



SO ORDERED.

DONE and SIGNED August 23, 2012.



STEPHEN V. CALLAWAY

UNITED STATES BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
SHREVEPORT DIVISION

-----	X	
In re	:	Case No. 12-12013
	:	
LOUISIANA RIVERBOAT GAMING	:	Chapter 11
PARTNERSHIP, <i>et al.</i> <sup>1</sup>	:	
	:	Joint Administered
Debtors.	:	
-----	X	

**ORDER (A) APPROVING BIDDING PROCEDURES;  
AND (B) GRANTING CERTAIN BID PROTECTIONS**

This matter coming before the Court on the Debtors' Motion Pursuant to 11 U.S.C. §§ 105(A) & 363, 1123(a)(5)(D) and Federal Rules of Bankruptcy Procedure 2002 & 6004 For Entry of an Order (A) Approving Bidding Procedures, and (B) Granting Certain Bid Protections [P-23] (the "Motion")<sup>2</sup>; the Court having reviewed the Motion and the Declaration in Support of First Day Relief; the Court having found that (a) the Court has jurisdiction over this matter

<sup>1</sup> Legends Gaming of Louisiana-1, LLC (12-12014); Legends Gaming of Louisiana-2, LLC (12-12015); Legends Gaming, LLC (12-12017); Legends Gaming of Mississippi, LLC (12-12019); and Legends Gaming of Mississippi RV Park, LLC (12-12020) are being jointly administered with Louisiana Riverboat Gaming Partnership pursuant to order of this Court [P-6].

<sup>2</sup> Capitalized terms not herein defined shall have the meaning ascribed to them in the Motion.  
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pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (c) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (d) notice of the Motion having been sufficient under the circumstances; and the Court having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein;

**IT IS HEREBY ORDERED** as follows:

1. The Motion is **GRANTED**.
2. All objections to the Motion or the relief requested therein that have not been made, withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on the merits.
3. Notice of the Motion was proper, timely, adequate and sufficient under Bankruptcy Rules 2002 and 6004 and the particular circumstances.
4. The Bidding Procedures set forth in Exhibit 1 annexed to this order are incorporated herein by reference in their entirety, are **APPROVED** and shall be effective and binding on all parties as if such Bidding Procedures were set forth in this Order.
5. The Debtors are authorized to conduct the Auction in accordance with the provisions of the Bidding Procedures.
6. The Termination Fee is appropriate in nature and amount, and is approved. The Termination Fee is an integral part of, and a condition to, the sale process proposed in the Motion, which is designed to maximize the value of the Debtors' Assets and is in the best interests of the Debtors' estates. The Termination Fee shall have super-priority administrative expense status in each of the Debtors' cases, senior to all other administrative expense claims under Section 364(c)(1) of the Bankruptcy Code.

7. The Stalking Horse Bidder shall be a party in interest in these Chapter 11 proceedings with respect to all matters concerning the Sale and the conduct of, and determinations made at, the Auction.

8. The Bidding Procedures Notice annexed to the Motion as Exhibit 3 is approved as adequate and appropriate under the circumstances and the Debtors are directed and authorized to serve the Bidding Procedures Notice within three business days of the date this Order is entered.

9. Notwithstanding anything in this Order, this Order (1) does not alter, amend or modify any of the terms and conditions of the Amended and Restated Credit Agreement dated as of August 31, 2009 among Legends Gaming, LLC, as Borrower, the First Lien Lenders, and Wilmington Trust Company, as Administrative Agent; (2) does not constitute the approval of the sale of the Debtors' assets, including the sale contemplated by the Purchase Agreement (as that term is defined in the Debtors' Motion); and (3) does not affect and/or modify in any way the rights of any party (including Capital One, National Association) to refuse to consent to and/or object to any sale of the Debtors' assets under a plan or otherwise.

10. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation and/or interpretation of this Order.

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This order was prepared and is being submitted by:

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**EXHIBIT 1**

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF LOUISIANA  
SHREVEPORT DIVISION**

In re	X	
	:	Case No. 12-12013
	:	
LOUISIANA RIVERBOAT GAMING	:	Chapter 11
PARTNERSHIP, <i>et al.</i> <sup>1</sup>	:	
	:	Joint Administered
Debtors.	:	

**BIDDING PROCEDURES IN CONNECTION WITH  
DEBTORS' SALE OF ALL OR SUBSTANTIALLY ALL OF  
THE ASSETS OF LEGENDS GAMING, LLC  
AND ITS DEBTOR SUBSIDIARIES**

**Summary of Key Dates**

***LOI Submission Date:* September 7, 2012 at 11:59 p.m. (prevailing Central time)**

***Bid Deadline:* September 24, 2012 at 11:59 p.m. (prevailing Central time)**

***Auction:* October 15, 2012 at 10:00 a.m. (prevailing Eastern Time), at the offices of Jenner & Block, LLP, 919 Third Avenue, New York, NY 10022**

**A. Preliminary Statements**

1. Set forth below are the bidding procedures (the “Bidding Procedures”) to be employed by Legends Gaming, LLC (“Legends”) in the chapter 11 cases (jointly administered) pending in the United States Bankruptcy Court for the Western District of Louisiana (the “Bankruptcy Court”) under case number [12-12013] (the “Chapter 11 Cases”) with respect to the proposed sale of substantially all of the assets (collectively, the “Sale”) of Legends and its debtor subsidiaries (collectively, and excluding Legends Gaming of Mississippi RV Park, LLC, the “Debtors”).

