allowed the Debtors to retain certain advisors necessary to assist the Debtors with administration of the Chapter 11 Cases.

Procedural Motions

To allow a smooth and efficient administration of the Chapter 11 Cases and to reduce the administrative burden associated with the cases, the Bankruptcy Court entered procedural orders: (a) authorizing joint administration of the Chapter 11 Cases [Docket Nos. 114, 115, and 117]; (b) granting the Debtors an extension of time to file their Schedules [Docket No. 106]; (c) designating the Chapter 11 Cases as "Large Bankruptcy Cases" under the Bankruptcy Court's Local Rule 9001-1 [Docket No. 107]; and (d) waiving the requirement that each Debtor file a separate creditor and equity-holder mailing matrix, authorizing the filing of a consolidated list of the top-40 unsecured creditors, and authorizing the mailing of initial notices [Docket No. 108].

Advisor Employment and Compensation

To help the Debtors carry out their duties as debtors in possession and to otherwise represent the Debtors' interests in the Chapter 11 Cases, the Bankruptcy Court entered First Day Orders authorizing the Debtors to retain and employ: (a) Kurtzman

Carson Consultants LLC, as Claims Agent [Docket No. 211]; and (b) Conway, McKenzie, & Dunleavy, as financial advisors [Docket No. 129]. Later in the Chapter 11 Cases, the Bankruptcy Court entered orders authorizing employment of (a) Moelis & Company ("Moelis"), as investment bankers [Docket No. 514]; (b) Schafer & Weiner, PLLC, as bankruptcy counsel [Docket No. 208]; (c) Honigman Miller Schwartz and Cohn LLP, as special counsel [Docket No. 4801; and (d) certain professionals used in the ordinary course of the Debtors' businesses [Docket No. 427]. Further, on July 24, 2008, the Bankruptcy Court entered an order approving certain procedures for the interim compensation and reimbursement of Professionals in the Chapter 11 Cases [Docket No. 227].

Taxes and Fees

The Debtors believed that certain authorities could have exercised rights detrimental to the restructuring should the Debtors fail to satisfy certain tax and fee obligations. To eliminate the possibility of unnecessary distractions, the Debtors sought, and the Bankruptcy Court entered, a First Day Order authorizing the Debtors to pay certain pre-petition taxes and fees, including gaming, sales, use, trust-fund, gross-receipt, single-business, and other taxes that became due after the Petition Date [Docket No. 109].

Casino Chips and Other Customer Gaming Liabilities

To ensure a smooth transition into chapter 11 and prevent a potential backlash from the Debtors' current and potential customers, regulatory authorities, and the media, the Debtors deemed it extremely important to honor all casino chips that were outstanding as of the Petition Date, and to continue certain customer programs designed to develop customer loyalty, encourage repeat business, and ensure customer satisfaction. The Debtors believe that the customer programs assisted, and continue to assist, them in retaining current customers, attracting new customers, and, ultimately, increasing revenue. The continuation of the customer programs and retention of core customers

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a critical element of the Debtors' successful reorganization. Accordingly, the Bankruptcy Court entered a First Day Order authorizing the Debtors to honor outstanding casino chips, continue their customer programs, and honor the prepetition commitments owed with respect to those programs [Docket No. 1031.

Employee Compensation

The Debtors rely on their employees for day-to-day business operations. Without the ability to honor pre-petition wages, salaries, benefits, commission, and the like, the Debtors' employees may have sought alternative employment opportunities, perhaps with the Debtors' competitors, thereby depleting the Debtors' workforce, hindering the Debtors' ability to meet their customer obligations, and likely diminishing stakeholder confidence in the Debtors' ability to successfully reorganize. The loss of valuable employees would have been distracting at a critical time when the Debtors were focused

on stabilizing their operations. Accordingly, the Bankruptcy Court entered a First Day Order authorizing the Debtors to pay, among other amounts, pre-petition Claims and obligations for (a) wages, salaries, bonuses, commissions, and other compensation, (b) deductions and payroll taxes, (c) reimbursable employee expenses, and (d) employee medical and similar benefits [Docket No. 120].

Utilities

Bankruptcy Code section 366 protects debtors from utility service cutoffs upon a bankruptcy filing while providing utility companies with adequate assurance that the debtors will pay for postpetition services. The Debtors felt that the financing provided by their DIP Facility, along with a two week deposit and the Debtors' clear incentive to maintain their utility services, provided the adequate assurance required by the Bankruptcy Code. Consequently, the Bankruptcy Court entered an interim First Day Order and, ultimately, a Final Order approving procedures for, among other things, determining adequate assurance for utility providers and prohibiting utility providers from altering, refusing, or discontinuing services without further Bankruptcy Court order [Docket No. 167].

Cash Management System

As part of a smooth transition into these Chapter 11 Cases, and in an effort to avoid administrative inefficiencies, maintaining the Debtors' cash management system with a multitude of banks and various depository institutions was critically important. Thus, the Debtors sought and the Bankruptcy Court entered a First Day Order authorizing the Debtors to continue using their existing cash management system, bank accounts, and business forms. Further, the Court deemed the Debtors' bank accounts debtor-in-possession accounts and authorized the Debtors to maintain and continue using these accounts in the same manner and with the same account numbers, styles, and document forms employed before the Petition Date [Docket No. 133].

Debtor-in-Possession Financing and Use of Lenders' Cash Collateral

Before the Petition Date, Greektown was generating insufficient cash flow to sustain its operations and complete construction of the Expanded Complex. Accordingly, the Debtors negotiated the terms of debtor-in-possession financing with certain of the Pre-petition Lenders before the Petition Date. On May 30, 2008, the Debtors filed their motion for approval of postpetition financing (the "Original DIP Financing Motion") seeking entry of an order, among other things:

> (a) authorizing the Debtors to obtain post-petition financing with secured, super-priority status pursuant to sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e) and 503(b) of the Bankruptcy Code;
>
> (b) authorizing the Debtors to use cash collateral;

(c) providing the Debtors' Pre-petition Lenders with adequate protection pursuant to sections 361, 362, 363 and 364 of the Bankruptcy Code to compensate them for any diminished value in their pre-petition position caused by the Debtors' use of cash collateral and the liens and protections granted to the DIP Lenders;

(d) modifying the automatic stay pursuant to section 364(d) of the Bankruptcy Code; and

(e) giving notice of a final hearing pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2).

[Docket No 29.]

The terms of the Debtors' original DIP financing facility are

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in the Senior Secured Super-priority Debtor-in-Possession Credit Agreement dated as of June 9, 2008 between Greektown Holdings, L.L.C. and Greektown Holdings II, Inc. as Borrowers (collectively, the "Borrowers"), Greektown Casino, L.L.C., Trappers GC Partner, L.L.C., Contract Builders Corporation and Realty Equity Company, Inc. as Guarantors (collectively, the "Guarantors"), various financial institutions as Lenders, Merrill Lynch Capital Corporation as Administrative Agent, Wachovia Bank, National Association, as the Issuer, Merrill Lynch, Pierce, Fenner & Smith Incorporated as Co-Lead Arranger and Joint Book Runner, Wachovia Capital Markets, LLC as Co-Lead Arranger and Joint Book Runner, and Wachovia Capital Markets, LLC, as Syndication Agent (collectively, the "Original Post-petition Lenders") (as amended, the "Original DIP Credit Agreement"). While not all

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Pre-petition Lenders elected to participate as Original Post-petition Lenders, none objected to the Original DIP Financing Motion.

Under the terms of the Original DIP Credit Agreement the Original Post-petition Lenders agreed to provide Debtors with financing in an aggregate amount not to exceed $150 million, consisting of (x) term loans in an amount not to exceed $135 million intended to fund construction costs associated with the Debtors' hotel and (y) revolving loans in an amount not to exceed $15 million intended to fund both operating and constriction costs. Under the Original DIP Credit Agreement the Borrowers and Guarantors agreed to various covenants customary for credit facilities of this size and type, including financial covenants.

On June 4, 2008, the Bankruptcy Court entered an interim order approving the Original DIP Financing Motion, but limited the aggregate amount permitted to be

borrowed by the Debtors to $51.3 million before a final hearing (the "Original Interim DIP Financing Order") [Docket No. 74]. On June 5, 2008, the MGCB approved the financing authorized by the Original Interim DIP Financing Order. Subsequently, on June 26, 2008, the Bankruptcy Court entered a final order approving the Original DIP Financing Motion (the "Original Final DIP Financing Order") [Docket No. 175]. The financing authorized by the Original Final DIP Financing Order approved by the MGCB on June 27, 2008.

After entry of the Original Final DIP Financing Order, the Original DIP Credit Agreement was amended on six occasions to, among other things, modify the procedures for obtaining advances under the term loan facility, require designation of a new Chief Executive Officer and selection of a management consultant, accommodate the Debtors' acquisition of certain gaming machines, permit the granting of a Lien to secure insurance premiums, and provide for various waivers by the Original Post-petition Lenders of defaults occurring under the Original DIP Credit Agreement. While Bankruptcy Court approval was not required for these amendments, the MGCB's approval was required and obtained.