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<sup>1</sup> Legends Gaming of Louisiana-1, LLC (12-12014); Legends Gaming of Louisiana-2, LLC (12-12015); Legends Gaming, LLC (12-12017); Legends Gaming of Mississippi, LLC (12-12019); and Legends Gaming of Mississippi RV Park, LLC (12-12020) are being jointly administered with Louisiana Riverboat Gaming Partnership pursuant to order of this Court [P-6].

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2. Legends Gaming, LLC, Legends Gaming of Louisiana-1, LLC, Legends Gaming of Louisiana-2, LLC, and Legends Gaming of Mississippi, LLC, as Sellers, and Louisiana Riverboat Gaming Partnership, entered into a Purchase Agreement with Global Gaming Legends, LLC, Global Gaming Vicksburg, LLC, and Global Gaming Bossier City, LLC, as Purchasers, and Global Gaming Solutions, LLC, as Guarantor (collectively, the “Stalking Horse Bidder”), dated as of July 25, 2012 (the “Purchase Agreement”) with respect to the Sale.

3. As used in these Bidding Procedures, the term “Consultation Parties” shall mean: (i) the Administrative Agent under the Amended and Restated Credit Agreement, dated as of August 31, 2009, among Legends Gaming LLC, as Borrower, the Lenders party thereto (each, a “First Lien Lender”), and Wilmington Trust Company, as Administrative Agent (the “First Lien Agent”, and such agreement, the “First Lien Credit Agreement”), (ii) the Administrative Agent under the Amended and Restated Second Lien Credit Agreement, dated as of August 31, 2009, among Legends Gaming, LLC, as Borrower, the Lenders party thereto (each, a “Second Lien Lender”), and Wells Fargo Bank, N.A., as Administrative Agent (the “Second Lien Agent”); and (iii) any official committee of unsecured creditors appointed in the Chapter 11 Cases (the “Committee”).

#### B. Bidding Process

1. The Bidding Procedures set forth herein describe, among other things, the assets available for sale, the manner in which Potential Bidders (as defined below) may gain access to or continue to have access to due diligence materials concerning the assets, the manner in which Potential Bidders and bids may become Qualified Bidders and Qualified Bids (as defined below), respectively, the receipt and negotiation of bids received, the conduct of any Auction (as defined below), the ultimate selection of the Successful Bidder (as defined below), and the Bankruptcy Court’s approval thereof (collectively, the “Bidding Process”).

2. In the event of any dispute regarding the interpretation or application of these Bidding Procedures or the Bidding Process, the Bankruptcy Court will have exclusive jurisdiction to hear and resolve such dispute.

3. The Bidding Process will be conducted by the Debtors in consultation with the Consultation Parties. The approval of any Sale pursuant to these Bidding Procedures will be contingent upon confirmation of a joint plan of liquidation for the Debtors (the “Joint Plan”) and shall be consummated solely through the Joint Plan. In addition, the closing of any Sale may involve additional intermediate steps or transactions to facilitate consummation of such Sale, including such other actions or transactions necessary to implement the Joint Plan.

#### C. The Stalking Horse Bid

1. The Purchase Agreement provides for the Sale to the Stalking Horse Bidder for \$125,000,000, consisting of, and subject to, the consideration, terms and adjustments set forth in the Purchase Agreement, including the assumption of certain liabilities of the Debtors (the “Stalking Horse Bid”). The Stalking Horse Bidder is a Qualified Bidder and shall also be deemed a party in interest in the Chapter 11 Cases with respect to all matters concerning the Sale and the conduct of, and determinations made at, the Auction.

D. Bids

1. The Debtors believe that the Debtors' estates will realize maximum value for the assets through an arms' length sale of all or substantially all of their assets. Given the nature of the Debtors' business, the Debtors will only entertain bids for substantially all of their assets.

2. After submission of an LOI (as defined below) and without limiting the terms set forth under the heading "Creditor Negotiations," any unauthorized contacts between one or more Potential Bidders or Qualified Bidders regarding the Sale or the Bidding Process without the consent of the Debtors (such consent not to be unreasonably withheld) are hereby strictly prohibited and may result in disqualification from participation in the Bidding Process and any Auction that may occur, as determined by the Debtors in consultation with the Consultation Parties.

E. Creditor Negotiations

1. Notwithstanding anything herein to the contrary and so long as it is reasonably practicable, a Potential Bidder that desires at any time to contact (whether in person, electronically or telephonically) any Consultation Party, any First Lien Lender or any Second Lien Lender or their respective advisors regarding the Sale or the Bidding Process, such Potential Bidder shall (i) provide a written request (which may be in electronic form) regarding such proposed contact to the Debtors' Advisors (who shall promptly act on such request to facilitate such contact), and (ii) coordinate such contact through the Debtors' advisors.

F. Sale "As Is"

1. The sale of the Debtors' assets will be on an "as is" basis and without surviving representations or warranties or indemnities of any kind, nature, or description by the Debtors, their agents, or estates, as set forth in the Purchase Agreement.

G. Free Of Any And All Claims And Interests

1. Except as may be agreed to by a Successful Bidder (as defined below) in its purchase agreement, and subject to the terms of any order of the Bankruptcy Court authorizing and approving the Sale of the Debtors' assets to the Successful Bidder, which may be the order confirming the Joint Plan (the "Confirmation Order"), all of the rights, title and interests of the Debtors in and to their assets to be acquired as part of the Sale will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "Claims and Interests") as permitted by, and pursuant to, sections 105(a), 363, 365, 1123 and 1129 of the Bankruptcy Code, with such Claims and Interests attaching to the net proceeds of the sale of such assets, subject to any right the Debtors have to challenge the validity of such Claims and Interests.

H. Confidentiality Agreement

1. Unless a Potential Bidder has heretofore executed a confidentiality agreement with the Debtors appropriate for purposes of participating in the Bidding Procedures, each Potential Bidder must execute and deliver a confidentiality agreement in form and substance reasonably satisfactory to the Debtors (the "Confidentiality Agreement"). The Confidentiality Agreement shall

inure to the benefit of any purchaser of the Debtors' assets (in the event that the Potential Bidder has already entered into a confidentiality agreement with the Debtors, it must provide a statement agreeing that its obligations under such agreement shall inure to the benefit of any purchaser of the Debtors' assets and waiving any of its rights under such confidentiality agreement that are in conflict with the Bidding Procedures or that would otherwise prohibit disclosures regarding the Potential Bidder to the Consultation Parties).

I. Participation Requirements; Deadlines

1. Unless otherwise ordered by the Bankruptcy Court for cause shown or otherwise consented to by the Debtors after consultation with the Consultation Parties, in order to participate in the Bidding Process each bidder (each, a "Potential Bidder") must deliver to the Debtors (copies of which the Debtors promptly shall deliver to the Consultation Parties):

- (a) an executed Confidentiality Agreement (to be delivered prior to the distribution of any confidential information by the Debtors to a Potential Bidder);
- (b) current audited financial statements and latest unaudited financial statements of the Potential Bidder or, if the Potential Bidder is an entity formed for the purpose of acquiring the Debtors' assets, current audited financial statements and latest unaudited financial statements of the equity holders or sponsors of the Potential Bidder who will guarantee the obligations of the Potential Bidder, or such other form of financial disclosure and/or credit-quality support or enhancement, if any, that will allow the Debtors and the Consultation Parties to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the Sale; and
- (c) a preliminary (non-binding) written proposal letter of intent ("LOI") containing all of the following:
  - a. the purchase price range for the Debtors' assets (including liabilities to be assumed by the Potential Bidder) and form of consideration (including material terms of any "take-back" debt to be issued to the First Lien Lenders and/or Second Lien Lenders, as applicable);
  - b. any material assets and liabilities expected to be excluded;
  - c. the structure and financing of the Sale (including, but not limited to, the sources of financing for the purchase price and all requisite financial assurance and a description for funding post-acquisition working capital for the target);
  - d. any anticipated third-party (including from the Potential Bidder's existing creditors) corporate, stockholder, internal or regulatory approvals (including, but not limited to, Louisiana Gaming Control



Board, Mississippi Gaming Commission or other regulatory or other consents or approvals required to close the Sale);

- e. the anticipated time-frame and any anticipated impediments for
  - i. completing due diligence;
  - ii. obtaining each of the applicable approvals referred to in the preceding clause (d);
  - iii. negotiating definitive agreements; and
  - iv. consummating the Sale.

2. Notwithstanding anything herein to the contrary, including without limitation the foregoing requirements set forth in section I.1. above, each of the First Lien Agent, on behalf of the First Lien Lenders, and the Second Lien Agent, on behalf of the Second Lien Lenders, shall be deemed a Potential Bidder.

3. The LOI and the material identified in section I.1. above with respect to each Potential Bidder shall be received by the Debtors by 11:59 p.m. (prevailing Central time) on September 7, 2012 (such date, the “LOI Submission Date”). The Debtors shall promptly distribute any such materials received to the advisors for the Consultation Parties.