The financing provided by the Original DIP Credit Agreement was not itself sufficient to fund completion of the Debtors' Expanded Complex. The Debtors intended to invest excess cash projected to be generated from operations to fund these additional amounts. But the general economic recession has significantly impacted the gaming industry, and the Debtors' operations did not generate sufficient cash to permit funding of the construction project shortfall. As a result, the Debtors and certain of the Original Post-petition Lenders negotiated an expansion of the initial post-petition DIP facility. On January 29, 2009, the Debtors filed their motion for approval of additional post-petition financing (the "Restated DIP Financing Motion") seeking entry of orders comparable to the Original Interim DIP Financing Order and Original Final DIP Financing Order authorizing this additional financing [Docket No. 813].

The terms of this additional financing are set forth in an Amended and Restated Senior Secured Superpriority Debtor-in-Possession Credit Agreement dated as of February 20, 2009 between Borrowers, Guarantors, various financial institutions as Lenders, Merrill Lynch Capital Corporation as Administrative Agent, Wachovia Bank, National Association, as the Issuer, Merrill Lynch, Pierce, Fenner & Smith Incorporated as the Lead Arranger, and Merrill Lynch Capital Corporation and Wells Fargo Foothill, Inc. as Co-Managers (as defined in the Plan, the "Additional Post-petition Lenders" and together with the Original Post-petition Lenders, as defined in the Plan, the "DIP Lenders") (as amended, as defined in the Plan, the "DIP Credit Agreement"). While not all of the Original Post-Petition Lenders elected to participate as Additional Post-Petition Lenders, neither the non-participating Original Post-Petition Lenders nor any of Debtors' Pre-petition Lenders objected to the Restated DIP Financing Motion.

Under the terms of the DIP Credit Agreement, the Additional Post-petition Lenders agreed to provide the Debtors with financing in an aggregate amount not to exceed $46 million, consisting of (x) term loans in an amount not to exceed $26 million intended to fund construction costs associated with the Debtors' hotel and (y) term loans

in an amount not to exceed $20 million intended to fund both operating and construction costs. As with the Original DIP Credit Agreement, under the DIP Credit Agreement the Borrowers and Guarantors agreed to various covenants customary for credit facilities of this size and type, including financial covenants.

On February 4, 2009 the Bankruptcy Court entered an interim order approving the Restated DIP Financing Motion but limited the aggregate amount permitted to be borrowed by the Debtors to $22.5 million before a final hearing (the "Restated Interim DIP Financing Order") [Docket No. 833]. On February 10, 2009, the MGCB approved the financing authorized by the Restated Interim DIP Financing Order. Subsequently, on March 4, 2009, the Bankruptcy Court entered a final order approving the Restated DIP Financing Motion (the "Restated Final DIP Financing Order") [Docket No. 892]. The financing authorized by the Restated Final DIP Financing Order was subsequently approved by the MGCB on March 10, 2009.

After entry of the Restated Final DIP Financing Order, the DIP Credit Agreement was amended once to, among other things, permit Debtors to grant a purchase money security interest in certain gaming equipment and provide for waivers by the Original Post-petition Lenders and the Additional Post-petition Lenders of defaults occurring under the DIP Credit Agreement. Pursuant to the Restated Final DIP Financing Order, Bankruptcy Court approval was not required for this amendment. However, the MGCB has approved of this amendment.

Unsecured Creditors

Creditors' Committee Appointment

On June 6, 2008, the United States Trustee appointed the Creditors' Committee under section 1102 of the Bankruptcy Code. The members of the Creditors' Committee include the following: (a) Lac Vieux Desert Band of Lake Superior Chippewa Indians; (b) International Game Technology; (c) Deutsche Bank Trust Company Americas; (d) Arthur Blackwell; (e) International Union, UAW; (f) The Berline Group; and (g) NRT Technology Corporation.

The Creditors' Committee retained Clark Hill, PLC as its counsel. On July 3, 2008, the Bankruptcy Court entered a Final Order approving the retention of Clark Hill, PLC as counsel to the Creditors' Committee and certain other financial consultants to the Creditors' Committee [Docket No. 195]. Since its formation, the Creditors' Committee has played an active and important role in the Chapter 11 Cases.

Meeting of Creditors

The meeting of creditors under Bankruptcy Code section 341 was held on July 2, 2008 at 211 West Fort Street, Room 315E, Detroit, Michigan 48226. In accordance with Bankruptcy Rule 9001(5) (which requires, at a minimum, that one representative of the Debtors appear at such meeting of creditors for the purpose of being examined under oath by a representative of the United States Trustee and by any attending parties in interest), Craig Ghelfi, Cliff Vallier, and Jason Pasko, along with their financial advisors Charles

Moore and Kevin Berry, and their counsel, attended the meeting and answered questions posed by the United States Trustee and other parties in interest present.

The Construction Project

After the Petition Date, construction of the Expanded Complex continued expeditiously, such that all major components were completed within internal timelines and have been open for business since February 15, 2009. Only a few punch-list work items and ancillary incidental construction work items remain to be completed, and work is continuing on such items. The Debtors expect all such work to be fully completed expeditiously (with the exception of the Events Center, which is complete on a core-and-shell basis). Jenkins/Skanska has, however, filed a Lien against the project for amounts earned but not yet due. In addition, on June 2, 2008, Jenkins/Skanska sent a letter to Greektown requesting reimbursement of $507,316 for attorneys fees and costs incurred by Jenkins/Skanska in connection with the Chapter 11 Cases. Jenkins/Skanska claims it is entitled to reimbursement of this amount under the GC Agreement. Greektown disputes this claim and has denied the request for payment.

For a full description of the City's positions relating to required additional construction by Greektown, including the construction of a theatre component, please see pp. 16-21, above.

Regulatory Issues

MGCB. As described in more detail in Section II.D.4, above, the MGCB has the right under Michigan law to force a sale of Greektown if it fails to satisfy certain financial covenants. In 2007, after Greektown fell out of compliance with such a covenant, the MGCB denied Greektown a limited waiver and demanded that Greektown "show cause" as to why the MGCB should not invoke the sale process. Greektown filed for bankruptcy just before the show-cause hearing. The MGCB nonetheless conducted the hearing, and while it held its rights in abeyance, the MGCB maintains that it has authority to invoke the Sale Transaction Process despite the bankruptcy filing. Greektown maintains that the bankruptcy stays the Sale Transaction Process.

City of Detroit. Greektown filed a motion with the United States Bankruptcy Court on March 11, 2009, seeking authority to assume the Development Agreement (the "Assumption Motion"). Greektown asserted that the Development Agreement is necessary for Greektown to operate its casino under the Michigan Gaming Control and Revenue Act and that the right to assume the Development Agreement was an important step toward receiving certification for a reduction in the Michigan wagering tax rate.

The City of Detroit opposed the Assumption Motion, alleging that Greektown was in default under the Development Agreement as follows: (1) failure to build a 1,000-plus seat theater as a component of its Casino Complex; (2) violation of a City Zoning Ordinance for failing to build a theater in accordance with the plans approved by the City Council; (3) failure to complete construction of the Casino Complex by the Final Completion Date; (4) failure to pay Development Process Costs; and (5) failure to

conduct a public offering (the "Public Offering") to local residents. The City claimed that some of the alleged defaults were incapable of being cured and that as a result Greektown could not assume the Development Agreement. The City also argued that Greektown could not assume the Development Agreement in any event because the City does not consent to assignment of the Development Agreement by Greektown.

Greektown denied, in detail, each allegation of default by the City, contended that it has performed all of its obligations thereunder, and further responded that the City has never declared a default of any kind in the six-plus years of the Development Agreement's existence.

After conducting a two-day evidentiary hearing on the matter and receiving additional briefing as well as oral argument, the Court granted the Assumption Motion in a written opinion dated May 13, 2009. The Court found that there was no dispute that the Development Agreement was beneficial to the Debtors' estates and also found that, contrary to the City's position, Greektown was not in default under the Development Agreement.

On May 14, 2009, Greektown submitted a letter to the MGCB requesting certification for the tax rate reduction under the Gaming Act. The City submitted a letter to the MGCB on May 20, 2009 asking the MGCB to delay consideration of Greektown's request for certification because the City intended to seek authority from the Court to issue a notice of default under the Development Agreement and because the City intended to appeal the Court's ruling finding that no defaults existed. The City also stated in its letter that Greektown would not be harmed by the delay because if the MGCB ultimately determines that Greektown's certification request is meritorious, Greektown will be entitled to retroactive application of the tax rollback.

Greektown believes that under the Gaming Act, whether the City issues a notice of default in the future is no relevance to Greektown's pending request for tax rollback certification before the MGCB because, among other things, Greektown has already met both of the tax rollback certification requirements (that Greektown was both fully operational, and in compliance with the Development Agreement, for 30 consecutive days) and therefore Greektown is entitled to the tax rollback regardless of whether the City sends a notice of default at some point in the future.

The MGCB requested and received submissions from the City and Greektown in support of their positions on Greektown's tax rollback certification request and the request is pending. In its submission to the MGCB, the City of Detroit reiterated the alleged defaults in the Development Agreement that it had raised before this Court in the litigation of the Assumption Motion, and added three additional alleged defaults: (1) the filing of a bankruptcy petition, (2) failure to meet certain financial covenants in MGCB Order NO. GTC-2005-006, and (3) inadequacies in the 2009 annual Compliance Report regarding so-called "social" and other commitments by Greektown under the Development Agreement. Greektown denied in detail each of these additional default allegations.