4. A “Qualified Bidder” shall mean a Potential Bidder:

- (a) that delivers the documents described in section I.1. above;
- (b) whose financial information and/or credit quality support, or enhancement, demonstrate to the Debtors’ satisfaction, after consultation with the Consultation Parties, the financial capability of the Potential Bidder to consummate the Sale;
- (c) that the Debtors, in consultation with the Consultation Parties, determine has submitted a reasonably competitive and realistic LOI;
- (d) that has executed a Confidentiality Agreement; and
- (e) that the Debtors, in consultation with the Consultation Parties, determine is likely (based on availability of financing, experience and other considerations) to be able to consummate the Sale.

5. Notwithstanding anything herein to the contrary, including without limitation, the requirements set forth in section I.4. above and section L.1. below, the First Lien Agent, on behalf of the First Lien Lenders, shall be deemed a Qualified Bidder and any bid submitted by the First Lien Agent on behalf of the First Lien Lenders shall be deemed a Qualified Bid. The First Lien Agent, on behalf of the First Lien Lenders, shall be permitted, in its sole discretion, to credit bid up to the full amount of the claims under the First Lien Credit Agreement.

6. Subject to (a) the Second Lien Agent (or its nominee) satisfying the requirements set forth in section I.4. above, (b) the Second Lien Agent's bid satisfying the requirements set forth in section L.1. below and (c) (i) submission of a bid providing for the payment in full of all claims arising under the First Lien Credit Agreement, or (ii) receipt of the written consent of the First Lien Agent with respect to a bid that does not satisfy the criteria set forth in clause (i), the Second Lien Agent, on behalf of the Second Lien Lenders, shall be deemed a Qualified Bidder and the Second Lien Agent, on behalf of the Second Lien Lenders, shall be permitted, in its sole discretion, to credit bid up to the full amount of the claims under the Second Lien Credit Agreement. In the event the criteria set forth in this section I.6. are not satisfied, the Second Lien Agent, on behalf of the Second Lien Lenders, shall not be a Qualified Bidder.

7. As promptly as practicable after a Potential Bidder delivers all of the materials required by Section I.1. above, the Debtors will determine, after consultation with the Consultation Parties, and will notify the Potential Bidder, if such Potential Bidder is a Qualified Bidder. At the same time that the Debtors notify the Potential Bidder that it is a Qualified Bidder, the Debtors will allow the Qualified Bidder to continue to conduct due diligence as provided in the following section.

#### J. Due Diligence

1. The Debtors shall, subject to competitive and other business considerations and their rights hereunder regarding the conduct of the Auction, afford each Qualified Bidder and any person seeking to become a Qualified Bidder that has executed a Confidentiality Agreement with the Debtors such due diligence access to materials and information relating to their assets and related liabilities as the Debtors reasonably deem appropriate, after consultation with the Consultation Parties.

2. Due diligence access shall include management presentations as scheduled by the Debtors, access to electronic data rooms, property tours, and other matters which a Qualified Bidder or other person seeking to become a Qualified Bidder may reasonably request and as to which the Debtors, in their reasonable business judgment, agree after consultation with the Consultation Parties and subject to competitive or other business considerations and their rights hereunder regarding the conduct of the Auction. The Debtors may, in their discretion, coordinate diligence efforts such that multiple parties have simultaneous access to due diligence materials and/or simultaneous attendance at management presentations or site inspections.

3. The Debtors (or any of their respective representatives) will not be obligated to furnish any information relating to the Debtors' assets to any person other than to Qualified Bidders and any other person seeking to become a Qualified Bidder that has executed a Confidentiality Agreement with the Debtors.

4. The Debtors make no representation or warranty as to the information to be provided through this due diligence process or otherwise, except to the extent set forth in the definitive sale agreements with any Successful Bidder executed and delivered by Debtors.

#### K. Notices

1. A Qualified Bidder that desires to make a bid must deliver written copies of its bid materials set forth in section L.1. below to the following parties:

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- (a) Debtors: Legends Gaming, LLC, Attn: Raymond C. Cook, Acting President, 7670 West Lake Mead Boulevard, Suite 145, Las Vegas, NV 89128-6651, Facsimile: (712) 255-0648;
- (b) Debtors' counsel: (i) Jenner & Block, LLP, Attn: Marc B. Hankin, 919 Third Avenue, 37th Floor, New York, NY 10022, Facsimile: (212) 891-1699, E-mail: [mhankin@jenner.com](mailto:mhankin@jenner.com), and (ii) Heller, Draper, Patrick & Horn, L.L.C., Attn: William Patrick, 650 Poydras Street, Suite 2500, New Orleans, Louisiana 70130-6175, Facsimile: 504-299-3399, E-mail: [wpatrick@hellerdraper.com](mailto:wpatrick@hellerdraper.com);
- (c) Debtors' financial advisors: The Seaport Group, Attn: Michael S. Richards, 1230 Rosecrans Avenue, Suite 660, Manhattan Beach, CA 90266, Facsimile: (310) 798-6277, Email: [mrichards@theseaportgroup.com](mailto:mrichards@theseaportgroup.com);
- (d) Counsel to the First Lien Administrative Agent: Latham & Watkins LLP, Attn: Michael J. Riela, 885 Third Avenue, New York, NY 10022, Facsimile: (212) 751-4864, Email: [michael.riela@lw.com](mailto:michael.riela@lw.com);
- (e) Financial advisor to the First Lien Administrative Agent: Houlihan Lokey, Attn: Phillip Preis, 245 Park Avenue, 20th Floor, New York, NY 10167, Facsimile: (212) 661-3070, Email: [ppreis@hl.com](mailto:ppreis@hl.com); and
- (f) Counsel to the Second Lien Administrative Agent: Curtis L. Tuggle, 3900 Key Center, 127 Public Square, Cleveland, OH 44114, Email: [Curtis.Tuggle@ThompsonHine.com](mailto:Curtis.Tuggle@ThompsonHine.com)