On May 14, 2009, the City filed a motion with the Court requesting that the Court lift the automatic stay so that the City can issue a default notice under the Development Agreement; a hearing on this motion was held on June 3, 2009. The Court granted the City's motion but in doing so, (i) the Court did not make any finding that any default existed or appeared to exist, only that he City may issue a notice, as required under the Development Agreement, asserting that one or more defaults exist, and (ii) the Court held that the City may not issue any such notice of default until on or after August 10, 2009. Should the City issue such a notice, the issuance of the notice itself will not establish the existence of any default, and Greektown has the right under the Development Agreement to a cure period of at least 30 days, and up to 180 days under some circumstances.

On June 10, 2009, the Court entered its Order Approving Debtor's Assumption of Development Agreement (Docket No. 1207). On June 22, 2009, the City filed a Notice of Appeal with regard to the Court's rulings and order granting Greektown's Assumption Motion. The appeal will be heard by the United States District Court.

Litigation. As noted in Section II.DA, above, Greektown is required to make annual $1 million payments (inclusive of interest) until 2031 under a settlement agreement arising out of a lawsuit challenging the Greektown's constitutional status. In addition, as detailed above, the Debtors are party to the dispute over the assumption of the Development Agreement, and the City's appeal of the Bankruptcy Court's decision allowing its assumption. Should this appeal be decided in the City's favor, the possibility exists that the Debtors would not be allowed to assume the Development Agreement and therefore be ineligible to operate the casino. The Debtors are also parties to various other legal and governmental proceedings arising in the ordinary course of business.

Insider Transactions

Under the provisions of Greektown's internal control system, expenditures to any one related party in excess of $50,000 annually must be approved by Greektown's management board. Quarterly and annual updates are provided to the board for its continuing oversight. The Board seeks to ensure that Greektown's involvement is on terms comparable to those that could be obtained in an arm's length transaction with an unrelated third party and is in its best interest.

Further, Greektown has a related-person policy regarding vendor relationships with Greektown. Specifically, employees are permitted to engage in business with Greektown in an annual amount of $25,000 or less and the terms of such transaction must be approved by Greektown's management board, who determines if such proposed transaction would constitute a conflict of interest. Employees are required to be forthcoming regarding all relationships with vendors, purchasers, and competitors. The approval process requires that a formal business proposal be submitted and proposal bids for comparison must be pursued.

Any third-party vendor or supplier to Greektown is subject to the licensure requirements of the MGCB, unless deemed exempt. The MGCB generally does not review the substance of the contracts, but the MGCB has the right to conduct an

investigation if it believes a proper bid process was not conducted, the contract is commercially unreasonable, or the contract is related to an improper subject matter. The MGCB may impose disciplinary measures against Greektown in respect of such investigation.

Greektown has entered into certain related party transactions and is currently a party to the following related party transactions:

> Agreement with the Atheneum Hotel Corporation, which is owned by Ted Gatzaraos Agreement with Anthenum Hotel Corporation, which is owned by Ted Gatzaraos, a minority equityholder in Monroe, to provide complimentary hotel services to Greektown patrons;
>
> Agreement with International Marketplace Inc. (dba Fishbone's Restaurant), which is owned by Ted Gatzaros, to provide complimentary food services to Greektown patrons;
>
> Agreement with 400 Monroe Associates, which is owned by Ted Gaztaraos, to provide walkway maintenance services;
>
> Agreement with Warehouse Associates, LLC, which is owned by Jason Pasko, Senior Director of Finances and Accounting for Greektown and William Williams, Vice President of Guest Services for Greektown, to provide storage services; and
>
> Agreement with New Millennium Advisor, which is owned by Marvin Beatty, a minority owner of Monroe and the Chief Community Officer of Greektown, to provide uniforms for Greektown employees;

Retention of Investment Banker and Exploration of Sale Options

The Debtors retained Moelis as their investment banker on October 8, 2008 to pursue a restructuring transaction, sale transaction, and/or capital transaction. In accordance with the exclusivity settlement agreement filed on September 26, 2008 [Docket No. 469], Moelis began to pursue a sale transaction pursuant to the milestones set forth therein.

Moelis successfully met the November 17, 2008 deadline imposed by the exclusivity settlement agreement for finalizing a confidential information memorandum ("CIM") and dataroom. Beginning in early November 2008, Moelis began contacting interested parties regarding a sale process. Interested parties requesting confidential information about Greektown were required to execute a nondisclosure agreement ("NDA"). Upon execution of the NDA, Moelis delivered a CIM to the potential acquiror. Moelis continued to solicit interest from interested parties, execute NDAs, and deliver CIMs into December 2008 and January 2009. In advance of the pending initial indication-of-interest deadline of January 15th, 2009, Moelis distributed to those parties who executed an NDA the first-round process letter stating the bidding deadline and bidding requirements for preliminary indications of interest.

Following review of the preliminary indications of interest, Moelis coordinated due diligence through dataroom access, a management presentation, various site visits, and management meetings with the parties selected to advance in the process. In early February 2009, Moelis distributed a second round process letter to all selected parties indicating a March 16, 2009 deadline to submit a definitive offer for Greektown. Moelis continued to facilitate the due-diligence process through the bid deadline and fielded additional inquires about a potential transaction. A few of the potential acquirers requested additional time to submit an offer, which was granted. Following due diligence and management presentation, the sale process generated a number of offers. Moelis evaluated the offers and reviewed them with the Stipulating Parties. After further review and subsequent discussions with the potential acquirers, it was determined that the bids were at levels that were not satisfactory to the Debtors' Secured Lenders. This information was communicated to the potential acquirers and Stipulating Parties in late April 2009.

As of July 17, 2009, Moelis had contacted approximately 169 potential acquirers, including approximately 91 strategic and approximately 78 financial acquirers. Approximately 64 NDAs were distributed and approximately 33 CIMs have been distributed. Moelis engaged in a formal effort to re-solicit a number of the potential bidders post the Debtors filing their POR and remains in active discussions with potential acquirers in an attempt to facilitate a transaction satisfactory to the estate.

Retention of the Fine Point Group

On January 8, 2009, the Bankruptcy Court entered an order approving the Debtors' retention of the Fine Point Group as gaming consultants [Docket No. 767]. The Fine Point Group is a Las Vegas-based consulting firm led by casino industry veterans who have worked with more than 100 gaming properties across the world. The Fine Point Group is renowned for its expertise in strategic casino management, customer relationship marketing, loyalty program development, property turnarounds, and other aspects of casino operations. The firm was retained to provide comprehensive operations and marketing consulting at Greektown Casino. After obtaining regulatory approval, the Fine Point Group's managing director, Randall A. Fine, was appointed Chief Executive Officer of Greektown.

Claims Process and Bar Dates

Pre-petition Claims

On August 25, 2008, the Bankruptcy Court entered an Order Establishing a Bar Date For Filing Proofs of Claim and Approving the Manner and Notice Thereof, setting November 30, 2008 at 8:00 p.m. Eastern time as the Bar Date for non-governmental pre-petition Claims and for Claims asserted under Bankruptcy Code section 503(b)(9) [Docket No. 320]. In accordance with the order, written notice of the Claims Bar Date was mailed to, among others, all Claim Holders listed on the Schedules.

Administrative Claims

The Administrative Claims Bar Date, as set forth in section 1.2.2 of the Plan, will be 45 days after the Effective Date, unless otherwise ordered by the Bankruptcy Court.

Exclusivity

Under Bankruptcy Code section 1121, a debtor has the exclusive right to file and solicit acceptance of a plan of reorganization for a 120-day period from its petition date. If the debtor files a plan within this exclusive period, then it has the exclusive right for 180 days from the petition date to solicit plan acceptances. During these exclusive periods, no other party in interest may file a competing plan. A court may extend these periods upon request of a party in interest and "for cause".

The Debtors obtained two extensions of the exclusivity period from the Bankruptcy Court. The first, by stipulated order entered on August 27, 2008 [Docket No. 327], extended the exclusivity period through December 15, 2008. The second, entered by stipulated order on December 4, 2008 [Docket No. 650], extended the exclusivity period through February 1, 2009. The second extension, however, granted the Stipulating Parties only the collective co-exclusive right to file a plan. That extension expired without a plan having been submitted. The Debtors' exclusivity period has therefore expired.

Pending and Contemplated Litigation and Other Contested Matters

The Debtors are, from time to time, during the ordinary course of operating their businesses, subject to various litigation claims and legal disputes, including contract, lease, employment, and regulatory claims as well as claims made by visitors to the Debtors' property. In addition, as detailed above, the Debtors are party to the dispute over the assumption of the Development Agreement, and the City's appeal of the Bankruptcy Court's decision allowing its assumption. Should this appeal be decided in the City's favor, the possibility exists that the Debtors would not be allowed to assume the Development Agreement and therefore be ineligible to operate a casino in the state of Michigan. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims.

In connection with the matters covered in Section II.D.2 of this

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, the City of Detroit has taken the position that Greektown has failed to construct the theater component of the casino complex as required under the Development Agreement, and that such alleged failure is a zoning violation which, if not cured, could subject the casino to closure. The Debtors maintain that they have in fact fulfilled the requirement of a theater component to the casino complex, and therefore no such zoning violation exists and no such cure is necessary; and further, that under the City's zoning and permitting ordinances, even if a cure was necessary Greektown could effect such cure without any significant risk of a closure.

For a full description of the City's positions relating to the current disputes between the City and Greektown, please see pp. 16-21, above.

Certain litigation claims may not be covered entirely or at all by the Debtors' insurance policies or their insurance carriers may deny such coverage. In addition, litigation claims can be expensive to defend and may divert the Debtors' attention from the operations of their businesses. Further, litigation involving visitors to the Debtors' properties, even if without merit, can attract adverse media attention. As a result, litigation can have a material adverse effect on the Debtors' businesses and, because the Debtors cannot predict the outcome of any action, it is possible that adverse judgments or settlements could significantly reduce their earnings or result in losses.

With certain exceptions, the filing of the Chapter 11 Cases operated as a stay of commencement or continuation of litigation against the Debtors that was or could have been brought before the commencement of the Chapter 11 Cases. In addition, with respect to the litigation stayed by the commencement of the Chapter 11 Cases, the Debtors' liability is subject to discharge in connection with the Confirmation of a Plan, with certain exceptions. Therefore, certain litigation claims against the Debtors may be subject to compromise in connection with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with the adverse determination of such litigation

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DIP Lenders' Claims Against Casino

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Holders of Interests in this Class

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including a revolving line of credit or any other credit facility to be used to, inter alia, pay DIP Lenders who elect to receive Cash on account of their Allowed DIP Facility Claim and/or Pre-petition Lenders who elect to receive Cash on account of their Allowed Pre-petition Adequate Protection Claim,

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Plan Note

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Plan Note

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provided

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,

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Plan Proponents' Option to Accept an

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Proposal

The

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Proponents

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, consistent with the on-going sale process coordinated by Moelis (see pp. 31-32, above), and may,

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accept an Alternative Proposal,

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6 of the Plan. If, on or before two-weeks before the date set for Confirmation, the Plan Proponents receive an Alternative Proposal that would provide for satisfaction in full

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Secured Lender Claim on or before the Effective Date or that is otherwise acceptable to the Plan Proponents, the Plan Proponents shall (i) promptly serve such

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Proposal on the Notice Parties and (ii) shall accept such Alternative Proposal unless the Alternative Proposal, in the

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Proponents' sole determination, fails to meet the following conditions:

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the Alternative Proposal provides either the same or better treatment for all Creditor Classes other. than the Classes of the Secured Lenders;

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reasonably likely, in the Plan Proponents' discretion, taking into account the risks and costs resulting from a failure

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Alternative Proposal, to result in Confirmation and Consummation of the Plan

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If an Alternative Proposal is accepted by the Plan Proponents, the Plan Proponents shall provide notice of the accepted Alternative Proposal as quickly as practicable and shall file appropriate documents with the Bankruptcy Court describing the Alternative Proposal and the effect of the Alternative Proposal on the treatment of each Creditor Class, if any. If, in their sole discretion, the Plan Proponents deem an amendment to the Plan and/or Plan Supplement to be necessary or advisable, the Plan Proponents may amend the Plan and/or the Plan Supplement and may seek Confirmation of the Plan, as amended, without additional disclosure or the need to resolicit votes accepting or rejecting the amended Plan

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The occurrence of nonoccurrence of any or all of the following contingencies, and any others, could affect distributions available to Allowed Claim and Interest Holders under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Claim and/or Interest Holders in such Impaired Classes.

Parties in Interest May Object to the Debtors' Classification of Claims and Interests

Bankruptcy Code section 1122 provides that a plan may place a claim or an equity interest in a particular class only if such claim or interest is substantially similar to other claims or equity interests in such class. The Plan Proponents believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Plan Proponents created Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to other Claims and Interests in each such Class. There can be no assurance, however, that the Bankruptcy Court will reach the same conclusion.

Failure to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Plan Proponents intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. If sufficient votes are not received, the Plan Proponents may seek to accomplish an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.

The Debtors May Not be Able to Secure Confirmation of the Plan

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A nonaccepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and the voting results are appropriate, the Bankruptcy Court can still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to nonaccepting Classes.

Consummation of the Plan is also subject to certain conditions described in Article VI of the Plan. If the Plan is not consummated, it is unclear what distributions, if any, Holders of Allowed Claims or Interests will receive with respect to their Allowed Claims or Interests.

The Plan Proponents, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any

such modifications could result in a less favorable treatment of any nonaccepting Class, as well as of any Classes junior to such nonaccepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

Nonconsensual Confirmation

If any impaired class of claims or equity interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm such a plan at the plan proponents' request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any Insider in such class) and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes.

The Plan Proponents believe that the Plan satisfies these requirements and the Plan Proponents may request such nonconsensual Confirmation in accordance with section 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to Professional Claims and the expiration of financing commitments.

The Debtors May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtors and the Reorganized Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

Risk of Non-Occurrence of the Effective Date

Although the Plan Proponents believe that the Effective Date will occur quickly after the Confirmation Date and after MGCB approval is obtained, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

Contingencies Not to Affect Votes of Impaired Classes to Accept or Reject the Plan

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether the Debtors are consolidated and whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

Claim Holders should read and consider carefully the risk factors set forth below, as well as the other information set forth in this Disclosure Statement and related documents, referred to or incorporated by reference in this Disclosure Statement, before voting to accept or reject the Plan. This Article provides information regarding potential risks in connection with the Plan, the financial projections attached to the Plan, and other risks that could impact the Reorganized Debtors' future business operations and performance. These factors should not, however, be regarded as the only risks involved in connection with the Plan and its implementation.

The Reorganized Debtors May Not Be Able to Achieve Projected Financial Results or Meet Post-Reorganization Debt Obligations and Finance All Operating Expenses, Working Capital Needs, and Capital Expenditures

The Reorganized Debtors may not be able to meet their projected financial results or achieve projected revenues and cash flows that they have assumed in projecting future business prospects. To the extent that the Reorganized Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due, or may not be able to meet their operational needs. Anyone of these failures may preclude the Reorganized Debtors from, among other things, (a) enhancing their current customer offerings; (b) taking advantage of future opportunities; (c) growing their businesses; or (d) responding to competitive pressures. Further, a failure of the Reorganized Debtors to meet their projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require the Reorganized Debtors to seek additional working capital. The Reorganized Debtors may not be able to obtain such working capital when it is required. Further, even if the Reorganized Debtors were able to obtain additional working capital, it may only be available on unreasonable terms. For example, the Reorganized Debtors may be required to take on additional debt, the interest costs of which could adversely affect the results of the operations and financial condition of the Reorganized Debtors. If any such required capital is obtained in the form of equity, the equity interests of the holders of the then-existing Reorganized Holdings' New Equity could be diluted. While the Financial Projections represent the Debtors' view based on current known facts and assumptions about the future operations of the Reorganized Debtors, there is no guarantee that the Financial
Projections will be realized.

Estimated Valuation of the Reorganized Debtors, the Reorganized Holdings' New Equity, and the Estimated Recoveries to Holders of Allowed Claims Are Not Intended to Represent the Potential Market Values (if any) of the Reorganized Holdings' New Equity

The Debtors' estimated recoveries to Allowed Claim Holders are not intended to represent the market value, if any, of the Reorganized Debtors' New Equity. The estimated recoveries are based on numerous assumptions (the realization of many of

which are beyond the Reorganized Debtors' control), including, without limitation: (a) the successful reorganization of the Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Reorganized Debtors' ability to achieve the operating and financial results included in the Financial Projections; (d) the Reorganized Debtors' ability to maintain adequate liquidity to fund operations; and (e) the assumption that capital and equity markets remain consistent with current conditions.

Certain Tax Implications of the Debtors' Bankruptcy and Reorganization May Increase the Tax Liability of the Reorganized Debtors

Allowed Claim Holders should carefully review Article VII of this Disclosure Statement, "Certain United States Federal Income Tax Consequences," to determine how the tax implications of the Plan and these Chapter 11 Cases may adversely affect the Reorganized Debtors.

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Bankruptcy-Related Risk Factors

During the pendency of the Chapter 11 Cases, the Debtors are subject to various risks, including the following:

The Chapter 11 Cases may adversely affect the Debtors' business prospects and/or their ability to operate during the reorganization.

The Chapter 11 Cases and the attendant difficulties of operating the Debtors' business while attempting to reorganize the business in bankruptcy may make it more difficult to maintain and promote the Debtors' facilities and attract customers to their facilities.

The Chapter 11 Cases will cause the Debtors to incur substantial costs for Professional fees and other expenses associated with the Chapter 11 Cases.

The Chapter 11 Cases may adversely affect the Debtors' ability to maintain or renew their gaming licenses in the jurisdiction in which they operate.

The Chapter 11 Cases may prevent the Debtors from continuing to grow their businesses and may restrict their ability to pursue other business strategies. Among other things, the Bankruptcy Code limits the Debtors' ability to incur additional indebtedness, make investments, sell assets, consolidate, merge or sell, or otherwise dispose of all or substantially all of their assets or grant Liens. These restrictions may place the Debtors at a competitive disadvantage.

The Chapter 11 Cases may adversely affect the Debtors' ability to maintain, expand, develop, and remodel their properties.

Transactions by the Debtors outside the ordinary course of business are subject to the prior approval of the Bankruptcy Court, which may limit their ability to respond timely to certain events or take advantage of certain opportunities. The Debtors may not be able to obtain Bankruptcy Court approval or such approval may be delayed with respect to actions they seek to undertake in the Chapter 11 Cases.