L. Qualified Bid

1. A bid will be considered a Qualified Bid only if the bid is submitted by a Qualified Bidder, and complies with all of the following (a "Qualified Bid"):

- (a) it (x) states that the applicable Qualified Bidder offers to purchase all, or substantially all, of the Debtors' assets, and (y) describes any material modifications to the terms set forth in the Qualified Bidder's LOI that have occurred between the submission of the LOI and the Bid Deadline (as defined below);
- (b) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder and, if applicable, the Alternate Bidder (as defined below), provided that (i) if such Qualified Bidder is selected as the Successful Bidder, its Qualified Bid shall remain irrevocable until the earlier of the Closing of the Sale and 180 days from the date of the Auction, and (ii) if such Qualified Bidder is selected as the Alternate Bidder, its Qualified Bid shall remain irrevocable until the Alternate Bid Expiration Date (as defined below);

- (c) it includes a duly authorized and executed purchase agreement with a blacklined copy marked to show all changes from the form of the Purchase Agreement with such executed purchase agreement to be in form acceptable to the Debtors, after consultation with the Consultation Parties, including the purchase price for the Debtors' assets expressed in U.S. Dollars in an amount at least equal to the Stalking Horse Bid plus the initial overbid requirement of \$4.5 million (provided that at least \$4.5 million of such purchase price shall be payable in cash at the closing), together with all exhibits and schedules thereto, and, to the extent required by the terms and conditions of such bid, any ancillary agreements as described in the purchase agreement with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements, including with respect to any "take-back" debt to be issued to the First Lien Lenders and/or the Second Lien Lenders, as applicable;
- (d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the Sale, that will allow the Debtors to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Sale contemplated by the purchase agreement and related documents;
- (e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder (and includes an acknowledgement and representation that the Qualified Bidder has had an opportunity to conduct any and all required due diligence regarding the Debtors' assets prior to making its offer); or (ii) obtaining financing;
- (f) it fully discloses the identity of each entity that will be bidding for the Debtors' assets or otherwise sponsoring or participating in connection with such bid, and the complete terms of any such participation;
- (g) it includes an acknowledgment and representation that the Qualified Bidder will assume the Debtors' obligations under the executory contracts and unexpired leases proposed to be assigned pursuant to the purchase agreement (or identifies with particularity which of such contracts and leases of the Debtors that the Qualified Bidder wishes not to assume, or alternatively which additional executory contracts or unexpired leases of the Debtors that the Qualified Bidder wishes to assume), contains full details of the Qualified Bidder's proposal for the treatment of related cure costs; and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
- (h) it includes an acknowledgement and representation that the Qualified Bidder:
  - (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Debtors' assets in making its bid;
  - (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied

(by operation of law or otherwise), regarding the Debtors' assets or the completeness of any information provided in connection therewith or the Auction; and (iii) is not entitled to any expense reimbursement or break-up fee in connection with its bid;

- (i) it includes evidence, in form and substance reasonably satisfactory to the Debtors, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the purchase agreement;
- (j) it includes evidence, in form and substance reasonably satisfactory to the Debtors, of compliance or anticipated compliance with all required gaming and other regulatory approvals (including, but not limited to, Louisiana Gaming Control Board, Mississippi Gaming Commission or other regulatory or other approvals required to close the Sale), the anticipated time-frame and any anticipated impediments for obtaining such approvals;
- (k) it is accompanied by a good faith deposit ("Good Faith Deposit") of \$1,000,000 in the form of a wire transfer (to a segregated bank account of the Debtors established for the sole purpose of holding the Good Faith Deposits), certified check or such other form acceptable to the Debtors, payable to the order of the Debtors, to be deposited in the aforementioned segregated bank account of the Debtors, to be dealt with as provided for under section U. below. The Debtors will hold the Good Faith Deposits in a non-interest bearing account and, except for the return of the Good Faith Deposits in accordance with the Bid Procedures, will only disburse funds representing Good Faith Deposits upon order of the Bankruptcy Court;
- (l) Any Qualified Bid must contain appropriate acknowledgements and covenants with respect to the posting of a Gaming Approval Deposit (as defined below) upon the Debtors' selection of the Successful Bid, such Gaming Approval Deposit (see below) to be relinquished by the Successful Bidder in the event of its failure to timely secure required gaming authority consents;
- (m) it contains any proposed measures associated with the continued employment of the Debtors' employees;
- (n) it includes evidence of the Qualified Bidder's ability to comply with Section 365 of the U.S. Bankruptcy Code (to the extent applicable), including providing adequate assurance of such Qualified Bidder's ability to perform in the future the contracts and leases proposed in its bid to be assumed by the Debtors and assigned or subleased to the Qualified Bidder, in a form that will permit the immediate dissemination of such evidence to the counterparties to such contracts and leases; and

- (o) it, to the maximum extent possible, is delivered in electronic form, and contains other information reasonably requested by the Debtors.

2. All of the information and material required to be delivered by a Qualified Bidder(s) pursuant to section L.1. above must be received by the Bid Deadline. The Bid Deadline has been set by the Bankruptcy Court and means 11:59 p.m. (prevailing Central time) on September 24, 2012.

3. The Debtors will determine, in their reasonable business judgment, and after consultation with the Consultation Parties, whether to entertain bids for the Debtors' assets that do not conform to one or more of the requirements specified herein and whether to deem such bids to be Qualified Bids. The Debtors shall notify any Qualified Bidders in writing as to whether or not their bid constitutes a Qualified Bid promptly following the expiration of the Bid Deadline, and such Qualified Bidders shall have three (3) business days after receipt of the Debtors' written notice to cure the noted deficiencies in their bid.

4. Each Potential Bidder, whether a Qualified Bidder or not, and its partners, affiliates and joint ventures, are deemed to have submitted to the exclusive jurisdiction of the Bankruptcy Court with respect to all matters related to bids, the Auction and the Sale.

M. Evaluation of Competing Bids

1. A Qualified Bid will be valued based upon several factors including, without limitation, items such as the purchase price and the net value (including assumed liabilities and the other obligations to be performed or assumed by the bidder) provided by such bid, the claims likely to result from or be created by such bid in relation to other bids, the relative ability of the counterparties to the Sale proposed by the Qualified Bidder to consummate such Sale, the nature and extent of any proposed revisions to the Purchase Agreement, the terms of any proposed "take-back" debt to be issued to the First Lien Lenders and/or the Second Lien Lenders, as applicable, in connection with such Qualified Bid, other factors affecting the speed, certainty and value of the proposed Sale (including Louisiana Gaming Control Board, Mississippi Gaming Commission or other regulatory or other approvals required to close the Sale), any assets excluded from the bid, the transition services required from the Debtors post-closing and any related restructuring costs, and the likelihood and timing of consummating such Sale, each as determined by the Debtors, following consultation with the Consultation Parties.

N. No Additional Qualified Bids

1. If the Debtors do not receive any Qualified Bids in addition to the Stalking Horse Bid, (i) the Stalking Horse Bid will be the Successful Bid, (ii) the Debtors will forgo the Auction, and (iii) the Debtors shall report such status to the Bankruptcy Court.

O. Auction Date, Time and Place

1. If the Debtors receive one or more Qualified Bids in addition to the Stalking Horse Bid, the Debtors will commence an auction (the "Auction") of the Debtors' assets, which shall be transcribed or recorded on video to the extent required by the Bankruptcy Court, at 10:00 a.m. (prevailing Eastern Time) on October 15, 2012, at the offices of Jenner & Block, LLP, 919 Third Avenue, New York, NY 10022, or such other location as shall be timely communicated to all

entities entitled to attend the Auction. The Debtors, in consultation with the Consultation Parties, may cancel or adjourn the Auction without consent of any Qualified Bidder.

P. Auction Procedures

1. The Auction shall run in accordance with the following procedures:
  - (a) Only the Qualified Bidders that have timely submitted Qualified Bids, the Debtors, the Consultation Parties, and any creditor of the Debtors may attend the Auction in person (and the advisors to such Qualified Bidder or creditor of the Debtors), and only such Qualified Bidders will be entitled to make any subsequent bids at the Auction.
  - (b) Each Qualified Bidder shall be required to confirm that it has not engaged in any collusion with respect to the bidding or the Sale.
  - (c) The Debtors will provide copies of each Qualified Bid to each Qualified Bidder as soon as practicable after the Debtors have determined which bids are Qualified Bids in accordance with section L., and in any event not later than five (5) Business Days prior to the Auction. At least two (2) Business Days prior to the Auction, each Qualified Bidder who has timely submitted a Qualified Bid must inform the Debtors whether it intends to attend the Auction, provided that in the event a Qualified Bidder elects not to attend the Auction, such Qualified Bidder's Qualified Bid shall nevertheless remain fully enforceable against such Qualified Bidder in accordance with these Bidding Procedures. At least one (1) Business Day prior to the Auction, the Debtors will provide a written notice to all Qualified Bidders that have timely submitted Qualified Bids and have informed the Debtors of their intent to attend the Auction, which notice shall identify the Qualified Bid which the Debtors determine, in their reasonable business judgment and following consultation with the Consultation Parties, is the Starting Bid (as defined below).
  - (d) All Qualified Bidders who have timely submitted Qualified Bids will be entitled to be present for all Subsequent Bids (as defined below) at the Auction with the understanding that the true identity of each Qualified Bidder at the Auction will be fully disclosed to all other Qualified Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other bidders throughout the entire Auction, provided that all Qualified Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Qualified Bidder attending the Auction in person.
  - (e) The Debtors, after consultation with the Consultation Parties, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction, provided that such rules are (i) not inconsistent with these Bidding Procedures, the Bankruptcy Code, or any order

of the Bankruptcy Court and (ii) disclosed to each Qualified Bidder at the Auction.

- (f) Bidding at the Auction will begin with the Stalking Horse Bid. The next bid shall be the Qualified Bid that the Debtors determine, in consultation with the Consultation Parties, is the highest and best proposal (the “Starting Bid”). The bidding at the Auction shall continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by a Qualified Bidder that (i) improves upon such Qualified Bidder’s immediately prior Qualified Bid (a “Subsequent Bid”) and (ii) the Debtors determine, in consultation with the Consultation Parties, that such Subsequent Bid is (A) for the first round after the Starting Bid, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below). Each incremental bid at the Auction shall be at least US \$250,000 in cash over the Starting Bid or the Leading Bid, as the case may be, provided that an incremental bid may also include additional forms of consideration, and provided, further, that (i) the Debtors shall retain the right, after consultation with the Consultation Parties, to modify the increment requirements at the Auction, and (ii) the Debtors in determining the net value of any incremental bid to the estate shall not be limited to evaluating the incremental dollar value of such bid and may consider other factors as identified in the “Selection of Successful Bid” section of these Bidding Procedures, including, without limitation, factors affecting speed and certainty of obtaining Louisiana Gaming Control Board, Mississippi Gaming Commission or other regulatory or other approvals required to close the Sale. After the first round of bidding and between each subsequent round of bidding, the Debtors shall announce, after consultation with the Consultation Parties, the bid (and the value of such bid(s)) that they believe to be the highest or otherwise best offer (the “Leading Bid”). A round of bidding will conclude after each participating Qualified Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid. Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by Subsequent Bids, the Debtors will, at each round of bidding, take into consideration any additional liabilities to be assumed by a Qualified Bidder and any additional costs which may be imposed on the Debtors.

Q.     Selection Of Successful Bid

1.     Prior to the conclusion of the Auction, the Debtors, following consultation with the Consultation Parties, will (a) review each Qualified Bid that is either the Leading Bid or submitted subsequent to and as an improvement to the submission of the Leading Bid on the basis of financial and contractual terms and the factors relevant to the sale process, including, among other things, (i) the proposed revisions to the Purchase Agreement, (ii) the terms of any proposed “take-back” debt to be issued to the First Lien Lenders and whether such terms are acceptable to the First Lien Agent, (iii) the terms of any “take-back” debt to be issued to the



Second Lien Lenders, and whether such terms are acceptable to the Second Lien Agent, (iv) the ability of such Qualified Bidder to consummate the Sale, (v) the purchase price and the net value (including assumed liabilities and the other obligations to be performed or assumed by the Qualified Bidder) provided by such Qualified Bid, (vi) the claims likely to result from or be created by such Qualified Bid in relation to other bids, (vii) other factors affecting the speed, certainty and value of the Sale (including Louisiana Gaming Control Board, Mississippi Gaming Commission or other regulatory or other approvals required to close the Sale), (viii) any assets excluded from the Qualified Bid and any related restructuring costs, (ix) the likelihood and timing of consummating the Sale, and (x) the Debtors' ability to confirm and consummate a Joint Plan, and to wind-down thereafter, in light of the amount(s) and form(s) of consideration to be provided, each as determined by the Debtors in consultation with the Consultation Parties; (b) identify the highest or otherwise best offer for the Debtors' assets received in accordance with the Bidding Procedures (such bid, the "Successful Bid" and the Qualified Bidder making such bid, collectively, the "Successful Bidder"); (c) identify the next highest or otherwise best offer for the Debtors' assets received in accordance with the Bidding Procedures (such Bid, the "Alternate Bid", and the Qualified Bidder making such bid, the "Alternate Bidder"); and (d) communicate to the Qualified Bidders the identity of the Successful Bidder, the Alternate Bidder, and the details of the Successful Bid and Alternate Bid. The determination of the Successful Bid and Alternate Bid by the Debtors, at the conclusion of the Auction, shall be final subject to approval by the Bankruptcy Court.

2. Upon selection of the Successful Bid and the Successful Bidder pursuant to section Q.1. above, the Debtors shall file with the Bankruptcy Court and serve upon the parties on the Debtors' service list in the Chapter 11 Cases notice of the selection of such Successful Bid and Successful Bidder.

3. The Debtors will sell their assets to the Successful Bidder pursuant to the terms of the Successful Bid (or, under certain circumstances described herein, the Alternate Bidder) upon the approval of such Successful Bid by the Bankruptcy Court at the Sale Hearing (defined below) to be held in conjunction with the hearing before the Bankruptcy Court to consider confirmation of the Joint Plan, and subject to any required gaming or other regulatory approvals (including Louisiana Gaming Control Board, Mississippi Gaming Commission or other regulatory or other approvals).

4. If the Stalking Horse Bid is not selected as the Successful Bid and the Debtors consummate a transaction with a Successful Bidder other than the Stalking Horse Bidder, then the Stalking Horse Bidder shall be entitled to receive the Termination Payment (as defined in the Purchase Agreement), which such claim shall be an allowed administrative claim against the Debtors. The Termination Payment shall be paid to the Stalking Horse Bidder at the time of the closing of the Sale to the Successful Bidder in accordance with the terms of the Purchase Agreement, and without further order of the Bankruptcy Court.

#### R. Sale Hearing

1. The hearing to approve the Successful Bid(s) and to authorize the Sale in accordance therewith (the "Sale Hearing") will be held before the Honorable Judge Stephen V. Callaway (or any substitute therefor) in the Bankruptcy Court, on a date to be scheduled by the Bankruptcy Court, after notice to all parties in interest. The Sale Hearing may be adjourned or rescheduled without further notice by an announcement of the adjourned date at the Sale Hearing

or other means of communication. If the Debtors receive one or more Qualified Bid(s) in addition to the Stalking Horse Bid, then, at the Sale Hearing the Debtors will seek approval of the Successful Bid, and, at the Debtors' election after consultation with the Consultation Parties, the Alternate Bid. The Debtors' presentation to the Bankruptcy Court of the Successful Bid, and, if applicable, the Alternate Bid, will not constitute the Debtors' acceptance of either of such bids, which acceptance will only occur upon the approval of such bids to be delivered by the Bankruptcy Court at the Sale Hearing.

S. Circumstances under Which The Alternate Bid Will be Deemed The Successful Bid

1. Following approval of the Sale to the Successful Bidder, if the Successful Bidder fails to consummate the Sale for any reason, then the Alternate Bid will be deemed to be the Successful Bid and the Debtors will be authorized, but not directed, to effectuate a Sale to the Alternate Bidder subject to the terms of the Alternate Bid of such Alternate Bidder without further order of the Bankruptcy Court. The Alternate Bid shall remain open until ninety (90) days from the conclusion of the Auction (the "Alternate Bid Expiration Date"). All Qualified Bids (other than the Successful Bid and the Alternate Bid) shall be deemed rejected by the Debtors on and as of the conclusion of the Auction.

T. Gaming Approval Deposit

1. Within three (3) Business Days of the conclusion of the Auction, the Successful Bidder shall post a deposit (the "Gaming Approval Deposit") in the form of a wire transfer (to a bank account specified by the Debtors), certified check or such other form acceptable to the Debtors, payable to the order of the Debtors (or such other party as the Debtors may determine) in an amount equal to the sum of (i) five percent (5%) of the purchase price set forth in the Successful Bid (including the principal amount of any "take back" financing to be provided by the First Lien Lenders and/or the Second Lien Lenders, as applicable) less (ii) \$1,000,000 (*i.e.*, the amount of the Good Faith Deposit). The Good Faith Deposit of the Successful Bidder will be applied to the Gaming Approval Deposit. The Gaming Approval Deposit shall be subject to relinquishment by Successful Bidder in accordance with the terms of the purchase agreement submitted by the Successful Bidder.

U. Good Faith Deposits

1. The Good Faith Deposits of Qualified Bidders not selected as either the Successful Bidder or Alternate Bidder shall be returned to such bidders within five (5) Business Days of the date of the selection of the Successful Bidder and the Alternate Bidder. The Good Faith Deposit of any Alternate Bidder shall be retained by the Debtors until the Alternate Bid Expiration Date, and returned to the Alternate Bidder within five (5) days thereafter or, if the Alternate Bid becomes the Successful Bid, shall be applied to the purchase price to be paid by the Alternate Bidder in accordance with the terms of the Alternate Bid. The Good Faith Deposit of the Successful Bidder shall be applied to the Gaming Approval Deposit as set forth in section T. above.

V. Debtors' Reservation Of Rights

1. The Debtors, in consultation with the Consultation Parties: (a) after each round of bidding at the Auction may determine which Qualified Bid, if any, is the highest or otherwise best offer

and the value thereof; (b) may reject, at any time, any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the Bankruptcy Code, the Bidding Procedures, or any other orders applicable to one or more Debtors, or the terms and conditions of the Sale or (iii) contrary to the best interests of the Debtors, their estates, and stakeholders as determined by the Debtors; (c) may impose additional terms and conditions and otherwise modify the Sale Procedures at any time, and (d) reject all bids, provided that the reservation set forth in this clause (d) shall in no way affect or impair the rights or obligations of either the Debtors or the Stalking Horse Bidder under the Purchase Agreement .

**END**

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