The Debtors may be unable to retain and motivate key executives and employees through the process of reorganization, and the Debtors may have difficulty attracting new employees. In addition, so long as the Chapter 11 Cases continue, the Debtors' senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations.

The Debtors may be unable to maintain satisfactory labor relations through the process of reorganization.

There can be no assurance as to the Debtors' ability to maintain sufficient financing sources to fund their businesses and meet future obligations.

There can be no assurance that the Debtors will be able to successfully develop, prosecute, Confirm, and Consummate one or more plans of reorganization with respect to the Chapter 11 Cases that are acceptable to the Bankruptcy Court and the Debtors' Creditors, equity holders, and other parties in interest. Additionally, third parties may seek to propose and confirm one or more plans of reorganization, to appoint a chapter 11 trustee, or to convert the cases to chapter 7 cases.

In addition, the uncertainty regarding the eventual outcome of the Debtors' restructuring, and the effect of other unknown adverse factors could threaten the Debtors' existence as a going concern. Continuing on a going-concern basis is dependent on, among other things, obtaining Bankruptcy Court approval of a reorganization plan, maintaining the Debtors' gaming licenses, maintaining the support of key vendors and customers, and retaining key personnel, along with financial, business, and other factors, many of which are beyond the Debtors' control. Under the priority scheme established by the Bankruptcy Code, unless creditors agree otherwise, prepetition liabilities and postpetition liabilities must be satisfied in full before Interest Holders are entitled to receive any distribution or retain any property under the Plan or an alternative plan of reorganization. The ultimate recovery to Claim and/or Interest Holders, if any, will not be determined until Confirmation of the Plan or an alternative plan of reorganization. No assurance can be given as to what values, if any, will be ascribed in the Chapter 11 Cases to each of these constituencies or what types or amounts of distributions, if any, they would receive.

General Business and Financial Risk Factors

The Turmoil Presently Existing in the Financial Markets May Impact the Debtors' Ability to Obtain Sufficient Financing and Credit on a Going Forward Basis

The current crisis in the global credit and financial markets and the inability of corporate borrowers to access debt markets may materially and adversely affect the Debtors' ability to obtain sufficient financing to operate their businesses on a going-forward basis.

Economic and Political Conditions, Including a Worsening of the Current Recession and Other Factors Affecting Discretionary Consumer Spending, May Harm the Debtors' Businesses, Financial Condition, and Results of Operations

The Debtors' businesses may be adversely affected by the recession currently being experienced in the United States since the Debtors are dependent on discretionary spending by their customers. The continuation or worsening of the current economic conditions could cause fewer people to spend money or cause people to spend less money at the Debtors' facility and could adversely affect the Debtors' revenues.

Intense Competition Could Result in Loss of Market Share or Profitability

The Debtors face intense competition in the market in which its gaming facility is located. The Debtors' casino primarily competes with two other casinos located in Detroit, Michigan and one casino a short distance away in Windsor, Ontario, Canada. The Debtors' casino also competes to a lesser degree with casinos in other locations, including on Native American lands and cruise ships, and with other forms of legalized gambling in Michigan and throughout the United States, including state-sponsored lotteries and racetracks.

Some of the Debtors' competitors have significantly greater financial resources and, as a result, the Debtors may be unable to compete successfully with them in the future. Additionally, the Debtors' highly leveraged position and the filing of the Chapter 11 Cases has had, and will likely continue to have, an adverse impact on the Debtors' ability to compete.

In addition, online gaming, despite its current illegality in the United States, is a growing sector in the gaming industry. Online casinos offer a variety of games, including slot machines, roulette, poker, and blackjack. Web-enabled technologies allow individuals to game using credit or debit cards or other forms of electronic payment. The Debtors are unable to assess the impact that online gaming will have on their operations in the future and there is no assurance that the impact will not be materially adverse.

Competition from other casino and hotel operators involves not only the quality of casino, hotel room, restaurant, entertainment, and convention facilities, but also hotel

room, food, entertainment, and beverage prices. The Debtors' operating results can be adversely affected by significant cash outlays for advertising and promotions and complimentary services to patrons, the amount and timing of which are partially dictated by the' policies of their competitors and the Debtors' efforts to keep pace. If the Debtors lack the financial resources or liquidity to match the promotions of competitors, the number of casino patrons may decline, which may have an adverse effect on their financial performance.

The Debtors' ability to compete successfully will also depend on their ability to develop and implement strong and effective marketing campaigns both at their individual properties and across their businesses. To the extent they are unable to develop successfully and implement these types of marketing initiatives, the Debtors may not be successful in competing in their markets and their financial position could be adversely affected. The filing of the Chapter 11 Cases and the Debtors' access to capital likely will also adversely impact their ability to develop and implement these types of initiatives.

The Debtors Are Subject to Litigation which, if Adversely Determined, Could Result in Substantial Losses

The Debtors are, from time to time, during the ordinary course of operating their businesses, subject to various litigation claims and legal disputes, including contract, lease, employment, and regulatory claims as well as claims made by visitors to the Debtors' property.

Certain litigation claims may not be covered entirely or at all by the Debtors' insurance policies or their insurance carriers may deny such coverage. In addition, litigation claims can be expensive to defend and may divert the Debtors' attention from the operations of their businesses. Further, litigation involving visitors to the Debtors' properties, even if without merit, can attract adverse media attention. As a result, litigation can have a material adverse effect on the Debtors' businesses and, because the Debtors cannot predict the outcome of any action, it is possible that adverse judgments or settlements could significantly reduce their earnings or result in losses.

With certain exceptions, however, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the Petition Date. In addition, with respect to the litigation stayed by commencement of the Chapter 11 Cases, the Debtors' liability is subject to discharge in connection with Confirmation of the Plan, with certain exceptions. Therefore, certain litigation claims against the Debtors may be subject to compromise in connection with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with the adverse determination of such litigation.

In connection with the matters covered in Section II.D.2 of this Disclosure Statement, the City of Detroit has taken the position that Greektown has failed to construct the theater component of the casino complex as required under the Development Agreement, and that such alleged failure is a zoning violation which, if not cured, could subject the casino to closure. The Debtors maintain that they have in fact

fulfilled the requirement of a theater component to the casino complex, and therefore no such zoning violation exists and no such cure is necessary; and further, that under the City's zoning and permitting ordinances, even if a cure was necessary Greektown could effect such cure without any significant risk of a closure.

For a full description of the City's positions relating to the current disputes between the City and Greektown, please see pp. 16-21, above

Work Stoppages, Labor Problems, and Unexpected Shutdowns May Limit the Debtors' Operational Flexibility and Negatively Impact the Debtors' Future Profits

The Debtors are party to one or more collective-bargaining agreements with labor unions. There can be no assurance that the Debtors will be able to renegotiate the labor agreements that are currently in effect without incurring significant increases in their labor costs. Changes to their collective-bargaining agreements could cause significant increases in labor cost, which could have a material adverse impact on the Debtors' businesses, financial condition, and results of operations.

In addition, the unions with which the Debtors have collective-bargaining agreements or other unions could seek to organize groups of employees that are not currently represented by unions. Union organization efforts may occur in the future, could cause disruptions to the Debtors' businesses and result in significant costs, both of which could have a material adverse effect on the Debtors' businesses, financial condition, and results of operations.

Finally, if the Debtors are unable to negotiate these agreements on mutually acceptable terms, the affected employees may engage in a strike instead of continuing to work without contracts or under expired contracts, which could have a materially adverse effect on the Debtors' results of operations and financial condition. Any unexpected shutdown of the Debtors' casino property for a work stoppage or strike action could have an adverse effect on their businesses and results of operations. Moreover, strikes and work stoppages could also result in adverse media attention or otherwise discourage customers from visiting the Debtors' casino. There cannot be assurance that the Debtors can be adequately prepared for unexpected labor developments that may lead to a temporary or permanent shutdown of their casino property.

Governmental Regulations and Taxation Policies Could Adversely Affect the Debtors' Businesses, Financial Condition, and Results of Operations

Regulation by Gaming Authorities

As stated more fully in Section II.D.1., above, the Debtors are subject to extensive regulation with respect to the ownership and operation of their gaming facility. The MGCB requires that the Debtors hold various licenses, qualifications, filings of suitability, registrations, permits, and approvals. The MGCB has broad powers with respect to the licensing of casino operations and may deny, revoke, suspend, condition, or

limit the Debtors' gaming license, impose substantial fines, temporarily suspend casino operations, and take other actions, any one of which could adversely affect the Debtors' businesses, financial condition, and results of operations.

Potential Changes in Legislation and Regulation

From time to time, legislators and special interest groups propose legislation that would expand, restrict, or prevent gaming operations in the jurisdiction in which the Debtors operate. Further, from time to time, the jurisdiction could consider or enact legislation and referenda, such as bans on smoking in casinos and other entertainment and dining facilities, that could adversely affect the Debtors' operations. Any restriction on or prohibition relating to the Debtors' gaming operations, or enactment of other adverse legislation or regulatory changes, could have a material adverse effect on the Debtors' businesses, financial condition, and results of operations.

Taxation and Fees

The casino entertainment industry represents a significant source of tax revenues to the various jurisdictions in which casinos operate. Gaming companies are currently subject to significant state and local taxes and fees in addition to the federal and state income taxes that typically apply to corporations, and such taxes and fees could increase at any time. From time to time, various state and federal legislators and officials have proposed changes in tax laws or in the administration of such laws, including increases in tax rates, which would affect the gaming industry. Worsening economic conditions could intensify the efforts of state and local governments to raise revenues through increases in gaming taxes and fees. In addition, state or local budget shortfalls could prompt tax or fee increases. Any material increase in assessed taxes, or the adoption of additional taxes or fees in the Debtors' market could have a material adverse effect on the Debtors' businesses, financial condition, and results of operations.

Compliance with Other Laws

The Debtors are also subject to a variety of other rules and regulations, including zoning, environmental, constructions and land-use, and regulations governing the sale of alcoholic beverages. Failure to comply with these laws could have a material adverse impact on the Debtors' businesses, financial condition, and results of operations.

For a full description of the City's positions relating to the current regulatory and legal disputes between the City and Greektown, please see pp. 16-21, above

Noncompliance with Environmental, Health, and Safety Regulations Could Adversely Affect the Debtors' Results of Operations

As the owner, operator, and developer of real property, the Debtors must address, and may be liable for, hazardous materials or contamination of these sites. The Debtors ongoing operations are subject to stringent regulations relating to the protection of the

environment an handling of waste, particularly with respect to the management of wastewater from their facility. Any failure to comply with existing laws or regulations, the adoption of new laws or regulations with additional or more rigorous compliance standards, or the more rigorous enforcement of environmental laws or regulations could adversely affect the Debtors' businesses, financial condition, and results of operations by increasing their expenses and limiting their future opportunities.

Allegations of Food-Related Illnesses Could Negatively Affect the Debtors' Results from Operations

As an operator of a hotel and restaurants, the Debtors are or may be subject to complaints or litigation from consumers alleging illness, injury or other food quality, health, or operational concerns. Food-related illnesses may be caused by a variety of food-borne pathogens, such as e-coli or salmonella, and from a variety of illnesses transmitted by restaurant workers, such as hepatitis. The Debtors cannot control all of the potential sources of illness that can be transmitted from food or the Debtors' water supply. If any person becomes ill, or alleges becoming ill, as a result of eating the Debtors' food, the Debtors may be liable for damages, be subject to governmental regulatory action, be forced to shut down one or more of their restaurants, and/or receive adverse publicity, regardless of whether the allegations are valid or whether the Debtors are liable; all of which could adversely affect the Debtors' businesses, financial condition, and results of operations.

The Debtors Could Lose Key Employees, Including Certain Members of the Senior Management

The Debtors' success is substantially dependent on the efforts and skills of their senior management team and other employees. If the Debtors were to lose the services rendered by these persons, the Debtors' operations could be adversely affected. In addition, the Debtors compete with other potential employers for employees, and the Debtors may not succeed in hiring and retaining the executive and other employees that they need. The inability to hire and retain qualified employees could adversely affect the Debtors' businesses, financial condition, and results of operations.

The Concentration and Evolution of the Slot Machine Manufacturing Industry Could Impose Additional Costs on the Debtors

The majority of the Debtors' gaming revenue is attributable to slot machines operated by the Debtors at their gaming facility. It is important, for competitive reasons, that the Debtors offer the most popular and technologically advanced slot machine games to their customers. A substantial majority of the slot machines in the United States in recent years were manufactured by a limited number of companies. A deterioration in the Debtors' commercial arrangements with any of these slot machine manufacturers could result in the Debtors being unable to acquire the slot machines desired by the Debtors' customers or could result in manufacturers significantly increasing the cost of these machines. Alternatively, significant industry demand for new slot machines may

result in the Debtors being unable to acquire the desired number of new slot machines or result in manufacturers increasing the cost of these machines.

The inability to obtain new and up-to-date slot machine games could impair the Debtors' competitive position and result in decreased gaming revenues at their casino. In addition, increases in the costs associated with acquiring slot-machine games could adversely affect the Debtors' profitability.

In recent years, the prices of new slot machines have risen more rapidly than the domestic rate of inflation. Furthermore, in recent years, slot machine manufacturers have frequently refused to sell slot machines featuring the most popular games, instead requiring gaming operators to execute participation-lease arrangements for them to be able to offer such machines to patrons. Participation slot-machine-leasing arrangements typically require the payment of a fixed daily rental fee. Such agreements may also include a percentage payment to the manufacturer of "coin-in" or "net win." Generally, a slot machine participation lease is more expensive over the long term than the cost of purchasing a new slot machine.

For competitive reasons, the Debtors may be forced to purchase new slot machines, replace older slot machines with more costly machines, or enter into participation-lease arrangements that are more expensive than the costs currently associated with the continued operation of existing slot machines. If the newer slot machines do not result in sufficient incremental revenues to offset the increased investment and participation-lease costs, the Debtors' businesses, financial condition, and results of operations could be adversely affected.

The Debtors May Not Have or Be Able to Obtain Sufficient Insurance Coverage to Replace or Cover the Full Value of Losses the Debtors May Suffer

The Debtors evaluate their risks and insurance coverage on a regular basis. While the Debtors believe they have obtained sufficient insurance coverage with respect to the occurrence of casualty damage to cover losses that could result from the acts or events described above, the Debtors may not be able to obtain sufficient or similar insurance for later periods and cannot predict whether they will encounter difficulty in collecting on any insurance claims they may submit, including claims for business interruption.

In addition, while the Debtors maintain insurance against many risks to the extent and in amounts that the Debtors believe are reasonable, these policies do not cover all risks. Furthermore, portions of the Debtors' businesses are difficult or impracticable to insure. Therefore, after carefully weighing the costs, risks, and retaining versus insuring various risks, as well as the availability of certain typos of insurance coverage, the Debtors occasionally opt to retain certain risks not covered by their insurance policies. Retained risks are associated with deductible limits or self-insured retentions, partial self-insurance programs, and insurance policy coverage ceilings.

The Debtors carry certain insurance policies that, in the event of certain substantial losses, may not be sufficient to pay the full current market value or current replacement cost of damaged property. As a result, if a significant event were to occur that is not fully covered by the Debtors' insurance policies, the Debtors may lose all, or a portion of, the capital they have invested in a property, as well as the anticipated future revenue from such property, and the Debtors' businesses, financial condition, and results of operations could be adversely affected. Consequently, uninsured losses may negatively affect the Debtors' financial condition, liquidity, and results of operations. There can be no assurance that the Debtors will not face uninsured losses pertaining to the risks they have retained.

The Debtors' Business, Financial Condition, and Results of Operations Could Be Materially Adversely Affected by the Occurrence of Natural Disasters or Other Catastrophic Events, Including War and Terrorism

Natural disasters, such as tornados, floods, fires, and earthquakes could adversely affect the Debtors' businesses and operating results. The Debtors cannot predict the impact that future natural disasters will have on their ability to maintain their customer base or sustain their business activities.

Catastrophic events such as terrorist and war activities in the United States and elsewhere have had a negative effect on travel and leisure expenditures, including lodging, gaming, and tourism. In addition, given that the Debtors' sole gaming facility is located in Detroit, Michigan, any man-made or natural disasters in or around Detroit could have a significant adverse effect on their businesses, financial condition, and results of operations. The Debtors cannot predict the extent to which such events may affect them, directly or indirectly, in the future. The Debtors also cannot ensure that they will be able to obtain any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts.

The prolonged disruption at the Debtors' property due to natural disasters, terrorist attacks, or other catastrophic events could adversely affect the Debtors' businesses, financial condition, and results of operations.

Energy Price Increases May Adversely Affect the Debtors' Businesses, Financial Condition, and Results of Operations

The Debtors casino property uses significant amounts of electricity, natural gas, and other forms of energy. While the Debtors have not experienced shortages of energy or fuel to date, substantial increases in energy and fuel prices or shortage of energy or fuel in the United States may negatively affect their businesses, financial condition, results of operations in the future. The extent of the impact is subject to the magnitude and duration of the energy and fuel-price increase, but this impact could be material. In addition, energy and gasoline prices increases in the Detroit metropolitan area and surrounding areas could result in a decline in disposable income of potential customers and a corresponding decrease in visitation and spending at the Debtors' property, which

could negatively impact their revenues. Further, increases in fuel prices and resulting increases in transportation costs, could adversely affect the Debtors' businesses, financial condition, and results of operations.

The Debtors' Businesses May Be Materially Adversely Affected by Conditions in the Automotive Industry

The Debtors casino property is located in Detroit, Michigan, a metropolitan area whose economy is heavily dependent on the health of the global automotive industry. Currently, the automotive industry is experiencing a dramatic downturn, the future length and scope of which cannot be predicted. A prolonged continuation or worsening of this downturn could materially impact the disposable income of the Reorganized Debtors' customers, causing a decrease in visitation and spending at the Debtors' properties. Such events could adversely impact the Debtors' businesses, financial condition, and results of operations.

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With respect to an alternative plan, the Plan Proponents have explored various alternatives in connection with the formulation and development of the

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and the holding of the Plan Note or New Equity of Reorganized Holdings (or Additional Plan Note, if any,) expected

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Claim who is entitled to vote on or to accept or reject the Plan. Except as otherwise noted, the following summary does not discuss the U.S. federal income tax consequences to Holders whose

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payment in full in cash or are otherwise unimpaired under the Plan, or to Holders of Allowed Interests or Intercompany Claims, or with respect to Claims of nontaxable entities (such as an Indian tribal authority or a government).

This discussion is based on current provisions of the IRC, final, temporary or proposed Treasury regulations promulgated thereunder, judicial opinions, published positions of the Internal Revenue Service (the "Service") and all other applicable authorities, all of which are subject to change (possibly with retroactive effect). There can be no assurance that the Service will not take a contrary view.

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nor will any counsel provide a legal opinion

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Legislative,

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may be forthcoming that could alter or modify the statements and conclusions set

forth herein. Any such changes may or may not be retroactive

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could affect the tax consequences to the Holders, the

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. It cannot be predicted whether any tax legislation will be enacted or, if enacted, whether any tax law changes contained therein would affect the tax consequences to the Debtors, Reorganized Debtors, or Holders.

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assumes that a Holder of an Allowed Claim holds such Claim as a "capital asset" within the meaning of IRC section 1221 (generally, property held

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investment) and will hold the Plan Note or New Equity (or the Additional Plan Note, if any) of Reorganized Holdings, as applicable, as a "capital asset." It also assumes that Debtors' debt obligations (including the Class 1, 7, 12, 16, 20, and 24 Secured Claims of DIP Lenders, Class 2, 8, 13, 17, 21, and 25 Secured Claims of Pre-Petition Lenders and the Class 4 Bond Claims) constitute indebtedness for U.S. federal income tax

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This discussion is for general information

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addresses only certain material U.S. federal income tax consequences and

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a Holder, such as the potential application of the alternative minimum tax. It does not attempt to consider any facts or limitations applicable to any

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Holder in light of that Holder's particular circumstances or to any Holder subject to

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U.S. federal income tax laws, such as

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brokers, dealers or traders in securities, commodities or currencies, tax-exempt organizations, tax-qualified retirement plans, partnerships and other pass-through entities, investors in such pass-through entities, small business investment companies, regulated investment companies, real estate investment trusts,

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corporations, foreign trusts, foreign estates, Holders who are not citizens or residents of the United States, Holders subject to the alternative minimum tax, Holders holding Claims

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other risk reduction strategy or as part of

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or other integrated investment, Holders who have a "functional currency" other than the U.S. dollar or Holders that acquired interests in connection with the performance of services

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The potential U.S. federal income tax consequences with respect to the Consummation of the Plan to a Holder of a Claim will depend, among other things, upon the origin of the Holder's Claim, whether or not the Holder holds the Claim as a capital asset, whether the Holder reports income using the accrual or cash method (or other method) of accounting, the manner in which the Holder acquired the Claim and its timing in acquiring the Claim, whether the Claim constitutes a "security" for U.S. federal income tax purposes, whether the Holder has taken a bad debt deduction or worthless security deduction with respect to such Claim (or portion of its Claim) in the current year or any prior year, the length of time the Claim has been held, whether the Claim was acquired at a discount, whether the Holder has previously included in its taxable income accrued but unpaid interest with respect to the Claim, and whether the Claim is an installment obligation for U.S. federal income tax purposes.

The Plan contemplates the possible implementation of alternate reorganizational structures that could potentially have varying tax consequences for the Debtors and the Holders of Claims. No such alternate structures have been proposed as of the date hereof and this discussion does not specifically address the tax consequences of any possible alternate structures. The Debtors and Holders should consult their respective tax advisers if and when such alternate structures are implemented.

EACH HOLDER SHOULD CONSULT HIS, HER OR ITS OWN TAX ADVISER WITH RESPECT

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gain or loss on its assets pursuant to the Plan. If gain or loss is recognized, then it would flow up to Holding's members under the partnership tax rules. The U.S.

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Holdings generally will realize cancellation of indebtedness income ("CODI") with respect to the exchange of certain Claims against the Debtors for Cash, the Plan Note, the Additional Plan Note, if any, or New Equity of Reorganized Holdings pursuant to the Plan. The amount of such CODI will depend upon a number of factors, including whether the exchange of the Plan Note for certain Claims is taxable. Under IRC section 108, CODI will not be recognized if the CODI occurs in a case brought under the Bankruptcy Code, provided the taxpayer is under the jurisdiction of a court in such case and the cancellation of indebtedness is granted by the court or is pursuant to the plan approved by the court (the "Bankruptcy Exception") Generally, under IRC section 108(b), any CODI excluded from gross income under the Bankruptcy Exception must be applied against and reduce certain tax attributes of the taxpayer. Unless the taxpayer elects to have such reduction apply first against the basis of its depreciable property, such reduction is first applied against net operating losses ("NOLs") of the taxpayer (including NOLS from the taxable year of discharge and any NOL carryover to such taxable year), and then to certain tax credits, capital loss and capital loss carryovers, and tax basis. Under IRC section 108(d)(6), when a partnership realizes CODI, the partners of such partnership are treated as receiving their allocable share of such CODI and the Bankruptcy Exception (and related attribute reduction), is applied at the partner level rather than the partnership level. Accordingly, the partners of-Holdings will be treated as receiving their allocable share of CODI realized by Holdings. Holdings partners include another partnership, so the potential applicability of the Bankruptcy Exception would be tested under Section 108(d)(6) at the level of the partners of such partnership. For each of Holdings II, Builders, and Realty, to the extent any of such corporations are treated as realizing CODI, the Bankruptcy Exception would apply to exclude the CODI from gross income. These corporations would also respectively be subject to potential tax attribute reduction under IRC section 108(b).

In February 2009, Congress enacted as part of the American Recovery and Reinvestment Act an elective CODI deferral and ratable inclusion provision with respect to the reacquisition of "applicable debt instruments" within the meaning of IRC section 108(i). Applicable debt instruments include indebtedness of a C corporation or any other person in connection with the conduct of a trade or business. Both corporations and partnerships are able to elect the application of this deferral provision. This election may be unavailable to defer CODI arising under the Plan If elected, the electing entity may be subject to limitations on its ability to deduct interest in certain cases.

Section 382 Limitations on NOLs

If a corporation undergoes an ownership change, as defined in IRC section 382(8), the application of pre-change NOLs to reduce income for any post-change year is

limited by IRC section 382. None of Holdings II, Builders, and Realty have material, if any, NOLs that would be subject to limitation under IRC section 382.

U.S. Federal Income Tax Consequences to Holders

The following discussion applies to a Holder who (or that) is treated for U.S. federal income tax purposes as (i) an individual that is a citizen or resident of the United States, (ii) a corporation or other entity taxable as a corporation created or organized under the laws of the United States or a political subdivision thereof, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust, if a U.S. court can exercise primary supervision over the administration of the trust and one or more U.S. persons can control all substantial trust decisions or, if the trust was in existence on August 20, 1996, and it has elected to continue to be treated as a U.S. person.

Class 1, 7, 12, 16, 20, and 24 Claims

Under the Plan, each Holder of an Allowed Claim in Classes 1, 7, 12, 16, 20, and 24 (Secured Claims of DIP Lenders Against Each Reorganizing Debtor, each Asset Debtor and Holdings TI) shall receive, in full satisfaction of such Claim, at the Holder's election, either (a) its Pro Rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed DIP Facility Claim. The exchange of Allowed Claims in Classes 1, 7, 12, 16, 20, and 24 for the Plan Note may be a taxable exchange, depending on the terms of the Plan Note. The U.S. federal income tax consequences of the Plan to Holders of Allowed Claims in Classes 1, 7, 12, 16, 20, and 24 are uncertain. Holders of such Claims should therefore consult their tax advisors as to the tax consequences resulting to them as a consequence of Consummation of the Plan.

Class 2, 8, 13, 17, 21, and 25 Claims

Under the Plan, each Holder of an Allowed Claim in Classes 2, 8, 13, 17, 21, and 25 (Secured Claims of Pre-petition Lenders Against Each Reorganizing Debtor, each Asset Debtor and Holdings II) will receive, in full satisfaction of such Claim, the following: (1) On account of its Pre-petition Adequate Protection Claim, at such Holder's election, either (a) its Pro rata share of the Plan Note, or (b) Cash equal to such Holder's Allowed Pre-petition Adequate Protection Claim, and (2) on account of its Pre-petition Credit Agreement Claim, its Pro Rata share of: (i) the New Equity of Reorganized Holdings, and (ii) the Additional Plan Note, if any, provided that there is not an Alternative Proposal that has been accepted. The U.S. federal income tax consequences of the Plan to Holders of Allowed Claims in Classes 2, 8, 13, 17, 21, and 25 are uncertain. Holders of such Claims should therefore consult their tax advisors as to the tax consequences resulting to them as a consequence of Consummation of the Plan.

Class 3, 9, 14, 18, 22, 26, 28, and 31 Claims

Under the Plan, each Holder of an Allowed Claim in Classes 3, 9, 14, 18, 22, 26, 28, and 31 (Other Allowed Secured Claims Against Holdings, Casino, Holdings II, Builders, Builders Property, Realty, Realty Property Trappers and Trappers Property and

Allowed Secured Claims against Monroe and Kewadin) will receive, in full satisfaction of such Claim, in the Reorganized Debtors' full discretion, either: (i) the value of the Holder's Allowed Secured Claim, or, (ii) return of the collateral securing the Holder's Secured Claim.

If the Holder receives either (i) the value of the Holder's Allowed Secured Claim, or, (ii) the collateral securing the Holder's Secured Claim, the Holder will generally realize gain or loss equal to the difference between the (x) Cash or fair market value of the property received, and (y) the Holder's adjusted tax basis in such Allowed Claim. The U.S. federal income tax consequences of the Plan to a Holder of an Allowed Claim in Classes 3, 9, 14, 18, 22, 26, 28, and 31 are uncertain and, to some extent, will depend on the factors mentioned above. Holders of such Claims should therefore consult their tax advisors as to the tax consequences resulting to them from Consummation of the Plan.

Class 4, 5, 15, 19, 23, 27, 29, and 32 Claims

Under the Plan, each Holder of an Allowed Claim in Classes 4, 5, 15, 19, 23, 27, 29, and 32 (Bond Claims against Holdings and General Unsecured Claims Against Holdings, Holdings II, Builders, Realty, Trappers, Monroe and Kewadin) will not receive or retain any interest or property under the Plan and all such Claims shall be cancelled and extinguished. The U.S. federal income tax consequences of the Plan to a Holder of an Allowed Claim in Classes 4, 5, 15, 19, 23, 27, 29, and 32 will depend upon the factors mentioned above, including in particular the nature of the Claim held by such Holder. Holders of such Claims should therefore consult their tax advisors as to the tax consequences resulting to them as a consequence of Consummation of the Plan.

Class 10 Claims

Under the Plan, each Holder of an Allowed Claim in Class 10 (General Unsecured Claims Against Casino) shall receive in full satisfaction of such Claim its Pro Rata share of the Unsecured Distribution Fund, paid in two installments. The U.S. federal income tax consequences of the Plan to a Holder of an Allowed Claim in Class 10 will depend upon the factors mentioned above, including in particular the nature of the Claim held by such Holder. Holders of such Claims should therefore consult their tax advisors as to the tax consequences resulting to them as a consequence of Consummation of the Plan.

Class 11 Claims

Under the Plan, each Holder of an Allowed Claim in Class 11 (Trade Claims Against Casino) shall receive in full satisfaction of such Claim its Pro Rata Share of the Trade Distribution Fund, paid in two installments. As an additional distribution, each Holder of an Allowed Claim in Class 11 shall receive a release from Avoidance Claims and shall be a Released Party, subject to section 7.3 of the Plan. The U.S. federal income tax consequences of the Plan to a Holder of an Allowed Claim in Class 11 will depend upon the factors mentioned above, including in particular the nature of the Claim held by

such Holder. Holders of such Claims should therefore consult their tax advisors as to the tax consequences resulting to them as a consequence of Consummation of the Plan.

Class 6, 30, and 33 Claims

Under the Plan, each Holder of Equity Interests in Classes 6, 30 and 33 (Equity Interests in Holdings, Monroe and Kewadin) shall not receive or retain any interest or property under the Plan and all such Equity Interests will be cancelled and extinguished. The U.S. federal income tax consequences of the Plan to a Holder of an Equity Interest in Classes 6, 30 and 33 are uncertain. Holders of such Equity Interests should therefore consult their tax advisors as to the tax consequences resulting to them as a consequence of Consummation of the Plan.

Accrued but Unpaid Interest

A portion of the consideration received by a Holder of a Claim may be attributable to accrued but unpaid interest on such Claim. Such amount should be taxable to that Holder as interest income if such accrued but unpaid interest has not been previously included in the Holder's gross income for United States federal income tax purposes.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on Allowed Claims, the extent to which such consideration will be attributable to accrued but unpaid interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a Chapter 11 plan of reorganization is binding for United States federal income tax purposes. The Service could take the position, however, that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. **EACH HOLDER SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE DETERMINATION OF THE AMOUNT OF CONSIDERATION RECEIVED UNDER THE PLAN THAT IS ATTRIBUTABLE TO INTEREST**.

Market Discount

Holders of Allowed Claims may be affected by the "market discount" provisions of IRC sections 1276 through 1278. Under these provisions, some or all of any gain realized by a Holder may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued "market discount" on such Allowed Claims.

In general, a debt obligation with a fixed maturity of more than one year that is acquired by a holder on the secondary market (or, in certain circumstances, upon original issuance) is considered to be acquired with "market discount" as to that holder if the debt obligation's stated redemption price at maturity (or revised issue price as defined in IRC section 1278, in the case of a debt obligation issued with original issue discount) exceeds the tax basis of the debt obligation in the holder's hands immediately after its acquisition.

However, a debt obligation is not a "market discount bond" if the excess is less than a statutory de minimis amount (equal to 0.25% of the debt obligation's stated redemption price at maturity or revised issue price, in the case of a debt obligation issued with original issue discount, multiplied by the number of complete years remaining until maturity at the time of the acquisition).

Absent an election to include market discount into income currently as it accrued, any gain recognized by a Holder on the taxable disposition of Allowed Claims that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Allowed Claims were considered to be held by the Holder. To the extent that the Allowed Claims that were acquired with market discount are exchanged in a tax-free transaction for other property, any market discount that accrued on the Allowed Claims (i.e., up to the time of the exchange) but was not recognized by the Holder is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption or other disposition of such property is treated as ordinary income to the extent of such accrued market discount.

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because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; *provided*, *however*, that the required information is timely provided to the Service.

Holders of the Plan Note

Original Issue Discount. The Plan Note may be issued with original issue discount ("OID") for U.S. federal income tax purposes. If the Plan Note is treated as issued with OID, a Holder of the Plan Note will be required to include the OID as discussed below.

In general, the amount of OID on a debt instrument is equal to the excess of (i) the sum of the debt instrument's stated redemption price at maturity over (ii) the issue price of the debt instrument. The stated redemption price at maturity of the Plan Note will include all payments on the note other than payments of "qualified stated interest." The "issue price" of the Plan Note will depend on whether either (x) the Plan Note or (y) the Secured Claims of the DIP Lenders exchanged therefor are "publicly traded" under applicable Treasury Regulations. If neither (a) the Plan Note nor (b) the Secured Claims of the DIP Lenders exchanged therefor is so traded, the issue price of the Plan Note will be equal to its stated principal amount. In such event, the Plan Note will not be treated as issued with OID.

If the Plan Note is "traded on an established securities market," then the issue price of the Plan Note will be the fair market value of the Plan Note. If the Secured Claims of the DIP Lenders, are "traded on an established securities market" (but the Plan Note received in exchange therefor is not), the issue price of the Plan Note will generally

be equal to the fair market value of the Secured Claims of the DIP Lenders exchanged therefor at the time of the exchange.

If the Plan Note is issued with OID, then, in general, a Holder of the Plan Note must include OID in gross income for U.S. federal income tax purposes on an annual basis under a constant yield accrual method regardless of its regular method of tax accounting. As a result, a Holder will include OID in income in advance of the receipt of cash attributable to such income. The amount of ODD includible in income by an initial Holder of the Plan Note is the sum of the "daily portions" of OID with respect to the Plan Note for each day during the taxable year or portion thereof in which such Holder holds such Plan Note ("Accrued OID"). A daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID that accrued in such period. The "accrual period" of the Plan Note may be of any length and may vary in length over the term of the Plan Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The amount of OID that accrues with respect to any accrual period is the excess of (i) the product of the Plan Note's "adjusted issue price" at the beginning of such accrual period and its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of such period, over (ii) the amount of qualified stated interest allocable to such accrual period. The adjusted issue price of the Plan Note at the start of any accrual period is equal to its issue price, increased by the Accrued OID for each prior accrual period and reduced by any prior payments made on such Plan Note (other than payments of qualified stated interest).

These rules similarly may apply to the Additional Plan Note, if any.

AHYDO. If the Plan Note has "significant OID," as defined in IRC section 163(i)(2), and the yield on the Plan Note exceeds a certain threshold, as described in IRC section 163(i)(1)(B), the Plan Note may be an "applicable high yield discount obligation" ("AHYDO") that is subject to interest expense deduction limitations. The AHYDO rules only apply to a debt obligation issued by a corporation or to debt issued by a partnership to the extent the debt is attributable to corporate partners. The potential application of the AHYDO rules to Reorganized Holdings will depend upon, among other factors, its federal tax entity classification.

These rules similarly may, apply to the Additional Plan Note, if any.

Sale or Other Taxable Disposition. A Holder of the Plan Note generally will recognize gain or loss on the sale or other taxable disposition of the Plan Note equal to the difference between the amount realized upon the disposition (less a portion allocable to any accrued and unpaid interest, which will be taxable as interest) and the Holder's adjusted tax basis in the Plan Note. This gain or loss generally will be a capital gain or loss, and will be a long-term capital gain or loss if the Holder has held the Plan Note for more than one year. Otherwise, such gain or loss will be a short-term capital gain or loss. The deductibility of capital losses is subject to limitations.

Similar tax consequences may result for a Holder of an Additional Plan Note, if any, for a sale or other taxable disposition of the Additional Plan Note, if any.

U.S. Holders of New Equity of Reorganized Holdings

The federal income taxation of U.S. Holders of New Equity of Reorganized Holdings will depend upon the entity classification of New Holdings for federal tax purposes.

NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OF THE PLAN TO ANY HOLDER OF A CLAIM OR INTEREST. EACH HOLDER OF A CLAIM OR INTEREST IS STRONGLY URGED TO CONSULT A TAX ADVISOR REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN