UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

In re	:	**Chapter 11 Case No.**
	:	**08-10824**
LOUISIANA RIVERBOAT GAMING PARTNERSHIP, *et al.*[1]	:	
	:	**Jointly Administered**
Debtors.	:	

AMENDED JOINT DISCLOSURE STATEMENT FOR AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR LOUISIANA RIVERBOAT GAMING PARTNERSHIP AND AFFILIATES AS OF FEBRUARY 10, 2009

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

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Date: February 10, 2009

[1] Legends Gaming of Louisiana-1, LLC (08- 10825); Legends Gaming of Louisiana-2, LLC (08-10826); Legends Gaming, LLC (08-10827); Legends Gaming of Mississippi, LLC (08-10828); and Legends Gaming of Mississippi RV Park, LLC (08-10829) are being jointly administered with Louisiana Riverboat Gaming Partnership pursuant to order of this Court [P-3].

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INTRODUCTION

Louisiana Riverboat Gaming Partnership, Legends Gaming of Louisiana-1, LLC, Legends Gaming of Louisiana-2, LLC, Legends Gaming, LLC, Legends Gaming of Mississippi, LLC, and Legends Gaming of Mississippi RV Park, LLC (each a "Debtor" and collectively, the "Debtors") have filed an Amended Joint Chapter 11 Plan of Reorganization for Louisiana Riverboat Gaming Partnership and Affiliates as of February 10, 2009 (together with any modification, amendment or supplement, the "Plan"). The Debtors submit this Amended Joint Disclosure Statement for Amended Joint Chapter 11 Plan of Reorganization for Louisiana Riverboat Gaming Partnership and Affiliates as of February 10, 2009 (the "Disclosure Statement") pursuant to Section 1125 of title 11 of the United States Code (the "Bankruptcy Code") to holders of Claims against and Interests in the Debtors. The Disclosure Statement is submitted in connection with (i) the solicitation of acceptances or rejections of the Plan filed by the Debtors with the United States Bankruptcy Court for the Western District of Louisiana, Shreveport Division (the "Bankruptcy Court"), and (ii) the hearing to consider approval of the Plan (the "Confirmation Hearing") scheduled for the date set forth in the accompanying notice. Unless otherwise defined in this Disclosure Statement, all capitalized terms contained herein have the meanings ascribed to them in the Plan. In the event of a conflict or difference between the definitions used in the Disclosure Statement and the Plan, the definitions contained in the Plan shall control.

I. PURPOSES AND SUMMARY OF PLAN

THE DESCRIPTION OF THE PLAN SET FORTH BELOW CONSTITUTES A SUMMARY ONLY. CREDITORS, HOLDERS OF INTERESTS AND OTHER PARTIES IN INTEREST ARE URGED TO REVIEW AND ANALYZE THE PLAN IN ITS ENTIRETY.

The primary purposes of the Plan are to:

- Provide for the continued operation and growth of the Debtors' casino and hotel business;
- Provide for the restructuring of the Debtors' capital structure;
- Provide for the contribution of additional liquidity to the Debtors; and
- Provide for payments to creditors and distributions to holders of Interests in accordance with the terms of the Plan.

A. OVERVIEW OF THE PLAN

Under the Plan, the Debtors will retain ownership and continue to operate the two "DiamondJacks" hotels and casinos in Bossier City, Louisiana, and Vicksburg, Mississippi. The approximately $158.1 million of First Lien Lenders' Claims and the approximately $72 million of Second Lien Lenders' Claims will be capitalized and paid in full, with interest, over time. The Claims of the General Unsecured Creditors and other creditors will also be paid in full. William J. McEnery, Chairman and a Manager of the Debtors, or his designees ("New Investors"), will contribute $15 million in additional equity funds to Debtor, Legends, in return for common and preferred Interests in Legends, which will be used, along with cash flow from the Debtors' operations, to make Plan payments and to fund the operations of the Debtors. The existing holders of Interests in the Debtors will retain their Interests subject to the new equity Interests being acquired by the New Investors.

B. MANAGEMENT OF THE DEBTORS

1. Legends

The senior corporate management of Legends is as follows:

William J. McEnery, Chairman and Manager

Michael E. Kelly, President, Chief Executive Officer and Manager

G. Dan Marshall, Chief Financial Officer and Manager

Raymond C. Cook, Executive Vice President and Chief Information Officer

2. Louisiana Property – Shreveport/Bossier

The senior management of the Debtor, Louisiana Riverboat Gaming Partnership, which operates the Debtors' hotel and gaming facility in Bossier City, Louisiana (the "Louisiana Property"), is as follows:

Domenic Ricciardelli, Executive Vice President and General Manager

3. Mississippi Property – Vicksburg

The senior management of the Debtor, Legends Gaming of Mississippi, LLC, which operates the Debtors' hotel and gaming facility in Vicksburg, Mississippi (the "Mississippi Property" and, together with the Louisiana Property, the "Properties"), is as follows:

Felicia Gavin, Executive Vice President, General Manager and Vice President of Finance

C. MANAGEMENT OF THE REORGANIZED DEBTORS

It is anticipated that, on the Effective Date, the current officers and managers of the Debtors will continue to hold their respective positions, and continue in their current management positions with the Reorganized Debtors. After the Effective Date, the initial compensation for management will be similar to that provided in the compensation policies previously in effect, and will be disclosed in accordance with Section 1129(a)(5)(B) of the Bankruptcy Code.

D. RECOMMENDATION OF THE FIRST LIEN OBJECTING PARTIES WITH RESPECT TO THE PLAN

For the reasons described in this subsection of the Disclosure Statement, Wilmington Trust Company ("WTC"), as administrative agent under the First Lien Credit Agreement and the

steering group of lenders (the "Steering Group,"[2] and together with WTC, the "First Lien Objecting Parties") **firmly oppose the Plan and urge all First Lien Lenders to vote to REJECT the Plan.**

The Objecting Parties oppose the Plan for at least three reasons:

***First*, the First Lien Objecting Parties believe that that Plan is not feasible, and that the Debtors likely will be forced to seek bankruptcy protection again if the Plan is confirmed and becomes effective.** The Plan would leave the Debtors with virtually the same capital structure and debt obligations that caused them to file these chapter 11 cases. There is no reason to believe that the Debtors can survive for the long term with the same debt obligations that they had when they commenced these chapter 11 cases. This is particularly true given that the Debtors' total debt under the Plan would be over $240 million, annual cash interest expense would be approximately $21 million, and the Debtors' projected EBITDAM would be only about $34 million. This represents an uncomfortably high debt-to-cash flow ratio—one that is higher than almost all of Debtors' peer companies.

In support of their assertion that the Plan is feasible, the Debtors rely on financial projections that the First Lien Objecting Parties believe are very aggressive. The Debtors have a history of failing to meet their financial projections, and the First Lien Objecting Parties fear that history will repeat itself (particularly given that the United States is experiencing its worst general economic downturn in decades, and that the gaming industry is weaker now than it was in March 2008). The Disclosure Statement fails to provide objective data supporting the Debtors' assumptions in support of their projections, nor does it describe whether the Debtors would require further restructuring if they fail to perform in accordance with these projections.

[2] The members of the Steering Group are GSO Capital Partners; D.E. Shaw Laminar Portfolios, L.L.C.; Drawbridge Special Opportunities Advisors; and Gulf Stream Asset Management, LLC.

Indeed, the Debtors have stated in a filing they made with the Bankruptcy Court on January 2, 2009 [P-432] that if they were forced to pay the First Lien Lenders certain interest payments and amortization payments that were due under the terms of the First Lien Credit Agreement, they would be left "without sufficient Gaming Facilities Cash, which would place the Debtors in danger of the immediate loss of their gaming licenses, and also without sufficient working capital to operate their business", and "would result in a forfeiture of the Debtors' gaming licenses, as well as the liquidation of the Debtors' business." Thus, the Debtors have stated in their own words that they cannot comply with the payment requirements under the First Lien Credit Agreement or any credit agreement with similar payment obligations.

While the Plan provides for a $15 million investment by William J. McEnery or his designees, it is far from clear that the additional investment will make it any less likely that the Debtors will require further reorganization if the Plan is confirmed and becomes effective. This is true particularly because (a) the benefit to the Debtors of the new $15 million would be diminished immediately by the restructuring expenses (including professional fees) that they had to incur in connection with these chapter 11 cases and (b) though the Debtors' financial and operational performance during these chapter 11 cases had been relatively strong, the Debtors' financial performance has weakened in recent months as the economy has deteriorated. In short, the new $15 million investment is by no means a guaranty that the Debtors will survive in the long term under their current debt load.

***Second*, the Plan cannot satisfy the "cramdown" requirements set forth in the Bankruptcy Code if the class of First Lien Lenders votes against the Plan.** To be crammed down over a dissenting class of creditors, the Plan must be "fair and equitable" with respect to that class. The Plan does not satisfy that requirement because the value of the proposed stream

of payments to First Lien Lenders under the Plan is far less than the amount they are owed under the First Lien Credit Agreement. Under the proposed new first lien credit agreement that constitutes the First Lien Lenders' recovery under the Plan, the interest rate would be substantially below what lenders in the current market are receiving in connection with new credit agreements. Moreover, the Plan provides for an illegal post-effective date five-year stay that would prevent lenders from taking action against the borrowers if they default on the proposed new first lien credit agreement.

Moreover, many of the customary borrower representations and warranties and covenants (which are designed to protect lenders) are absent from the proposed new first lien credit agreement. For example, the proposed new first lien credit agreement would not contain representations and warranties regarding (a) lack of material adverse effect, (b) any projections and (c) *solvency*. Affirmative covenants that would be removed from the proposed new first lien credit agreement include (a) use of proceeds covenants, (b) any requirement to execute or pledge any intercompany promissory note and (c) any requirement to obtain or maintain interest rate protection agreements. Moreover, under the proposed new first lien credit agreement, there would be no restrictions or covenants involving capital expenditures or other financial covenants, except for the dramatically looser (*i.e.*, pro-borrower) capital expenditures and financial covenants described in Exhibit A to the Plan.

***Third*, the Plan cannot be confirmed because it contains illegal provisions,** including the following: (a) section 6.4, which purports to give the Bankruptcy Court the jurisdiction to override the terms of the existing intercreditor agreement between the First Lien Lenders and the Second Lien Lenders; (b) section 9.4, which would preserve the Debtors' pre-petition indemnification obligations to their directors, officers, employees or agents; (c) the illegal third-

party release provisions in section 9.8; and (d) the post-emergence five-year "temporary stay" in section 9.10 (which would prevent lenders from taking action against the borrowers if they default on the proposed new first lien credit agreement *even after they emerge from chapter 11*.

In connection with their objection to the Disclosure Statement and the Plan, the First Lien Objecting Parties have sought documents and deposition testimony from the Debtors regarding the alleged support underlying the Plan. The Debtors refused to provide these documents or to make anyone available for deposition, thus forcing the First Lien Objecting Parties to file a motion with the Bankruptcy Court to compel the Debtors to comply with the First Lien Objecting Parties' requests. To date, the Debtors have committed to provide the First Lien Objecting Parties with only a few documents.

FOR THE REASONS DESCRIBED ABOVE, THE OBJECTING PARTIES OPPOSE THE PLAN AND URGE ALL FIRST LIEN LENDERS TO VOTE AGAINST IT.

E. STATEMENT OF THE SECOND LIEN CONSORTIUM

Following the Petition Date, certain of the Second Lien Lenders formed a consortium (the "Second Lien Consortium") to collectively address issues arising in these Chapter 11 cases and affecting the interests of Second Lien Lenders. The Second Lien Consortium and its professionals have reviewed carefully the Disclosure Statement and Plan. Based upon that review, the Second Lien Consortium does not believe the Plan is capable of confirmation under the applicable sections of the Bankruptcy Code for the following reasons, among others:

- The Plan cannot satisfy Bankruptcy Code Section 1129(a)(3)'s "good faith" requirements. The Second Lien Consortium believes that the Debtors' attempt to deliver significant value to insiders and existing equity holders constitutes a breach of fiduciary duties owed to creditors, and that this breach, in addition to other matters, will preclude the Bankruptcy Court from finding that the Plan was proposed in good faith and not by any means prohibited by law.
- The Plan cannot satisfy Bankruptcy Code Section 1129(a)(11)'s "feasibility" requirements. The Second Lien Consortium believes that, if the Plan is confirmed

in its current form, confirmation is likely to be followed by an almost immediate need to seek further financial reorganization because: (i) the Debtors' capital structure and debt obligations will remain virtually unchanged from those extant when the Debtors were forced to file these cases; (ii) there is no basis to believe the Debtors are capable of meeting the operational and financial projections set forth in the Disclosure Statement; (iii) the proposed infusion of additional funds by existing equity holders does not appear sufficient to address the Debtors' significant operational and financial challenges; and (iv) stronger companies in the Debtors' industry are failing to meet projections that are less aggressive than those the Debtors would be required to meet in order to service their proposed debt obligations.

- The Plan cannot satisfy Bankruptcy Code Section 1129(b)'s requirements for the treatment of claims of dissenting classes of secured creditors. The Second Lien Consortium believes the proposed treatment of the claims of Second Lien Lenders and the delivery of significant value to junior classes both violate Bankruptcy Code Section 1129(b)'s requirement of "fair and equitable" treatment.

The Second Lien Consortium believes the Plan to be unconfirmable on its face, and, even if confirmed, likely to be filed by an almost immediate need by the Debtors to seek a further restructuring of their obligations to creditors. As such, the Second Lien Consortium disagrees that the Plan is either preferable to any other alternative or the best alternative for the Debtors to emerge from the Chapter 11 cases and resolve their financial difficulties.

F. STATEMENT BY DEBTORS REGARDING THE STATEMENTS BY THE FIRST LIEN OBJECTING PARTIES AND THE CONSORTIUM OF SECOND LIEN LENDERS WITH RESPECT TO THE PLAN

The Debtors disagree with the characterization of the underlying facts, the financial analysis, and the legal conclusions of the First Lien Lenders and Second Lien Lenders:

GOOD FAITH

The Debtors believe the Plan has been proposed in good faith and according to applicable law. The Plan proposes to pay all creditors in full and is filed with the honest intention of reorganizing the financial affairs of the Debtors. Fifteen million dollars in new equity is being invested in the reorganized Debtors under the Plan. The Debtors believe that any objections to their "good faith" in filing the Plan will be overruled by the Bankruptcy Court.

FEASIBILITY

The Debtors believe that the Plan is feasible and they will be able to make the payments required under the Plan upon their emergence from bankruptcy. The Debtors did not file Chapter 11 because of payment defaults in their obligations to the First Lien Lenders and the Second Lien Lenders, but rather because certain non-payment covenants were breached and the Debtors were unable to negotiate satisfactory waivers of the non-payment defaults with the lenders to protect the Debtors' assets from seizure. The Plan eliminates the type of non-payment covenants that created the non-payment default in the first place.

With regard to the Debtors' Financial Projections, the Debtors believe that they have a solid understanding of their business and their markets. The initial five-year projections that were not fully realized were made in the spring of 2006 prior to the acquisition of the Bossier and Vicksburg Properties. These initial projections were predicated in part on several events which either did not materialize or were beyond the control of the Debtor, i.e. delayed closing of the acquisition by the Seller, expansion of Vicksburg property, delayed renovation timeline and, most recently, two hurricanes and historic flooding.

More recently, the Debtors filed with the Bankruptcy Court a Cash Collateral Budget for the period March 12, 2008 through December 31, 2008. The Debtors exceeded their Projected Ending Cash Balance of December 31, 2008 by approximately $245,000 or 1.7%.

For the twelve (12) month period ended December 31, 2008, the Debtors had consolidated EBITDA of approximately $29.9 million, which amount was approximately $4.2 million below 2007 actual EBITDA, a reduction due primarily to the historic flooding of the Mississippi River in Vicksburg (approximately $1.1 million), disruptions because of renovations at Vicksburg (approximately $500,000), losses associated with severe weather from two

hurricanes (Gustav and Ike – approximately $950,000), a lower - than - expected slot win percentage in September 2008 at the Bossier City property of approximately $280,000, and a bankruptcy effect of approximately $500,000. The Debtors estimate that when their EBITDA is normalized for these one-time events, EBITDA for 2008 would be approximately $33.1 million.

With respect to projections for 2009 and 2010, the Debtors are projecting $34.0 million and $36.3 million in EBITDA, respectively, which amounts are modestly above the normalized EBITDA for 2008. These projections are based upon a budgeting process which began in September 2008 and was completed in November 2008, that involved every operating department manager of the Debtors. Looking at current trends, the Bossier Property in December 2008 out-performed the Bossier/Shreveport market in terms of revenues (which are publicly reported) and out-performed the Bossier/Shreveport market for the entirety of the fourth quarter 2008, increasing its revenues and market share. Revenue numbers for January 2009 indicate the Bossier Property will exceed January 2008 numbers by approximately 18% and budget by 9%. For five of the last seven months, the Bossier Property has posted increases in revenues over the prior year, and ended 2008 with increased EBITDA compared to 2007.

With regard to the Vicksburg Property, while the market increased gaming capacity with the addition of Riverwalk Casino on October 28, 2008, the Vicksburg Property in December 2008 achieved a 9.9% increase in EBITDA over the prior month of November 2008. November was the first full month that Riverwalk Casino and the Ameristar expansion (approximately $100 million) were open and fully available in the market. Preliminary results for January 2009 indicate that the Vicksburg Property will post a double-digit increase of at least 35% over December 2008 EBITDA and, more importantly, the Debtors expect Vicksburg to report that it has exceeded January 2009 budgeted EBITDA by at least 15%.

The Debtors are optimistic about their future prospects. They operate casinos and hotels in two regional markets which, in 2008, were acknowledged by many gaming analysts to be two of the better performing markets in the country. The Debtors' recent performance in January 2009 appears to re-enforce the prediction that local regional operators, such as the Debtors, who are not so dependent on tourism and travel (such as operators in Las Vegas and Atlantic City) for revenues will fair better in 2009 than many of the larger publicly-traded companies that are in destination markets, or are located in large metropolitan areas such as Detroit, Chicago, Connecticut (New York area) which are being unduly impacted by the recent turmoil in the finance and auto sectors of the economy.

As to the Lenders' assertion that the Debtors will be over-leveraged upon emergence from bankruptcy, the projected interest expense of the Debtors under the Plan is $21.0 million annually. This level of expense represents approximately 62% of the Debtors' projected free-cash flow in 2009, thus providing a cash flow "cushion".

While some gaming companies have less leverage than the Debtors, others have similar or higher leverage than the Debtors will have upon emergence under the Plan, as published by Houlihan Lokey in their December 31, 2008 quarterly newsletter, including Wynn Resorts, Isle of Capri, Pinnacle Entertainment, Las Vegas Sands Corporation, Riviera Holdings and MTR Gaming.

Contrary to the First Lien Lenders' argument, the Debtors' statements in the January 2, 2009 filing [P-432] do not indicate that the Debtors cannot comply with their payment obligations under the Plan. The Debtors' statements were made to notify the Court (and creditors) of the consequence of granting the First Lien Lenders' request that the Debtors be ordered to make those payments- which amounted to over $10.3 million – immediately, even

while the Debtors were still in the bankruptcy case, and still paying millions of dollars of ongoing reorganization costs, and still paying the regular payments of contractual interest to the First Lien Lenders. The Debtors' statements indicate nothing about the ability of the Debtors to make the payments due under the Plan, once the reorganization is completed, the obligations to the First Lien Lenders and Second Lien Lenders are restructured, and the bankruptcy restructuring costs are eliminated. The Debtors believe that it is significant that, notwithstanding a historic flood of the Mississippi River in Vicksburg, MS, two hurricanes, a global recession and the impact of the bankruptcy filing, the Debtors have nonetheless paid all non-default interest payments due the First Lien Lenders since the bankruptcy case was filed, as well as all of the legal and financial advisory fees and expenses of the First Lien Lenders. The Debtors believe that this is an indication of the ongoing strength of the Debtors' business and strong evidence that the Debtors will be able to make the payments to creditors required under the Plan.

THE PLAN CAN BE CRAMMED DOWN
ON DISSENTING CLASSES

The Debtors disagree with the argument advanced by the First Lien Lenders and the Second Lien Lenders that the Plan cannot be confirmed ("crammed down") on dissenting classes of creditors.

The fundamental argument that the Lenders advance for why they can not be crammed down under the Plan is because they claim that the proposed interest rates under the Plan are substantially lower than the present market rates. The Debtors strongly disagree with the Lenders' position on what rates of interest the Debtors are required to pay under the Plan pursuant to applicable bankruptcy law.

The proposed interest rates in the Plan (LIBOR plus 4.5% to the First Lien Lenders and 12.5% to the Second Lien Lenders) are substantially higher than the interest rates the Lenders

contractually agreed to pre-petition (LIBOR plus 3.0% to First Lien Lenders and LIBOR plus 7.5% to Second Lien Lenders); thus, the proposed interest rates are reasonable and an increase in the present interest rates. The Debtors contend that the Bankruptcy Code does not require creditors to receive a "windfall" in the form of higher interest rates, as suggested by the Lenders, merely because of the Debtors' filing of bankruptcy. Moreover, the Debtors believe that the over-all credit and capital markets are almost completely non-functional on any sort of normal basis (or at least dysfunctional), and that any specific market for the type of financing proposed in the Plan is either unavailable or completely inefficient and corrupted. The Debtors believe that if the Lenders and the Debtors do not reach an agreement on interest rates to be paid under the Plan, and the Debtors are forced to litigate the issue of the appropriate interest rate to be paid under the Plan, then the Court will set the interest rates using the "formula approach", which is based on risk adjustments to the national prime rate. In that event, the interest rates set by the Court may actually be lower than the interest rates that the Debtors are proposing under the Plan, in view of the factors ordinarily considered by courts in determining interest rates under the formula approach.

COVENANTS AND REPRESENTATIONS

With respect to the observations by the First Lien Lenders regarding the elimination of certain representations and warranties and covenants, the Debtors believe that the specifically-identified provisions would either no longer be applicable or necessary after the Debtors emerge from Chapter 11, or would provide the First Lien Lenders with an unfair and unreasonable pretext on which to declare an event of default. For example, the First Lien Lenders have objected to the removal of the representation and warranty that no material adverse effect has occurred. By definition under the First Lien Credit Agreement, a material adverse effect has

already occurred simply due to the Chapter 11 proceedings of the Debtors. The Debtors believe that it is unwise to provide a representation and warranty that would provide the Lenders with an immediate opportunity to declare an event of default upon emergence from Chapter 11 based on an event that has already occurred.

The Debtors believe that the same analysis holds true regarding a representation of "solvency". Upon the Debtors' emergence from Chapter 11 and implementation of the Plan in accordance with the confirmation order of the Court, the Lenders should not be able to subvert the implementation of the Plan by declaring a default because they have decided, in their judgment, that the Debtors were not solvent on emergence. The Debtors believe that the same holds true for any representation or warranty concerning projections.

With respect to the affirmative covenants, the First Lien Lenders have objected to the removal of certain covenants that the Debtors believe are no longer relevant or necessary. The covenant concerning "use of proceeds" is no longer relevant. The First Lien Credit Agreement no longer provides for future advances of loans, the proceeds of which are governed by this covenant. The affirmative covenant concerning interest rate protection agreements under present circumstances is irrelevant. The Court will establish the interest rates to be paid under the Plan.

With respect to financial covenants, the debtors believe that the financial covenants set forth in the Plan will adequately protect the First Lien Lenders interests and allow the Debtors to emerge from Chapter 11 with realistic financial targets and the ability to fully implement the Plan.

ALLEGED "ILLEGAL PROVISIONS" OF PLAN

The Debtors also disagree that the Plan contains illegal provisions that prevent confirmation, and believe that the First Lien Lenders are either misconstruing the language of certain Plan provisions or that applicable bankruptcy law allows the provisions. But these are issues that will be addressed at the hearing on confirmation of the Plan. The Debtors also believe that creditors should be advised that, in the event that a bankruptcy court concludes that certain provisions of a plan are illegal or otherwise must be revised to allow confirmation, bankruptcy courts will frequently confirm the plan, conditioned on such revisions being made to the Plan. So, the fact that one or more technical provisions of a plan may be found to be objectionable does not mean that the entire reorganization process is scuttled.

FAILURE TO COMPLY WITH DISCOVERY

The Debtors believe that the statement by the First Lien Lenders that the Debtors refused to give the First Lien Lenders documents and deposition testimony underlying with the Disclosure Statement and Plan must be viewed in a broader context. The Court denied the First Lien Lenders' Motion to Compel discovery prior to the hearing on the Disclosure Statement as being untimely [P-482].

II. SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

The following is a Summary of Classification and Treatment of Claims and Interests assuming an Effective Date of March 31, 2009:

CLASS	TREATMENT
Unclassified. Allowed Administrative Expense Claims.	**Unimpaired. Not entitled to vote.** **Paid in Cash On Effective Date (or upon such other terms as may be agreed upon by the holder of such Allowed Administrative Expense Claim**

The total estimate of Administrative Expense Claims as of Effective Date is approximately $5.0 million.	**and the Reorganized Debtors or otherwise established pursuant to an order of the Bankruptcy Court), including Substantial Contribution Claims under 11 U.S.C. § 503(b). Professionals seeking compensation shall file applications within forty-five (45) days of the Effective Date.** **Estimated percentage recovery: 100%**
Class 1. Allowed Priority Tax Claims. **The total estimate of Allowed Priority Claims as of the Effective Date is $0.**	**Impaired. Entitled to vote.** **The Allowed Priority Tax Claims will be paid, at the option of the Reorganized Debtors: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Priority Tax Claim and the Reorganized Debtors; or (c) in Cash payments commencing forty-five (45) days after the Effective Date, within five (5) years from the Petition Date, and in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at such rate as required by Section 511 of the Bankruptcy Code or otherwise as required by Section 1129(a)(9)(C) or (D) of the Bankruptcy Code.** **Estimated percentage recovery: 100%**
Class 2. Priority Claims. **The estimated Allowed Amount of the Priority Claims is approximately $0 million.**	**Impaired. Entitled to vote.** **The Allowed Priority Claims will be paid, at the option of the Reorganized Debtors: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Priority Claim and the Reorganized Debtors; or (c) in full, in quarterly installments of principal with interest at the rate of six (6%) percent per annum and any fees due thereon, with the first payment due ninety (90) days after the Effective Date and the final payment due on the first anniversary of the Effective Date.** **Estimated percentage recovery: 100%**
Class 3. Secured Tax Claims. **The estimated Allowed Amount of the Secured Tax Claims is approximately $0.**	**Impaired. Entitled to vote.** **The Allowed Secured Tax Claims will be paid, at the option of the Reorganized Debtors: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Secured Tax Claim and the Reorganized Debtors; or (c) in Cash payments commencing forty-five (45) days after the Effective Date, and in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at such rate as required by Section 511 of the Bankruptcy Code or otherwise as required by Section 1129(a)(9)(C) or (D) of the Bankruptcy Code, within five (5) years of the Petition Date. Each holder of an Allowed Secured Tax claim shall retain its existing liens, privileges and encumbrances on Assets, which shall retain the same validity, priority and extent that existed on the Petition Date.**

	Estimated percentage recovery: 100%
Class 4. First Lien Lenders' Secured Claims. **The estimated Allowed Amount of the First Lien Lenders' Claims is approximately $158.1 million.**	**Impaired. Entitled to vote.** **The Allowed First Lien Lenders' Secured Claims will be capitalized as of the Effective Date, and, from and after the Effective Date shall accrue interest: (a) at the option of the Debtors, either: (i) at LIBOR plus four and one-half (4.5%) percent interest per annum; or (ii) at the Base Rate plus three and one-quarter (3.25%) percent per annum; or, if the Plan is confirmed pursuant to 11 U.S.C. § 1129 (b)(2)(A) with respect to this class, (b) at such interest rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's interest in such property. The Debtors may elect interest periods of 1, 2, 3 or 6 months for interest accrual at LIBOR. LIBOR will be set at the beginning of each interest period selected by the Debtors and continue in effect through the end of such period, after which time the rate will be reset based upon the interest rate selected by the Debtors. The Debtors shall exercise their option to select the applicable interest rate as of the Effective Date, and shall make an election at the end of the applicable interest period for LIBOR loans, and at any time during the term of Base Rate Loans. Interest accrued at the Base Rate shall be due and payable on each Quarterly Payment Date and at the maturity date. Interest at the LIBOR rate which is for a term of three months or less shall be due and payable on the last day of the related interest period. Interest accrued at the LIBOR rate for a term of six months shall be due and payable on the date which is three months after the date such LIBOR rate was elected, and every three months thereafter, and on the maturity date. Principal on the Allowed First Lien Lenders' Secured Claims in the amount of one percent (1%) annually paid in equal quarterly amounts of one quarter percent (0.25%) (rounded to the nearest whole dollar) of the original aggregate principal amount of the Allowed First Lien Lenders' Secured Claims shall be paid on each Quarterly Payment Date, and the remaining principal balance, together with all accrued and unpaid fees and interest, shall be due and payable in full on the fifth anniversary of the Effective Date (but if such fifth anniversary date is not on a Business Day, then on the next Business Day). In addition, the Allowed First Lien Lenders Secured Claims shall be subject to mandatory prepayments of (a) one hundred (100%) percent of the net after-tax cash proceeds of all non-ordinary course asset sales and other dispositions, subject to reinvestment rights, and (b) fifty (50%) percent of Excess Cash Flow, subject to exceptions, all as more fully set forth in the term sheet attached to the Plan as Exhibit "A." Secured by existing collateral.** **Estimated percentage recovery: 100%**
Class 5. Second Lien Lenders' Claims.	**Impaired. Entitled to vote.** **The Allowed Second Lien Lenders' Secured Claim will be capitalized as of the Effective Date, and, from and after the Effective Date, the Allowed Second Lien Lenders' Secured Claims shall accrue interest at the rate of twelve and one-half (12.5%) percent per annum, or, if the Plan is confirmed pursuant to 11 U.S.C. § 1129(b)(2)(A) with respect to this class,**

The estimated Allowed Amount of the Second Lien Lenders' Claims is in the range of $73.0 million.	**at such interest rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's interest in such property. Interest on the outstanding principal balance shall be due and payable on each Quarterly Payment Date. The principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth anniversary of the Effective Date (but if such fifth anniversary date is not on a Business Day, then on the next Business Day). In addition, after payment in full of the Allowed First Lien Lenders' Secured Claims, the Allowed Second Lien Lenders' Secured Claims shall be subject to mandatory prepayments of (a) one hundred (100%) percent of the net after-tax cash proceeds of all non-ordinary course asset sales and other dispositions, subject to reinvestment rights, and (b) fifty (50%) percent of Excess Cash Flow, subject to exceptions, all as more fully set forth in the term sheet attached to the Plan as Exhibit "B." Secured by existing collateral.** **Estimated percentage recovery: 100%**
Class 6. Other Secured Claims. **The estimated Allowed Amount of the Other Secured Claims is approximately $2.6 million.**	**Impaired. Entitled to vote** **Each holder of an Allowed Other Secured Claim shall be paid the Allowed Amount of its Other Secured Claim (a) in equal quarterly Cash payments commencing on the last Business Day of the next calendar quarter after the Effective Date, amortized over three (3) years from the Effective Date, and in an aggregate amount equal to such Allowed Other Secured Claim, together with interest at the rate of six (6%) percent per annum, or, if the Plan is confirmed pursuant to 11 U.S.C. § 1129 (b)(2)(A) with respect to this class, (b) at such interest rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129 (b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's interest in such property. The holder of the Other Secured Claims shall retain all of their existing liens, privileges and encumbrances in the Debtors' Assets, with the same validity, priority and extent that existed on the Petition Date, to secure the timely repayment of the Other Secured Claims. Secured by existing collateral.** **Estimated percentage recovery: 100%**
Class 7. General Unsecured Claims. **The estimated Allowed Amount of the General Unsecured Claims is approximately $3.3**	**Impaired. Entitled to vote** **Each holder of an Allowed General Unsecured Claim will be paid its Allowed Claim, in full, with interest from the Petition Date at the rate of six (6%) percent per annum. The Allowed Class 7 Claims shall be paid in two equal payments of principal and accrued interest, with the first payment being due on the Effective Date and the second payment being due one (1) year from the Effective Date.** **Estimated percentage recovery: 100%**

million.	
Class 8. Legends Management **The estimated Allowed Amount of the Legends Management Claim is approximately $7.3 million.**	**Impaired. Entitled to vote** **The holder of the Allowed Class 8 Claim will be paid its Allowed Claim by receiving that number of newly issued Series B Preferred Units as shall equal the product of the accrued and unpaid management fees under the Management Agreement as of the Effective Date divided by 10,000, which Series B Preferred Units shall be issued free and clear of any and all liens, claims or encumbrances whatsoever. The Series B Preferred Units may be issued in fractional shares. The rights of the holders of Series B Preferred Units are set forth on Exhibit "C" attached to the Plan.**
Class 9. Interests In Debtor Subsidiaries.	**Unimpaired. Not entitled to vote** **The holder of the Interests in the Debtor Subsidiaries held by Legends Parent shall retain such Interests in the Debtor Subsidiaries.**
Class 10. Preferred Interests in Legends Parent	**Impaired. Entitled to vote** **As of the Effective Date, each unit of the 4,000 Preferred Interests of the Legends Parent currently issued and outstanding as of the Effective Date of the Plan and held by the holders of Class 10 Allowed Preferred Interests shall be converted into one (1) newly issued Series B Preferred Unit. The rights of the holders of the new Series B Preferred Units shall have the rights set forth in Exhibit "C" attached to the Plan. The holders of Class 10 Preferred Interests shall surrender their existing Preferred Units and shall receive new Series B Preferred Units, and shall execute such other transaction documents with Debtors, the First Lien Lenders, the Second Lien Lenders and/or the New Investors as are necessary to effectuate the treatment of the Class 10 Allowed Preferred Interests and the other provisions of the Plan, and, in the event of a dispute with respect to the form and content of such documents, in the form as ordered by the bankruptcy court.**
Class 11. Common Interests in Legends Parent	**Impaired. Entitled to vote** **As of the Effective Date, each unit of the 10,000 common units of the Legends Parent currently issued and outstanding prior to the Effective Date of the Plan shall be converted into one-half (.5) newly issued Series A Voting Common Unit. The rights of the holders of the new Series A Voting Common Units will be diluted by the issuance of new Series A Voting Common Units and shall have the rights set forth in Exhibit "C" attached to the Plan. The Holders of Class 11 Allowed Common Interests shall surrender their existing Common Interests and shall receive their new Series A Common Voting Units, and shall execute such other transaction documents with Debtors, the First Lien Lenders, the Second Lien Lenders and/or the New Investors as are necessary to effectuate the treatment of the Class 11 Allowed Common Interests and the other provisions of the Plan, and, in the event of a dispute with respect to the form and content of such documents, in the form as ordered by the Bankruptcy Court.**

III. GENERAL OVERVIEW AND BACKGROUND INFORMATION

A. BACKGROUND AND GENERAL INFORMATION

1. Overview

Debtor Legends Gaming, LLC ("Legends") was incorporated in May of 2004 under the laws of the State of Delaware. Legends was incorporated as a vehicle to purchase and operate casinos and related non-gaming amenities. On July 31, 2006, after a significant development stage, Legends acquired hotels and casinos in Bossier City, Louisiana and Vicksburg, Mississippi from Isle of Capri Casinos, Inc. ("Isle of Capri") for approximately $240 million with approximately $40 million of equity contributions provided by Legend's senior managers. Legends and its affiliates commenced gaming activities under the "DiamondJacks" brand name at the newly acquired, former Isle of Capri facilities on the evening of August 1, 2006 (the day after the purchase from Isle of Capri closed). Legends continues to own and operate these facilities through its wholly-owned subsidiaries, Debtors Louisiana Riverboat Gaming Partnership (the "Louisiana Gaming Partnership") and Legends Gaming of Mississippi, LLC (the "Mississippi Gaming Company"). In fiscal year 2007, the Debtors generated approximately $195.6 million in gross revenues, of which approximately eighty-one percent (81%) came from gaming activities.

a. The Louisiana Property

The Louisiana Property initially opened as a gaming facility in 1994. Bossier City and Shreveport are located in northwest Louisiana, approximately 20 miles from the Texas border. The Bossier City/Shreveport gaming market is the fourth largest casino market in the southeastern United States. In fiscal year 2007, the Louisiana Property generated approximately $123.7 million of gross revenues, of which approximately seventy-eight percent (78%) came from gaming activities.

b. The Mississippi Property

The Mississippi Property initially opened as a gaming facility in 1993. Vicksburg is located on the eastern bank of the Mississippi River in west-central Mississippi, just off Interstate 20. The Vicksburg gaming market is one of the largest local gaming markets in the southeastern United States. In fiscal year 2007, the Mississippi Property generated approximately $71.9 million of gross revenues, of which approximately eighty-six percent (86%) came from gaming activities.

c. Information Relative to Both Properties

Together, the Properties have approximately 60,000 square feet of gaming space and contain 1,921 slot machines, 50 table games and 693 hotel rooms. At each Property, the Debtors offer extensive guest amenities, including restaurants, state of the art meeting and entertainment spaces, and pool facilities including a full service spa in Bossier City. The Properties operate in significant gaming markets and are well established within their markets, each having been in operation for more than ten years. As discussed later, the Debtors have received numerous prestigious awards for their business operations and community involvement.

2. The Debtors' Corporate Structure

Debtor Legends is a Delaware limited liability company with its principal place of business located in Frankfort, Illinois. Legends is the ultimate parent of each of the other Debtors. Legends owns 100% of Legends Gaming of Louisiana-1, LLC ("Louisiana 1"), Legends Gaming of Louisiana-2, LLC ("Louisiana 2") and the Mississippi Gaming Company (as defined above). Louisiana 1 and Louisiana 2 are both limited liability companies organized under the laws of the State of Louisiana. Each holds fifty percent (50%) of the ownership of the Louisiana Gaming Partnership. Louisiana Gaming Partnership is a general partnership organized under the laws of the State of Louisiana. The Mississippi Gaming Company is organized under

the laws of the State of Mississippi and owns 100% of Legends Gaming of Mississippi RV Park, LLC ("Mississippi RV Park"), an entity organized under the laws of the State of Delaware. Mississippi RV Park does not have any assets and conducts no operations.

B. GAMING REGULATION OVERVIEW

The Debtors operate both Properties subject to certain local, state and federal regulatory authorities and bodies that govern gaming concerns. The Debtors hold valid licenses to conduct gaming operations, and must meet stringent standards established and enforced by various federal, state and local government agencies, the Louisiana Gaming Control Board, the Mississippi Gaming Commission and the Colorado Division of Gaming[3] (collectively, the "Gaming Regulators"). The Gaming Regulators require, among other things, that the Debtors must maintain a minimum level of cash located in their bank accounts and at each Property. The Gaming Regulators also restrict and regulate the manner in which the Debtors' ownership interests are held or transferred. The Debtors' gaming licenses are subject to the continued review by Gaming Regulators and may be revoked for failing to follow certain regulations, guidelines and requirements. The Gaming Regulators also require that the Debtors pay gaming fees and taxes in Louisiana and Mississippi, periodically renew their gaming licenses in the states of Louisiana, Mississippi and Colorado, and maintain state and local licenses to sell alcoholic beverages and tobacco.

The Gaming Regulators have broad authority and discretion to require the Debtors and their officers, directors, managers, members, employees and certain security holders (creditors) to obtain and maintain various licenses, registrations, permits, findings of suitability and other approvals. To enforce applicable laws and regulations, Gaming Regulators may, among other

[3] Even though the Debtors do not operate a casino in Colorado, Legends holds a valid license in the state of Colorado.

things, limit, suspend or revoke the Debtors' licenses, levy fines against the Debtors, or direct that the Debtors forfeit certain assets. In addition, the actions of persons associated with the Debtors and their management and employees are strictly scrutinized. The Debtors' management teams continually work to assure compliance with all guidelines and requirements established and enforced by the Gaming Regulators. The Debtors also have a compliance committee with an independent chairperson for the purpose of assuring compliance with the gaming regulations. The independent chairperson of the Compliance Committee is William P. Curran, who was Chairman of the Nevada Gaming Commission from 1991 to 1999.

C. THE DEBTORS' DEBT STRUCTURE

The Debtors' capital structure consists chiefly of a secured first lien revolving loan, a secured first lien term loan, a secured second lien term loan, certain secured lease obligations, certain unsecured lease obligations and unsecured trade obligations. The Debtors' secured facilities are described as follows.

1. The First Lien Credit Facility

Legends, as borrower, is a party to that certain Credit Agreement dated as of July 31, 2006 among Legends, CIT Lending Services Corporation (as administrative agent) ("CIT"), various lenders (collectively, the "First Lien Lenders") and various other parties (as amended from time to time, the "First Lien Credit Agreement"). Pursuant to the First Lien Credit Agreement, the First Lien Lenders extended to Legends a term loan in the principal amount of $142.0 million, a revolving loan in the maximum principal amount of $15.0 million which includes certain letter of credit and other financial accommodations (collectively and as described in the First Lien Credit Agreement and related loan documents, the "First Lien Loans"). The First Lien Loans were used to fund Legends' acquisition of the Isle of Capri assets and for working capital. The First Lien Loans are guaranteed by all of the Debtors (other than

Legends) and secured by a first lien on substantially all of the Debtors' assets which are subject to enforceable liens. As of the date of filing this Disclosure Statement, the total amount outstanding under the First Lien Loans is approximately $158.1 million (including $7.9 million of obligations secured by first liens arising from terminated "swap" contracts), subject to claims, defenses and offsets.

2. The Second Lien Credit Facility

Legends, as borrower, is also party to that certain Second Lien Credit Agreement dated as of July 31, 2006 among Legends, CIT (as administrative agent) various lenders (collectively, the "Second Lien Lenders") and various other parties (as amended from time to time, the "Second Lien Credit Agreement" and, together with the First Lien Credit Agreement, the "Secured Credit Agreements"). Pursuant to the Second Lien Credit Agreement, the Second Lien Lenders extended to Legends a term loan in the principal amount of $65.0 million (as described in the Second Lien Credit Agreement and related loan documents, the "Second Lien Term Loan"). The Second Lien Term Loan was used to fund Legends' acquisition of the Isle of Capri assets. The Second Lien Term Loan is guaranteed by all of the Debtors (other than Legends) and secured by a second lien on substantially all of the Debtors' assets which are subject to enforceable liens. As of the date of the filing of this Disclosure Statement, the total amount outstanding under the Second Lien Term Loan is approximately $72.0 million, subject to claims, defenses and offsets.

3. Intercreditor Agreement Between First Lien Lenders and Second Lien Lenders

CIT, in its capacity as administrative agent to and on behalf of each of the First Lien Lenders and the Second Lien Lenders, was also party to that certain Intercreditor Agreement dated as of July 31, 2006 (as amended from time to time, the "Intercreditor Agreement"). The Intercreditor Agreement sets forth the respective priorities of repayment, lien and other rights

between the First Lien Lenders and the Second Lien Lenders under the Secured Credit Agreements. Pursuant to the terms of the Intercreditor Agreement, the rights of the First Lien Lenders generally have priority over the rights of the Second Lien Lenders. Legends is a signatory to the Intercreditor Agreement for the purpose of acknowledging same.

4. Other Secured Claims

The Debtors have entered into various agreements with vendors for gaming devices, signage and other equipment for the casinos. Those vendors include Aristocrat Technologies, Inc., Shuffle Master, Inc., International Gaming Technology, WJM Leasing, Inc., US Bancorp Business Equipment Finance Corp. and Bally's Gaming, Inc.

5. Legends Management Claims

The claims of Legends Management arise under the Management Agreement between Legends Parent and Legends Management and consist of unpaid management fees that were due under such agreement but were not permitted to be paid under the terms of the First Lien Credit Agreement. A certified copy of this Management Agreement was attached to the Subordination Agreement dated as of July 31, 2006 between Legends Management and the First Lien Agent as part of the original closing documents that were provided to all of the First Lien Lenders. The Debtors estimate that the Allowed Amount of the Legends Management Claim as of March 31, 2009, is approximately $7.3 million.

D. EVENTS LEADING TO THESE CHAPTER 11 CASES

1. Purchase of the Properties From Isle of Capri

The Debtors entered into a definitive purchase agreement with the Isle of Capri to purchase both Properties in February 2006. In late 2005 and 2006, the Mississippi Property had seen a significant revenue spike over prior years due to the temporary relocation of customer population from the Gulf Coast as a result of Hurricane Katrina. Prior to Hurricane Katrina, both

Properties had experienced year over year decreases in market share and cash flow while being operated by Isle of Capri. The Debtors' business plan focused on taking advantage of post-Katrina increases in revenue by closing the transaction quickly, expanding the current facilities at the Mississippi Property and quickly rebranding and renovating both Properties to offer competitive amenities to their guests.

The Debtors also believed that they would be able to further increase operational efficiencies and operate the Properties more efficiently than the Isle of Capri. The Properties are the Debtors' primary operating assets, while they were non-core operations of the Isle of Capri. The Debtors believed that with a more focused and direct approach to management and the implementation of state of the art technology including Ticket In Ticket Out which eliminates the use of coin and tokens for slot machine play, there was a significant opportunity for growth. Since the Properties are located only 170 miles apart and connected via Interstate Highway 20, the Debtors believed they could exploit the geographic proximity of the Properties to increase operating synergies. These synergies include more efficient scheduling of staff in relation to business volumes, consolidation of purchasing, information technology, direct marketing and certain accounting functions, consolidation of certain management positions, and implementation of more efficient cash reward programs that generate higher revenue at a lower cost than previous cash reward programs. The Debtors planned to leverage these synergies to steadily increase cash flow and profitability.

2. Marketing and Operational Challenges After Closing

Unfortunately, the Debtors were unable to implement an important aspect of their business plan - a quick closing so as to capitalize on the post-Katrina spike in revenues - when the closing of the purchase was delayed almost 6 months, until July 31, 2006. The Debtors also

faced immediate marketing and operational challenges after the closing. Since 2004, the competitive position of the Properties in their markets had been declining, as demonstrated by declining gaming revenue share as well as declining cash flow (absent the Post-Katrina temporary spike in revenues at the Mississippi Property). And, for the six month period from the signing of a definitive purchase agreement with Isle of Capri in February 2006 until the closing of the sale to the Debtors on July 31, 2006, the Properties were operated as "discontinued operations" by Isle of Capri. Isle of Capri reduced or discontinued certain marketing activities during this time, thus reducing customer incentives to visit the Properties in the future. When the Debtors began operations they were not able to fully access and utilize the information in the player tracking databases, which impaired their initial ability to market to their customer base. At the same time, upon acquiring the Properties, the Debtors were immediately confronted with renewed competition from the Biloxi gaming market when five Biloxi casinos which had been shut down for a year because of Hurricane Katrina, reopened for business in August 2006, and with increased competition from Native-American casinos that continued to expand their gaming operations.

To counter these challenges, the Debtors implemented an operational restructuring and began to renovate and improve the Properties at significant expense. The Debtors rebuilt the capability of the player tracking systems to more effectively track and segment the recorded information of players in their databases so that the Debtors would be able to tailor their products and promotions to their gaming customers. At the Louisiana Property, the Debtors completed a number of projects to improve the product offered to customers, including renovating the casino floor, upgrading slot machines and installing new and upgraded information technology systems that provide TITO and downloadable credits. The Debtors also improved their food offerings by

expanding the food menus, and renovating the main kitchen, buffet, deli and cafe areas. The Debtors also replaced carpeting, repainted guest rooms and upgraded a significant portion of the public areas of the pavilion with the DiamondJacks decor. At the Mississippi Property, the Debtors upgraded the food offerings, renovated the exterior to showcase the DiamondJacks brand and decorative theme, installed new casino and back office systems, renovated the property's steakhouse, buffet and deli, and completed the renovation of the casino entrance and the entire casino floor.

These and other initiatives immediately improved the Debtors' financial performance at both Properties. In fact, total EBITDAM (earnings before interest, income taxes, depreciation, amortization and management fees) in the months of August through December 2007 increased over $1.0 million (or 8.3%) when compared to the same months in 2006. The renovation of the Louisiana Property's casino was completed in August 2007.

Isle of Capri does not agree, but instead objects to any negative characterization or description of its acts or failures to act contained in this Disclosure Statement or the Plan. Isle of Capri further asserts that it complied in all respects with all contractual requirements relating to the sale and operation of the Properties. Isle of Capri further denies that the Debtors have any claim or cause of action against Isle of Capri, including without limitation any claim or cause of action relating to Isle of Capri's sale of the Properties to the Debtors, and expressly reserves all rights and defenses with respect to any claim(s) or cause(s) of action that the Debtors subsequently assert against Isle of Capri. Specifically, Isle of Capri has filed proofs of claim against the Debtors, asserting a claim in the amount of $2,140,776.00, and expressly reserves all rights with respect thereto.

3. Non-Payment Defaults and the Filings of Chapter 11

Although the Debtors never missed a payment of principal or interest required under the Secured Credit Agreements, the inherited marketing and operational difficulties discussed above caused the Debtors to trigger covenant defaults under the Secured Credit Agreements. The covenant defaults relate to target leverage ratios that were based on the Debtor's five (5) year operational plan which was developed several months prior to the Debtors acquiring the Properties using assumptions that were no longer relevant due to the business conditions described above. As of March 31, 2007, the Debtors' total leverage ratio exceeded the maximum total leverage ratio permitted under the Secured Credit Agreements. The First Lien Lenders and the Second Lien Lenders waived these events of defaults via written amendments to the Secured Credit Agreements dated as of July 18, 2007. These amendments also temporarily modified the permitted leverage ratio and made other minor changes to the terms of the Secured Credit Agreements.

In an effort to lower their costs of capital and prevent future covenant defaults under the Secured Credit Agreements, in November and December 2007, the Debtors attempted to raise $220 million via a secured notes offering pursuant to section 144(a) of the Securities Act to pay off the approximate $220 million owed to the First Lien Lenders and Second Lien Lenders. The Debtors were unable to secure financing in the 144(a) offering due to deteriorating economic conditions that were affecting the overall financial markets. Largely as a result of this inability to secure financing to satisfy and replace the First Lien Loans and the Second Lien Loans, the Debtors again triggered a covenant default for the fiscal quarter ended December 31, 2007. Although the Debtors had reduced the principal to the First Lien Lenders by approximately $6.1 million and paid interest of over $30.9 million to the First Lien Lenders and the Second Lien

Lenders since they acquired the Properties, the Debtors were unable to reach an accommodation over this covenant default with the First Lien Lenders and Second Lien Lenders. Accordingly, in order to preserve their going concern value and effectuate a balance sheet reorganization, the Debtors filed for protection under chapter 11 of the Bankruptcy Code on March 11, 2008.

E. SIGNIFICANT POST-PETITION EVENTS

On March 11, 2008, all Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. Immediately after filing the voluntary petitions, the Debtors filed a Motion for Order Under Fed.R.Bankr.P. 1015(b) Directing Joint Administration of Chapter 11 Cases [P-2]. The Court entered an order [P-3] directing consolidation of the cases for procedural purposes and joint administration.

1. First Day Motions

On March 12, 2008, the Debtors filed the following "first day" motions and pleadings:

(a) Application by the Debtors for Entry of an Order Authorizing the Employment and Retention of William H. Patrick, III and the Law Firm of Heller, Draper, Hayden, Patrick & Horn, L.L.C. [P-5];

(b) Application of Debtors and Debtors in Possession for Order Authorizing Employment and Retention of Winston & Strawn LLP as Special Counsel for Debtors Pursuant to 11 U.S.C. § 327(e) and 329 [P-6];

(c) Motion for Administrative Order Under Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals [P-8];

(d) Application for Authority to Employ and Compensate Certain Professionals Utilized in the Ordinary Course of the Debtors' Business [P-10];

(e) Motion to Limit Notice [P-11];

(f) Motion for Order Under 11 U.S.C. §§ 105, 363 and 1108 and 28 U.S.C. 959(b) Authorizing Debtors to Honor Customer Deposits, Gaming Operation Liabilities and All Obligations Under Gaming Acts and the Regulations [P-12];

(g) Motion for Entry of an Order Under 11 U.S.C. §§ 105, 363, 364, 1107 and 1108 Authorizing Maintenance of Existing Bank Accounts, Continued Use of

Existing Business Forms, Continued Use of Existing Cash Management System and for Related Relief [P-13];

(h) Debtors' Application for Entry of Order Authorizing the Retention and Employment of Mesirow Financial Consulting, LLC as Their Financial Advisor Nunc Pro Tunc to the Petition Date [P-14];

(i) Motion for Authority to Pay Employees' Prepetition Wages, Related Expenses, Benefits and Taxes [P-17];

(j) Motion for Authority to Approve Compensation and Payments to Insiders [P-18];

(k) Motion for an Order Authorizing the Debtors to Pay Certain Prepetition Taxes [P-19];

(l) Motion of the Debtors Pursuant to Rule 1007(c) of the Federal Rules of Bankruptcy Procedure for an Extension of Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs [P-20];

(m) Motion Pursuant to Section 365(d)(4) of the Bankruptcy Code for An Order Extending the Time Within Which the Debtors May Assume or Reject Unexpired Leases of Nonresidential Real Property [P-21];

(n) Motion for Authority to (A) Pay Postpetition Installments on Insurance Policies and (B) Pay Premiums, if any, Necessary to Maintain Insurance Coverage in Current Effect [P-22];

(o) Motion for Interim and Final Orders: (A) Prohibiting Utilities from Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein [P-25];

(p) Motion for an Order Authorizing the Debtors to Pay Prepetition Claims of Certain Critical Vendors in the Ordinary Course of Business [P-26];

(q) Debtors' Emergency Motion for Entry of Order Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001 for Interim and Final Orders: (1) Authorizing Use of Cash Collateral; (2) Granting Adequate Protection; (3) Scheduling and Approving the Form and Method of Notice of Final Order; and (4) for Related Relief [P-28].

2. Employment of Professionals of Debtors

On March 14, 2008, the Bankruptcy Court entered an order approving the employment of Heller, Draper, Hayden, Patrick & Horn, L.L.C. [P-45] as bankruptcy counsel for the Debtors. On the same day, the Bankruptcy Court entered an order approving the employment of Winston & Strawn, LLP [P-47] as special counsel for the Debtors, and of Mesirow Financial Consulting, LLC [P-54] as financial advisor to the Debtors.

3. Operational First Day Orders

On March 14, 2008, the Bankruptcy Court held a hearing on the first day motions and pleadings. After the hearing, the Bankruptcy Court entered the following first day orders which enabled the Debtors to continue their operations on an uninterrupted basis:

(a) Order Authorizing the Debtors to Pay Certain Pre-Petition Taxes [P-58];

(b) Order Granting Motion for Authority to (A) Pay Post-Petition Installments on Insurance Policies and (B) Pay Premiums, if any, Necessary to Maintain Insurance Coverage in Current Effect [P-64];

(c) Interim Order Approving Compensation and Payments to Insiders and Scheduling Final Hearing [P-86];

(d) Order Granting Motion Authorizing the Debtors to Pay Pre-Petition Claims of Certain Critical Vendors [P-90];

(e) Interim and Proposed Final Order, Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities Form Altering, Refusing or Discontinuing Services to, or Discriminating Against, the Debtors on Account of Prepetition Invoices; (B) Determining that the Utilities are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein [P-91];

(f) Order Granting Motion for Authority to Pay Employees' Pre-Petition Wages, Related Expenses, Benefits and Taxes [P-94];

(g) Final Order Authorizing Maintenance of Existing Bank Accounts, Continued Use of Existing Business Forms, Continued Use of Existing Cash Management System and for Related Relief [P-95]; and

(h) Final Order Authorizing Debtors to Honor Customer Deposits, Gaming Operation Liabilities and all Obligations Under Gaming Acts and Regulations [P-96].

4. Other First Day Orders

In addition to the operational first day orders referenced above, the Bankruptcy Court also entered the following orders:

(a) Order Pursuant to Bankruptcy Rule 1007(c) of the Federal Rules of Bankruptcy Procedure Granting Extension of Time to File Schedules of Assets and Liabilities, Schedule of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases and Statements of Financial Affairs [P-60];

(b) Order Granting Motion Pursuant to Section 365(d)(4) of the Bankruptcy Code for an Order Extending the Time Within Which the Debtors May Assume or Reject Unexpired Leases of Nonresidential Real Property [P-62];

(c) Interim Order Authorizing Employment and Compensation of Certain Professionals Utilized in the Ordinary Course of the Debtors' Business [P-85];

(d) Order Granting Motion to Limit Notice [P-92]; and

(e) Administrative Order Under §§ 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members [P-93].

Certain of the orders initially entered by the Bankruptcy Court were interim orders [P-85, 86 and 91]. The Court held a final hearing on those matters on April 9, 2008, and, after that hearing, entered the following final orders:

(a) Final Order Approving Compensation and Payment to Insiders [P-156];

(b) Final Order Authorizing Employment and Compensation of Certain Professionals Utilized in the Ordinary Course of Debtors' Business [P-157]; and

(c) Final Order, Pursuant to Section 366 of the Bankruptcy Code: (A) Prohibiting Utilities From Altering, Refusing or Discontinuing Services to, or Discriminating Against, the debtors on Account of Prepetition Invoices; (B) Determining that the Utilities are Adequately Assured of Future Payment; (C) Establishing Procedures for Determining Requests for Additional Assurance; and (D) Permitting Utility Companies to Opt Out of the Procedures Established Herein [P-182].

5. Cash Collateral Orders

After an interim hearing on March 14, 2008, on March 20, 2008, the Bankruptcy Court entered an interim order [P-99] on the Debtors' Emergency Motion for Entry of Order Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001 for Interim and Final Orders: (1) Authorizing Use of Cash Collateral; (2) Granting Adequate Protection; (3) Scheduling and Approving the Form and Method of Notice for Final Order; and (4) for Related Relief [P-28] ("Cash Collateral Motion"). As a result of this order, the Debtors were allowed to use their ongoing revenue and cash on hand to pay their operating and administrative expenses (as detailed in a budget) on an interim basis until a final hearing could be held on the Cash Collateral Motion.

The final hearing on the Cash Collateral Motion was held on April 9, 2008. After the hearing, the Bankruptcy Court entered its Final Order on Emergency Motion for Entry of Order Pursuant to Sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001: (1) Authorizing Use of Cash Collateral; (2) Granting Adequate Protection Liens; (3) Scheduling and Approving the Form and Method of Notice for a Final Order; and (4) For Related Relief [P-146] (the "Final Cash Collateral Order"). Pursuant to the Final Cash Collateral Order and the budget attached thereto, the Debtors were authorized to use cash collateral until December 31, 2008. On January 9, 2009, the Court entered an order [P-441] granting the Debtors' Motion to Extend Use of Cash Collateral Under the Final Cash Collateral Order [P-411] and authorizing the use of cash collateral until June 30, 2009.

6. Appointment of Unsecured Creditors Committee

On April 11, 2008, an official unsecured creditors' committee (the "Unsecured Creditors Committee") was appointed by the United States Trustee [P-151]. The members of the Unsecured Creditors Committee are Isle of Capri, Merrill Communications, LLC and IGT. On April 16, 2008, the Bankruptcy Court entered an order [P-166] authorizing the employment of William E. Steffes and the law firm of Steffes, Vingiello & McKenzie, LLC as counsel for the Unsecured Creditors Committee *nunc pro tunc* to April 11, 2008. On June 6, 2008, the Unsecured Creditors Committee filed an application [P-254] to retain a financial advisor, Morris Anderson & Associates, Ltd., and that retention was approved by the Bankruptcy Court on June 17, 2008 [P-261].

7. Other Professionals Employed by the Debtors

On March 20, 2008, the Debtors filed an Application to Employ Kurtzman Carson Consultants, LLC to serve as their claims, noticing and balloting agent ("Voting Agent"). On April 16, 2008, the Bankruptcy Court entered an order [P-165] appointing Kurtzman Carson Consultants, LLC as claims, noticing and balloting agent.

On June 27, 2008, the Debtors filed an Application for Entry of an Order Authorizing the Employment and Retention of Oppenheimer and Company, Inc. as Financial Advisors to the Debtors [P-275]. On July 7, 2007, the Bankruptcy Court entered an order [P-283] authorizing the employment and retention of Oppenheimer & Co., Inc. ("Oppenheimer") *nunc pro tunc* to May 22, 2008 as financial advisor to the Debtors. Oppenheimer replaced Mesirow as the Debtors' financial advisor.

8. Replacement of CIT As Agent

Initially, CIT served as the collateral agent and administrative agent under both the First Lien Credit Agreement and Second Lien Credit Agreement. However, on May 2, 2008 and May

20, 2008, respectively, this Court entered orders approving the substitution of Wayzata Investment Partners, L.L.C. ("Wayzata") as collateral agent and administrative agent under the Second Lien Credit Agreement [P-215], and the appointment of Wilmington Trust Company ("WTC") as the collateral agent and administrative agent under the First Lien Credit Agreement [P-226]. On October 31, 2008, Wayzata resigned as collateral and administrative agent under the Second Lien Credit Agreement. No replacement for Wayzata has been announced. WTC is now the collateral agent and administrative agent under the First Lien Credit Agreement.

9. Monthly Operating Reports, Schedules, Statement of Financial Affairs, Meeting of Creditors, and Bar Date

On April 8, 2008, the Debtors filed an Ex Parte Motion to Alter Procedures for Filing Monthly Operating Reports [P-133] requesting that the Bankruptcy Court enter an order authorizing the Debtors to file and submit to the United States Trustee's office their monthly operating reports by the last day of the following month (or the next available business day), and to authorize the Debtors to file and submit to the United States Trustee's office a consolidated monthly operating report for all of the Debtor entities. On April 10, 2008, the Bankruptcy Court entered an order [P-147] granting such motion and providing the relief requested. Since that time, the Debtors have filed their monthly operating reports on a timely basis and complied with all requests for information by the United States Trustee.

On April 28, 2008, in compliance with the Court's order [P-60], the Debtors filed their schedules and statements of financial affairs for all of the Debtors. On April 17, 2008, the initial meeting of creditors pursuant to Section 341 was held in Shreveport, Louisiana. The first meeting of the creditors was continued until May 14, 2008, when it was held and completed.

On May 12, 2008, this Court entered an order [P-221] ("Bar Date Order") approving the Debtors' Ex Parte Motion for an Order (A) Establishing a Bar Date Bar Date for Filing Proofs of

Claim, (B) Approving the Bar Date Notice and (C) Authorizing the Debtors to Provide Notice of the Bar Date and (D) Providing for Other Relief Sought Herein [P-217]. The Debtors served the Notice of the Claims Bar Date of June 30, 2008 at 4:30 P.M. CDT [P-232], and numerous claims were filed against the Debtors prior to June 30, 2008 (the "Bar Date"). The Debtors are in the process of reviewing and analyzing the proofs of claims filed against the Debtors. The Debtors estimate that the claims against the Debtors are essentially in the amounts set out in the Summary of Classification and Treatment of Creditors and Interest Holders set forth in Section II of this Disclosure Statement, subject to any rights and defenses thereto.

10. Extensions of Exclusivity Period

Upon filing a Chapter 11 bankruptcy case, a Debtor has the exclusive right to file a plan of reorganization for 120 days and, if it does so, the exclusive right to try to confirm the plan for an additional 60 days thereafter. The Debtors' initial exclusive period to file a plan of reorganization was through July 9, 2008. The exclusive periods can be extended by the Bankruptcy Court "for cause", and in larger cases, the periods are usually extended. On June 16, 2008, the Debtors filed a Motion for an Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization and to Obtain Acceptances of a Plan of Reorganization [P-256] ("Original Motion to Extend Exclusivity") requesting that the Court extend the exclusivity periods until October 31, 2008 for filing a plan of reorganization and until January 31, 2009 to obtain acceptances of a plan of reorganization (such periods, together with any extensions thereof, the "Exclusivity Periods").

The Unsecured Creditors Committee and the First Lien Lenders consented to the extensions sought in the Original Motion to Extend Exclusivity. However, the Second Lien Lenders indicated that they would object to the extension. Rather than incurring the expenses and distraction of litigation over the Original Motion to Extend Exclusivity, the Debtors and the

Second Lien Lenders negotiated a Stipulation By and Between Second Lien Lenders and Debtors Regarding Motion for Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization and to Obtain Acceptances of a Plan of Reorganization [P-282] ("Stipulation"). The Stipulation provided, in pertinent part, that the Second Lien Lenders would consent to the extension of the exclusive right of the Debtors to file a plan of reorganization through September 19, 2008 and to an extension of the corresponding exclusive time period for the Debtors to obtain acceptances of a plan of reorganization through December 17, 2008, and the Debtors would agree to reduce the extensions of time requested in the Original Motion to Extend Exclusivity to conform to those dates. The Debtors reserved their rights to seek further extensions of the Exclusivity Periods and the Second Lien Lenders reserved their rights to oppose subsequent requests to extend the Exclusivity Periods in the Stipulation.

On July 7, 2008, after hearing, the Court entered an Order Granting Motion for An Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization and to Obtain Acceptances of a Plan of Reorganization [P-284]. Consistent with the Stipulation, the Court approved an extension of the time period in which the Debtors have the exclusive right to file a plan of reorganization under Bankruptcy Code section 1121(b) through September 19, 2008 and approved an extension of the time period for obtaining acceptances of a plan of reorganization under Bankruptcy Code section 1121(c)(3) through December 17, 2008.

On August 25, 2008, the Debtors filed a Second Motion for an Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization and to Obtain Acceptances of a Plan of Reorganization [P-316] ("Second Motion to Extend Exclusivity") requesting that the Court extend the Exclusivity Periods through October 31, 2008

for the Debtors to file a plan of reorganization and through January 31, 2009 for the Debtors to obtain acceptances of a plan of reorganization. Both of these extensions were consistent with the extensions agreed to by the Steering Committee and the First Lien Lenders in the Final Cash Collateral Order and with the extensions originally requested in the Original Motion to Extend Exclusivity. On September 9, 2008, the Unsecured Creditors Committee filed a Response of the Official Unsecured Creditors Committee in Support of the Second Motion for an Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization and to Obtain Acceptances of a Plan of Reorganization [P-325] which set forth the Unsecured Creditors Committee's support of the Second Motion to Extend Exclusivity and for the extensions requested therein. No other parties in interest filed any objections. On September 24, 2008, the Court entered an Order Granting Second Motion for an Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization and to Obtain Acceptances of a Plan of Reorganization [P-347].

On October 6, 2008, the Debtors filed a Motion for an Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization Through March 11, 2009 and to Obtain Acceptances of a Plan of Reorganization Through June 9, 2009 [P-360] ("Third Motion to Extend Exclusivity"). On October 24, 2008, the Court held a scheduling conference on the Third Motion to Extend Exclusivity. As a result of the scheduling conference, the Court entered an Order Scheduling Hearing on Motion for an Order Extending the Time Periods Within Which the Debtors Have the Exclusive Right to File a Plan of Reorganization Through March 11, 2009 and to Obtain Acceptances of a Plan of Reorganization Through June 9, 2009 [P-360] and Bridge Order Extending Exclusivity Periods Until After Ruling [P-374], which continued the hearing on the Third Motion to Extend Exclusivity until

November 21, 2008 at 10:00 a.m., and extended the Exclusivity Periods to file a plan until December 1, 2008, and to obtain acceptances thereof until ninety (90) days after December 1, 2008. On November 21, 2008, the Court held a telephone hearing and, upon the agreement of the parties, entered an Order Granting Motion for an Order Extending the Time Periods Within Which the Debtors Have the Exclusive right to File a Plan of Reorganization and to Obtain Acceptances of a Plan of Reorganization [P-391] extending the Exclusive Periods until December 15, 2008 to file a plan and until March 16, 2009 to obtain acceptances of the plan. At the hearing on the adequacy of the Disclosure Statement, the Court ruled that it would extend the Exclusive Period for the Debtors to obtain acceptances of the Plan until the Court rules on the confirmation of the Plan.

11. Operational Results During the Chapter 11 Cases

a. Compliance with DIP Requirements and Gaming Regulations

Since filing, the Debtors have continued to successfully operate their Properties, while complying with all of their requirements as debtors in possession ("DIP") under the Bankruptcy Code and with all of their obligations under applicable state gaming regulations. Employees and management of Legends continue to discharge their responsibilities diligently, critical vendors have been paid and continue to provide necessary goods and services to the Debtors, gaming regulatory requirements are being honored, and Legends has regularly kept the Gaming Regulators in Louisiana and Mississippi abreast of their activities.

b. Construction of Mississippi Property Complete

The construction project at the Mississippi Property approved by the Court [P-158] to renovate the interior of the casino and pavilion entrance (including the replacement of carpeting and wall coverings and upgrade the tile and lighting of the casino and pavilion) is now complete.

c. Record Mississippi River Floodings

There was an impact on revenue and expenses at the Mississippi Property as a result of the flood levels of the Mississippi River, which peaked in May 2008 at about 51 feet, the highest level in 70 years. The rising river created significant operational challenges in Vicksburg, since the casino floats in a coffer-dam, adjacent to the river. As the Mississippi River steadily rose, the casino floated considerably higher in its coffer-dam which created impediments to access to the casino (the main patron entrance was closed for much of April and only re-opened on May 28, 2008). An entertainment barge that does not float to the level of the Mississippi River was flooded, as was the service road to the casino. The casino at the Mississippi Property was never closed, but keeping the casino and hotel open and operating was a day to day and, at some critical junctures, an hour to hour, challenge to the Debtors. Revenues in Mississippi were somewhat impaired and additional expenses were incurred as a result of the rising river. Although the casino and hotel never closed, the Debtors estimate that the flood impacted EBITDA or cash flow through July 31, 2008, by approximately $1.0 - $1.1 million. The costs incurred to protect and repair the Mississippi Property, including the coffer-dam and the entertainment barge damaged by the flood, are approximately $600,000 to $700,000. The repairs to the entertainment barge have been completed, and on August 2, 2008, the entertainment barge returned to service and hosted the "DiamondJacks' Annual Birthday Celebration".

d. "Agave" Opens; Other Improvements at Louisiana Property

In late June 2008, the Louisiana Property opened "Agave", a Mexican-themed restaurant, to favorable reviews. The Debtors also completed the installation of slot system software that provides for downloadable credits and enhanced player tracking at the Louisiana Property. The software allows the Property to directly download cash back earned at the slot machine which

provides guests with greater incentives to play longer. The software also reduces the overall marketing costs to the casino by allowing it to significantly decrease direct marketing expenses of cash back coupons. This expands the casino's ability to market to its guests while decreasing costs and significantly improving the guest's experience at the game.

e. Louisiana Property Receives National Awards

In July and September 2008, the Louisiana Property was recognized by two independent gaming publications. "**Casino Player Magazine**," a national gaming publication, announced in July 2008 that the Bossier City property received eleven ***Best of 2008*** awards, including the awards for *Best Player's Club, Best Cash Back, Best Comps, and Luckiest Casino.* In September 2008, "**Southern Gaming and Destinations**" rated the Bossier City property as the highest in the Bossier/Shreveport market and the property received seven ***Best of 2008*** awards. No other property in Bossier/Shreveport was ranked higher by Southern Gaming and Destinations than DiamondJacks in any category. Prior to the Debtors' purchase of the Louisiana Property, the Louisiana Property had never received an award from either of these publications.

f. Mississippi Property Receives Community Award

In 2008 the Mississippi Property was named United Way of West Central Mississippi Corporation of the Year for its active involvement in the Vicksburg Community.

g. Hurricanes Gustav and Ike Negatively Affect Operations

The Debtors' revenues for August and September 2008 have been negatively impacted by Hurricanes Ike and Gustav. Even though neither of the Properties closed, the Louisiana Property sustained approximately $450,000 of damage to its hotel roof from Hurricane Gustav. Moreover, Gustav hit over the highly profitable Labor Day weekend. The August revenues

(consolidated) were impacted by approximately $456,000 and EBITDA was reduced by $360,000.

Hurricane Ike hit approximately ten days later and caused no physical damage to the Properties. However, revenues were down a combined $780,000, and EBITDA by $590,000, as the Texas and Oklahoma feeder markets for the Louisiana Property were strongly impacted for several weeks by the disruption of Hurricane Ike.

12. Financial Results During the Chapter 11 Cases

The results of the Debtors' Financial Operations during the Chapter 11 Cases are reflected in the Monthly Operating Reports filed by the Debtors. As of October 31, 2008 the Debtors had approximately $17.8 million cash on hand, excluding the $302,000 cash deposit posted for letters of credit in connection with the Debtors' workers' compensation insurance programs. From the Petition Date to October 31, 2008, pursuant to the Cash Collateral Order, in addition to paying their normal operating expenses, the Debtors have spent approximately $4.9 million for capital and maintenance projects, $3.0 million for restructuring charges and paid $7.6 million of interest to the First Lien Lenders.

From the Petition Date until October 31, 2008, the Debtors collected cash receipts of approximately $106.2 million, and made approximately $101.3 million of disbursements, for a positive cash flow of $4.9 million, which is $4.5 million above the projected total cash flow in the Cash Collateral Budget.

Throughout these Chapter 11 Cases, the Debtors' actual net operating cash flows (before capital expenditures, interest and restructuring charges) continue to exceed the budgeted net operating cash flows used for the cash collateral budget:

	Actual Net Operating Cash Flow	Budgeted Net Operating Cash Flow	Variance
3/12- 3/31/08	3,787,356	1,725,438	2,061,918

April 2008	2,200,695	274,872	1,925,823
May 2008	2,815,931	2,578,895	237,036
June 2008	1,009,776	2,034,544	(1,024,768)
July 2008	4,310,534	2,988,681	1,321,853
August 2008	2,837,709	3,654,551	(816,842)
September 2008	1,598,058	2,975,419	(1,377,361)
October 2008	2,223,848	2,144,796	79,052
Total	$20,783,907	$18,377,196	$2,406,711

Since the Petition Date, the Debtors' Cumulative Net Cash Flow (excluding capital expenditures, debt service and restructuring charges) has been greater than budgeted by approximately $2.4 million.

IV. THE PLAN

A. BUSINESS MODEL UNDER THE PLAN

Attached as Exhibit D-2 to this Disclosure Statement, entitled, "Reorganized Debtors Financial Projections," is information reflecting the Reorganized Debtors' projected cash flow from business operations under the Plan. In preparing the Reorganized Debtors' Financial Projections, the Debtors reviewed data and factors which included, but were not limited to, the following:

> For the twelve (12) month period ended December 31, 2008, the Debtors had consolidated EBITDA of approximately $29.9 million which amount was approximately $4.2 million below 2007 actual EBITDA, due primarily to the flood (approximately $1.1 million), renovation disruptions at Vicksburg (approximately $500,000), severe weather from two hurricanes (Gustav and Ike – approximately $950,000), a lower than expected slot win percentage in September at our Bossier City property of approximately $280,000 and a bankruptcy affect of approximately $500,000. The Reorganized Debtors Financial Projections reflect a normalized EBITDA and, as normalized, its EBITDA is approximately $33.1 million for Calendar Year 2008 or approximately $1.0 below consolidated prior year (2007) EBITDA.
>
> With respect to Calendar Years 2009 and 2010, the Debtors are projecting $34.0 million and $36.3 million in EBITDA, respectively, which is modestly above the normalized EBITDA for 2008. The budget process which began in September 2008 and was completed in November 2008 was a detailed process that involved every operating department manager of the Debtors and was based partly upon the Debtors 2008 performance.

Recent financial results reflect the Louisiana Property in December, 2008 out-performed the Bossier/Shreveport market in terms of revenues (which are publicly reported) and increased its market share for the fourth quarter of 2008. Preliminary revenue numbers for January 2009 indicate the Louisiana Property exceeded both prior year and budget. Also, the Louisiana Property has five (5) out of the past seven (7) months posted increases in revenues over the prior year and ended 2008 with increased EBITDA when compared to 2007.

With regard to the Mississippi Property, while the marketplace increased gaming capacity with the addition of Riverwalk Casino on October 28, 2008, the Mississippi Property in December 2008 saw a 9.9% increase in EBITDA over the prior month of November, 2008. November was the first full month that Riverwalk Casino together with Ameristar's expansion was open and fully available. Preliminary results for January, 2009 indicate that the Mississippi Property will post a double-digit increase of at least 35% over December 2008 EBITDA and more importantly, it will exceed January's budgeted EBITDA by at least 15%.

B. VALUATION OF DEBTORS

The Debtors' valuation utilized standard financial analysis and methodologies, including a market-based approach which compares the market values of comparable companies that have been bought and sold during a reasonably recent period of time to the Debtors' financial results, and a discounted cash flow approach which calculates the present value of the expected future cash flows and a terminal value of the Debtors.

The market-based approach involves comparing the Debtors to guideline companies that are comparable to those of the Debtors as a whole or to significant portions of the Debtors' operations, and the calculation of the ratios of the market values of these companies to measures of financial performance. The ranges of ratios are then applied to the Debtors' financial results to derive a range of implied values. The discounted cash flow approach utilizes the un-levered after-tax free cash flows of the Debtors, assuming the projected financial results ("Projections") were realized, the capitalization of projected earnings before interest, taxes, and depreciation at a multiple to capture the value of the Debtors beyond the Projection period and the discounting of the resulting amounts to present value at a rate determined to approximate the Debtors' projected weighted average cost of capital. The estimate of reorganization value is a composite valuation

taking into account both analyses and does not rely solely on one specific methodology or the precise quantitative results of the two approaches. The estimates of reorganization value involve qualitative judgments with respect to the appropriate factors to consider in performing the analyses as well as the relative significance of each analysis in estimating the reorganization value. Based upon the methods described above, the estimated range of reorganization enterprise value (including cash) of the Reorganized Debtors is assumed to be approximately $253 to $283 million.

In reaching this estimated range of reorganization enterprise value (including cash) of the Reorganized Debtors, the Debtors utilized a trailing EBITDA that was adjusted for one-time events including hurricanes, flooding and renovation disruptions which are more fully discussed in Section A above.

The Debtors' estimate of reorganization value ($253 - $283 million) is a composite valuation of several methods as well as taking into consideration recently announced sales of gaming assets, cost of entry to a market as well as the Debtor's President and Chief Executive Officer's experience and knowledge of gaming operations. The data points which the Debtors have taken into account on arriving at their valuation conclusion include, but are not limited to, the following:

- MGM-Mirage on December 28, 2008 announced the sale of a single property asset, i.e. Treasure Island to a private investor at a multiple of 7.75x EBITDA. It is readily acknowledged by many in the gaming and investment community that companies that derive a substantial amount of their earnings from Las Vegas and/or Atlantic City are being penalized for their reliance upon tourism and travel and thus are commanding lower multiples than some of the regional operators.

- Many investment banks and gaming analysts regularly publish articles stating that regional operators are commanding higher valuations due to their lack of dependence upon travel and tourism. Most recently Houlihan Lokey (First Lien Lenders' Financial Advisor) published a *Gaming Quarterly Newsletter*/ 4Q08 (12/31/08) which

stated the gaming industry EBITDA multiples for small-cap companies was a median of 7.3x and a mean of 8.5x. Jefferies & Company, Inc. (who also was the Debtor's former investment banker and one of its affiliates is a member of the Second Lien Consortium) regularly publishes valuations on numerous gaming companies. As recently as January 29, 2009, Jefferies assigned a target valuation (based upon 2009 projections) of 7.5x for Isle of Capri (the former owner of the Debtor's two properties) and a regional operator of casinos.

- In September 2007 Jefferies & Co, the Debtors' former investment banker, estimated the value of the Debtors in conjunction with a strategic growth/acquisition opportunity at a range of approximately $286 - $324 million. Jefferies again in December 2007 re-confirmed this valuation with prospective investors when the Debtors with the assistance of Jefferies & Co. attempted to refinance its debt in December 2007.

- A new operator (Riverwalk) entered the Vicksburg marketplace in October 2008. The new operator expended approximately $120 million for a facility that overall is smaller than the Debtor's Vicksburg facility; i.e. hotel, theatre, restaurants. The Debtors believe this further solidifies that an operator wanting to enter an unrestricted market, i.e. Mississippi, is required to spend at least $120 million plus. The Debtor's Bossier facility which is almost 5 times larger than its Vicksburg facility in terms of hotel capacity (560 rooms vs 122 rooms) restaurants, theatre, meeting space and is located in a market where there is a limitation or barrier on the number of licenses to be issued (which all are presently issued) would surely command a price greater than that of its Vicksburg facility.

- The Debtors purchased their two properties at a discounted price of $240.0 million from the seller, Isle of Capri, in July 2006. The sale was predicated upon a minimum EBITDA of $30.0 million which the Debtors have exceeded for two consecutive years. The Debtors have also upgraded both casinos not only in terms of general appearance, but upgraded the physical product, i.e. converting to coin-less slot machines in Bossier, rebranding of non-gaming amenities, including all food and beverage outlets, and upgrading information technology systems. The Debtors have expended approximately $20.0 million in new capital since acquiring the properties in 2006.

- Lastly, the Debtors believe in the business and its value as a whole and is committed to investing $15.0 million in additional cash equity above the $40.0 million cash equity invested in 2006.

- Many gaming analysts (including Jefferies & Co.) have recognized in publications that the Bossier and Vicksburg markets are two of the better performing markets in the country. The two markets do not have the same issues that exist in the large destination markets located in Las Vegas and Atlantic City which are dependent upon tourism.

The estimate of the range of reorganization value of the Reorganized Debtors is based on a number of assumptions, including, among others, confirmation of the Plan on the assumed Effective Date, the achievement of the forecasts reflected in the Projections, and the Plan becoming effective in accordance with the terms and assumptions discussed herein.

ESTIMATES OF THE REORGANIZATION VALUE DO NOT PURPORT TO BE APPRAISALS, NOR DO THEY NECESSARILY REFLECT THE VALUES THAT MAY BE REALIZED IF ASSETS ARE SOLD IMMEDIATELY. THE ESTIMATES OF REORGANIZATION VALUE REPRESENT THE HYPOTHETICAL REORGANIZED ENTERPRISE VALUES AND WERE DEVELOPED SOLELY FOR PURPOSES OF THE PLAN OF REORGANIZATION.

THE ESTIMATE OF THE RANGE OF REORGANIZATION ENTERPRISE VALUE IS HIGHLY DEPENDENT UPON ACHIEVING THE FUTURE FINANCIAL RESULTS SET FORTH IN THE PROJECTIONS, AS WELL AS THE REALIZATION OF CERTAIN OTHER ASSUMPTIONS THAT ARE NOT GUARANTEED. THE ESTIMATE OF THE RANGE OF THE REORGANIZATION ENTERPRISE VALUE OF THE REORGANIZATION DEBTORS IS NOT NECESSARILY INDICATIVE OF ACTUAL OUTCOMES, WHICH MAY BE MORE OR LESS FAVORABLE THAN THOSE SET FORTH HEREIN. BECAUSE SUCH ESTIMATES ARE INHERENTLY SUBJECT TO UNCERTAINTIES, NEITHER THE REORGANIZED DEBTORS, ITS FINANCIAL ADVISORS, NOR ANY OTHER PERSON ASSUMES RESPONSIBILITY FOR THEIR ACCURACY.

THE IMPUTED ESTIMATE OF THE RANGE OF THE REORGANIZATION ENTERPRISE VALUES OF THE REORGANIZED DEBTORS DOES NOT PRUPORT

TO BE AN ESTIMATE TO THE POST REORGANIZATION MARKET TRADING VALUE. ANY SUCH TRADING VALUE MAY BE MATERIALLY DIFFERENT FROM THE ESTIMATE OF THE REORGANIZATION ENTERPRISE VALUE RANGE FOR THE REORGANIZED DEBTORS AS SET FORTH IN THE DEBTORS' PROJECTIONS.

C. IMPLEMENTATION OF THE PLAN

1. General Provision

Upon confirmation of the Plan, the Debtors shall be authorized to take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan including, without limitation, the execution and filing of all documents required or contemplated by the Plan. In connection with the Effective Date, the Reorganized Debtors will be authorized to execute, deliver, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

2. Contribution by New Investors and Issuance of New Equity Interests

Pursuant to Section 7.2 of the Plan, on the Effective Date, New Investors will contribute to the capital of Legends Parent the sum of $15,000,000.00, cash, and will receive 1,500 Series A 15% Preferred Units and 8,300 Series A Voting Common Units in Legends Parent, which Series A 15% Preferred Units and Series A Voting Common Units shall be issued free and clear of any and all liens, claims or encumbrances whatsoever. The Series A 15% Preferred Units and the Series A Voting Common Units shall have the rights set forth in Exhibit "C" attached to the Plan. The terms and conditions of the $15 million contribution to capital by the New Investors are contained in that certain Equity Contribution and Participation Agreement, a copy of which is attached as Exhibit "D" to the Plan.

In connection with the new capital contribution, under Section 7.3 of the Plan, Legends Parent shall enter into an employment agreement with Michael E. Kelly, President and Chief Executive Officer, and Legends Parent shall enter into restricted unit agreements with Michael E. Kelly and other members of key management for the issuance of up to 3,170 Series B Voting Common Units, which shall have the rights set forth in Exhibit "C" attached to the Plan.

3. Approvals By Gaming Regulators

The Debtors have provided each of the Gaming Regulators with a copy of the Plan and the Disclosure Statement. In Louisiana, once the Disclosure Statement is approved, the Debtors will file a petition with the Louisiana Gaming Control Board ("LGCB") to obtain any regulatory approvals that are required to implement the terms of the Plan. The Debtors expect the application to be reviewed for participant suitability and financial suitability. Participant suitability will be reviewed by the Gaming Division of the Attorney General's Office ("AG") and should only require affidavits of "no material change" by the principals, key gaming employees, and parties having a 5% or greater beneficial interest in the enterprise ("Parties Requiring Suitability"). Financial suitability will be reviewed by the Enforcement and Audit Sections of the Louisiana State Police Gaming Enforcement Division ("Audit"). It is anticipated that there will be a minimum of 60 days needed for final review by the AG and Audit, and final approval by the LGCB, unless there is a modification in the Parties Requiring Suitability or the financial structure of the Plan. Any change in either may create a delay in the review and/or approval process. The Debtors believe the application for the approval of the transactions contemplated by the Plan as submitted will be approved by the LGCB.

In Mississippi, once the Disclosure Statement is approved, the Debtors will file a formal detailed letter application with the Mississippi Gaming Commission ("MGC"), describing the Plan and the necessary approvals, and asking the MGC staff to recommend approval of the

transactions in the Plan to the Commissioners. The Debtors will work with MGC staff to prepare a proposed recommendation regarding such approvals, and to schedule and place the requested approvals on a MGC meeting agenda for consideration and a vote. The Debtors believe it will take approximately 45 days to be placed on the MGC Agenda and for the application granted. The Debtors believe the application for the approval of the transactions contemplated by the Plan as submitted will be approved by the MGC.

In Colorado, the Colorado Division of Gaming and the Colorado Gaming Commission have each been apprised of the Plan. The Debtors believe that no prior approval of the transactions contemplated by the Plan is needed in advance of the confirmation or the effectiveness of the Plan.

4. Status of Existing Liens of Secured Tax Claims, First Lien Lenders, Second Lien Lenders and Other Secured Claims

Unless otherwise provided in the Plan, on the Effective Date, all existing liens by the First Lien Lenders, Second Lien Lenders and Holders of Allowed Secured Tax Claims and Other Secured Claims on the Debtors' Assets shall retain the same validity, priority and extent that existed on the Petition Date. All other Liens and encumbrances shall be deemed automatically canceled, terminated and of no further force or effect without further act or action under any applicable agreement, law, regulation, order, or rule.

5. Officers, Managers and Directors of the Reorganized Debtors

It is anticipated that, on the Effective Date, the current officers, managers and members of the board of managers of the Debtors will continue to hold their respective positions, and continue in their current management positions with the Reorganized Debtors. Any required disclosure of compensation under 11 U.S.C. § 1129(a)(5) will be made by a notice filed prior to the Confirmation Hearing.

6. Distributions Under the Plan

Distributions under the Plan are governed by Article 6 of the Plan. The Reorganized Debtors or, at the option of the Reorganized Debtors, any distribution agent the Reorganized Debtors may retain, shall make all distributions that are required under the Plan. Notwithstanding the foregoing, the distributions to the First Lien Lenders shall be made to the First Lien Agent and the distributions to the Second Lien Lenders shall be made to the Second Lien Agent. Each distribution shall be made on a Distribution Date (unless otherwise provided herein or ordered by the Bankruptcy Court). Distributions to be made on the Distribution Date shall be deemed actually made on the Distribution Date if made either (a) on the Distribution Date or (b) as soon as practicable thereafter. If any litigation now pending is resolved by Final Order or settlement, and any of the Debtors are ordered to pay any sums to the successful litigant, then such party shall become a creditor, and shall share in distributions to the appropriate Class. Whenever any distribution to be made under the Plan shall be due on a day other than a Business Day, such distribution shall instead be made, without the accrual of any interest, on the immediately succeeding Business Day, but shall be deemed to have been made on the date due.

a. Record Date for Voting on Plan

The transfer registers for each of the Classes of Claims and Interests as maintained by the Debtors or any third party, including any voting agent, shall be deemed closed on the date of entry of an order of the Bankruptcy Court approving the Disclosure Statement (or, with respect to any Class, any later date to which the Debtors agree) for purposes of voting on the Plan, and there shall be no further changes to reflect any new record holders of any Claims or Interests for purposes of voting on the Plan.

b. Delivery of Distributions

Except as otherwise provided in the Plan, Distributions to a holder of an Allowed Claim or Allowed Interest shall be made at the address of such holder as indicated on the Debtors' records. In the event that any such distribution is returned as undeliverable, the Reorganized Debtors shall use reasonable efforts to determine the current address of the applicable holder, and no distribution to such holder shall be made unless and until the Reorganized Debtors have determined such then current address, *provided, however*, that if any distribution remains unclaimed after the first anniversary after distribution, such distribution shall be deemed unclaimed property pursuant to Section 347(b) of the Bankruptcy Code and shall become vested in the Reorganized Debtors. In such event, the Claim of the holder for such distribution shall no longer be deemed to be Allowed, and such holder shall be deemed to have waived its rights to such distribution under the Plan pursuant to Section 1143 of the Bankruptcy Code, shall have no further claim or right thereto, and shall not participate in any further distributions under the Plan with respect to such Claim. Checks issued by the Reorganized Debtors in respect of Allowed Claims shall be null and void if not negotiated within one hundred and twenty (120) days after the date of issuance thereof.

c. Third Party Agreements

The distributions to the various Classes of Claims or Interests hereunder will not affect the right of any Entity to levy, garnish, attach, or employ any other legal process with respect to such distributions by reason of any claimed subordination or lien priority rights or otherwise. All subordination agreements entered into by any parties in interest shall be enforceable to the extent applicable under bankruptcy and applicable non-bankruptcy laws and all distributions and

payments made pursuant to the Plan shall be subject to such laws. Nothing in the Intercreditor Agreement shall impair or conflict with the implementation of the Plan or the obligations of the debtors under the First Lien Loan Documents or the Second Lien Loan Documents, as modified by the Plan or the documentation executed in connection therewith.

d. Manner of Payment Under the Plan

At the option of the Reorganized Debtors, any payment in Cash to be made under the Plan may be made by check or wire transfer from a domestic bank or as otherwise required by applicable agreement.

e. No Fractional Distributions

No fractional dollars shall be distributed under the Plan. For purposes of distributions, Cash distributions shall be rounded up or down, as applicable, to the nearest whole dollar.

f. Withholding and Reporting

The Reorganized Debtors shall comply with all applicable withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions shall be subject to such withholding and reporting requirements.

g. Surrender of Instruments

At the option of the Reorganized Debtors, as a condition to receiving any distribution under the Plan, each holder of an Allowed Claim evidenced by a certificated instrument must either (a) surrender such instrument to the Reorganized Debtors (or, in the case of a First Lien Lenders' Secured Claims, to the First Lien Agent, or, in the case of a Second Lien Lenders' Claim, to the Second Lien Agent) or (b) submit evidence satisfactory to the Reorganized Debtors, the First Lien Agent or the Second Lien Agent, as applicable, of the loss, theft, mutilation, or destruction of such instrument. If any holder of an Allowed Claim fails to do

either (a) or (b) before the one year anniversary of the Effective Date, such holder shall be deemed to have forfeited its Claim and all rights appurtenant thereto, including the right to receive any distributions hereunder. After the first anniversary of the Effective Date, all payments not distributed pursuant to Section 6.8 of the Plan shall be deemed unclaimed property pursuant to Section 347(b) of the Bankruptcy Code and shall become vested in the Reorganized Debtors.

7. Objections to Claims and Interests; Prosecution of Disputed Claims and Interests

Under Section 8.1 of the Plan, the Debtors and, after the Effective Date, the Reorganized Debtors, shall have the exclusive right to object to the allowance, amount or classification of Claims and Interests asserted in the Chapter 11 Cases, and such objections may be litigated to Final Order by the Debtors or Reorganized Debtors, as applicable, or compromised and settled in accordance with the business judgment of the Debtors or Reorganized Debtors, as applicable, without further order of the Bankruptcy Court. Unless otherwise provided herein or ordered by the Bankruptcy Court, all objections to Claims and Interests shall be Filed no later than one hundred and eighty (180) days after the Effective Date, subject to any extensions granted pursuant to a further order of the Bankruptcy Court, which extensions may be obtained by the Reorganized Debtors without notice upon *ex parte* motion.

8. Estimation of Disputed Claims and Interests

Under Section 8.2 of the Plan, the Debtors and, after the Effective Date, the Reorganized Debtors, may at any time request that the Bankruptcy Court estimate for all purposes, including distribution under the Plan, any Disputed, contingent or unliquidated Claim or Interest pursuant to Section 502(c) of the Bankruptcy Code, whether or not the Debtors or the Reorganized Debtors have previously objected to such Claim or Interest. The Bankruptcy Court shall retain

jurisdiction to estimate any such Claim or Interest at any time, including, without limitation, during the pendency of an appeal relating to such objection.

9. No Distributions on Account of Disputed, Contingent or Unliquidated Claims and Interests

Under Section 8.3 of the Plan, notwithstanding anything else contained in the Plan, except with respect to any undisputed, non-contingent and liquidated portions of General Unsecured Claims, no distribution shall be due or made with respect to all or any portion of any Disputed, contingent, or unliquidated Claim until the Claim becomes an Allowed Claim by Final Order. The Reorganized Debtors shall set aside or reserve a portion of the consideration payable to the holders of Allowed Claims and Allowed Interests in a particular Class to be held in the Disputed Claims Reserve for such Class in an amount sufficient to pay to the holders of all Disputed Claims in such Class the full distributions they may be entitled to if their respective Claims and Interests were ultimately to be allowed in full by Final Order.

V. CONDITIONS TO OCCURRENCE OF EFFECTIVE DATE, DATE OF PLAN AND NOTICE OF EFFECTIVE DATE

1. Conditions to Occurrence of the Effective Date of Plan

As provided in Section 10.1 of the Plan, the "effective date of the plan," as used in Section 1129 of the Bankruptcy Code, shall not occur until the Effective Date. The occurrence of the Effective Date is subject to satisfaction of the following conditions precedent (or conditions subsequent with respect to actions that are to be taken contemporaneously with, or immediately upon, the occurrence of the Effective Date), any of which may be waived in writing by the Debtors and any other party whose consent to any such waiver is specifically required in writing under the Plan, if such waiver is legally permissible with respect thereto:

(a) The Confirmation Order and the Plan as confirmed pursuant to the Confirmation Order and Filed shall be in a form and substance satisfactory to the Debtors and the New Investors;

(b) The Confirmation Order shall have become a Final Order; *provided, however,* that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtors, and with the consent of the New Investors and any other party whose consent in writing to any such waiver is specifically required under the Plan, unless the effectiveness of the Confirmation Order has been stayed or vacated;

(c) The Bankruptcy Court shall have made the statutorily-required findings of fact and conclusions of law in connection with the confirmation of the Plan, each of which findings and conclusions shall be expressly set forth in the Confirmation Order or in findings of fact and conclusions of law entered in support of and contemporaneously with the entry of the Confirmation Order.

(d) All actions, Plan documents, agreements and instruments, or other documents necessary to implement the terms and provisions of the Plan shall have been executed and delivered in form and substance satisfactory to the Debtors and the New Investors;

(e) Any federal, state, local and foreign governmental authorizations, consents and regulatory approvals, including to the extent required, approvals of the Gaming Regulators, required for the consummation of each of the transactions contemplated in the Plan, shall have been obtained and become final and non-appealable and, with respect to any court proceedings relating thereto, by Final Order;

(f) All fees and expenses due to or incurred by Professionals for the Debtors through the Effective Date not previously paid pursuant to interim or final orders shall have been

paid into and shall be held in escrow, free and clear of Liens, Claims and encumbrances (other than the rights of such Professionals) until due and payable in accordance with applicable court order;

(g) All payments required to be made on the Effective Date shall have been made;

(h) The New Investors shall have made the equity contributions contemplated by Section 7.2 of the Plan and shall have received the Series A 15% Preferred Units and Series A Voting Common Units as contemplated thereby;

(i) Any and all documentation contemplated by the Plan to be executed by the Debtors, the First Lien Lenders, the Second Lien Lenders, the New Investors, the Holders of the Class 10 and 11 Claims and/or any other Persons, shall have been executed and delivered;

(j) Legends Management shall have executed and delivered an agreement in favor of the Reorganized Debtors waiving its right to payment of its post-petition unpaid management fees and canceling the Management Agreement; and

(k) The Effective Date shall occur no later than May 29, 2009, unless such date is extended in writing by the Debtors with the consent of the New Investors.

2. Filing Notice of the Effective Date

As provided in Section 10.2 of the Plan, within two (2) Business Days of the occurrence of the Effective Date, the Reorganized Debtors shall file a notice of occurrence of the Effective Date signed by the counsel for the Debtors in Possession and, if different, counsel to the Reorganized Debtors in the record of the Bankruptcy Court reflecting (a) that the foregoing conditions to the occurrence of the Effective Date have been satisfied or waived by the Debtors and any other person whose consent or waiver is required, (b) the date of the Effective Date, and (c) acknowledging that the Effective Date has occurred on and as of such date.

3. Revocation or Withdrawal of Plan

As provided in Section 10.3 of the Plan, the Debtors may revoke or withdraw the Plan prior to the Confirmation Date by Filing a Notice of Withdrawal of Plan in the record of the Chapter 11 Cases. If the Plan is revoked or withdrawn prior to the Confirmation Date, or if the Effective Date does not occur prior to the date set forth in Section 10.1.11 of the Plan (or any later date agreed in writing by the Debtors with the consent of the New Investors) because the conditions precedent thereto have not been satisfied, then the Plan shall be deemed withdrawn. In such event, (i) the Debtors and all holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the filing of the Plan, and (ii) all the Debtors' respective obligations with respect to the Claims and Interests shall remain unchanged, all of the Debtors' rights and claims against all Entities shall be fully preserved and nothing contained herein or in the Plan shall be deemed an admission or statement against interest or to constitute a waiver or release of any claims by or against the Debtors or any other persons or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors or the persons.

VI. EFFECT OF CONFIRMATION OF PLAN

1. Vesting of Assets and Retained Causes of Action.

Upon the Effective Date, pursuant to Section 1141(b) of the Bankruptcy Code, all Assets of the Debtors in Possession and their respective Estates shall vest in the Reorganized Debtors free and clear of any and all Claims, Liens, Interests, and other interests, charges and encumbrances, except as otherwise expressly provided in the Plan or in the Confirmation Order. From and after the Effective Date, the Reorganized Debtors may operate their businesses and may own, use, acquire and dispose of Assets free of any restrictions of the Bankruptcy Code or

the Bankruptcy Rules and in all respects as if the Chapter 11 Cases had never been filed. The Debtors will not pursue any Avoidance Claims for affirmative recoveries or assert Avoidance Claims against holders of General Unsecured Claims with respect to such General Unsecured Claims, but reserve all such Avoidance Claims and may assert Avoidance Claims as defenses against other Claims filed against any of the Debtors. The Debtors are not aware of any Claims or causes of action against any insiders of the Debtors and do not intend to pursue any such Claims or causes of action.

Except as otherwise specifically provided in the Plan, the Reorganized Debtors shall retain all rights and are authorized to commence and pursue, as the Reorganized Debtors deem appropriate, any and all claims and Causes of Action, whether arising before or after the Petition Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in one or more of the Chapter 11 Cases, and including but not limited to, the claims and Causes of Action specified in the Plan or any Plan exhibit (including Exhibit "E" to the Plan). Due to the size and scope of the Debtors' business operations and the multitude of business transactions therein, there may be numerous other claims and Causes of Action that currently exist or may subsequently arise, in addition to the claims and Causes of Action identified on Exhibit "E" attached to the Plan, all of which claims and Causes of Action shall revest in the Reorganized Debtors. The Reorganized Debtors do not intend, and it should not be assumed that because any existing or potential claims or Causes of Action have not yet been pursued by the Debtors or do not fall within the list identified on Exhibit "E" attached to the Plan, that any such claims or Causes or Action have been waived or will not be pursued. Under the Plan, the Reorganized Debtors retain all rights to pursue any and all claims and Causes of Action to the extent the Reorganized Debtors deem appropriate (under any theory of law or equity, including,

without limitation, the Bankruptcy Code and any applicable local, state, or federal law, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Chapter 11 Cases) except as otherwise specifically provided in the Plan. The Debtors' Retained claims and Causes of Actions, include, without limitation, those described on Exhibit "E" attached to the Plan.

2. Binding Effect

Subject to the occurrence of the Effective Date, on and after the occurrence of the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against or an Interest in any of the Debtors and such holder's successors and assigns, whether or not such holder's Claim or Interest is Impaired under the Plan, whether or not such holder has accepted the Plan, and whether or not such holder is entitled to a distribution under the Plan.

3. Discharge of the Debtors

Except as otherwise specifically provided in the Plan or in the Confirmation Order, the rights afforded in the Plan and the treatment of the Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims against and Interests in the Debtors, the Debtors in Possession, the Reorganized Debtors or the Assets, properties, or interests in property of the Debtors, the Debtors in Possession or the Reorganized Debtors of any nature whatsoever, including any interest accrued on any Claim from and after the Petition Date. Except as expressly otherwise provided herein or in the Confirmation Order, on the Effective Date, all Claims arising before the Effective Date (including those arising under Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code) against the Debtors and the Debtors in Possession (including any based on acts or omissions that constituted or may have constituted ordinary or gross negligence or reckless, willful, or wanton misconduct of any of the Debtors, or any conduct for which any of the Debtors may be deemed to have strict liability under any

applicable law), and all Interests shall be irrevocably satisfied, discharged, cancelled and released in full.

For the avoidance of doubt, the Reorganized Debtors shall be responsible only for: (a) those payments and Distributions expressly provided for or due under the Plan and (b) Claims and Interests, if any, that are not cancelled and discharged under the Plan but instead survive pursuant to specific and express provisions of the Plan, and then only to the extent and in the manner specifically and expressly provided in the Plan. All Entities are precluded and forever barred from asserting against the Debtors, the Debtors in Possession or the Reorganized Debtors, or the Assets, properties, or interests in property of the Debtors, the Debtors in Possession or the Reorganized Debtors of any nature whatsoever any Claims or Interests based upon any act or omission, transaction, or other activity, event, or occurrence of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date, except for (a) those payments and distributions expressly due under the Plan and (b) Claims and Interests, if any, that are not cancelled and discharged under the Plan pursuant to specific and express provisions of the Plan, and then only to the extent and in the manner specifically provided in the Plan.

4. Indemnification Obligations

Subject to the occurrence of the Effective Date, the obligations of the Debtors to indemnify, reimburse or limit liability of any person who is serving or has served as one of its directors, officers, employees or agents by reason of such person's prior or current service in such capacity as provided in the applicable articles of organization, operating agreements, partnership agreements, or bylaws, by statutory law or by written or oral agreement, policies or procedures of or with the Debtors, shall not be affected by or discharged by the Plan. Nothing in

the Plan shall be deemed to affect any rights of any director or officer against any insurer with respect to any directors or officers liability insurance policies.

5. Terms of Certain Injunction

Unless otherwise provided herein or in the Confirmation Order, all of the injunctions and/or stays provided for in, or in connection with, the Chapter 11 Cases, whether pursuant to Section 105, Section 362, or any other provision of the Bankruptcy Code or other applicable law, in existence on the Confirmation Date, shall remain in full force and effect through the Effective Date and thereafter if so provided by the Plan, the Confirmation Order, or by their own terms. In addition, on and after the Confirmation Date, the Debtors may seek such further orders as they may deem necessary or appropriate to preserve the *status quo* during the time between the Confirmation Date and the Effective Date.

6. No Successor Liability

Except as otherwise specifically provided in the Plan or the Confirmation Order, neither the Debtors, the Reorganized Debtors, or any non-filed subsidiaries of any Debtor or any Released Parties will have any responsibilities, pursuant to the Plan or otherwise, for any liabilities or obligations of the Debtors or any of the Debtors' past or present subsidiaries relating to or arising out of the operations of or assets of the Debtors or any of the Debtors' past or present subsidiaries, whether arising prior to, or resulting from actions, events, or circumstances occurring or existing at any time prior to the Effective Date. The non-debtor subsidiaries and the Reorganized Debtors shall have no successor or transferee liability of any kind or character, for any Claims; *provided, however*, that the Reorganized Debtors shall have the obligations for the payments specifically and expressly provided in the Plan.

7. Release of Debtors' Claims

As of the Effective Date, and subject to its occurrence, for the good and valuable consideration provided by each of the Released Parties, any and all Causes of Actions of the Debtors and Debtors in Possession against any of the Released Parties based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date shall be forever released and discharged. The foregoing releases, however, shall not operate as a waiver or release for any borrowed money owed to the Debtors by any officer, director or employee. The "good and valuable consideration" provided by the Released Parties includes, among other things, the equity contribution of $15 million, the cancellation of the Management Agreement with no claim for rejection damages, and the continued service of management.

8. Release by Holders of Claims

Except as otherwise specifically provided in the Plan or the Confirmation Order, on and after the Effective Date, each holder of a Claim who has voted to accept the Plan shall be deemed to have unconditionally released the Released Parties from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based in whole or in part upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date.

9. Exculpation

Except as otherwise specifically provided in the Plan or the Confirmation Order, the Released Parties, the Debtors, the Debtors in Possession and the Reorganized Debtors shall have

no liability to any Entity for any act or omission in connection with or arising out of the negotiation of the Plan, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of the Plan, the consummation of the Plan, the transactions contemplated and effectuated by the Plan, the administration of these cases, or the property to be distributed under such Plan or any other act or omission during the administration of the Chapter 11 Cases or the Debtors' Estates. In all respects, each of the foregoing shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

10. Temporary Stay

In order to effectuate the Plan, no action may be taken by any Creditor to exercise any control over, vote or foreclose upon any Interests in and to any Debtors or Reorganized Debtors up to and through thirty (30) days after the fifth anniversary of the Effective Date of the Plan, provided however, that the Bankruptcy Court shall retain jurisdiction (including if necessary, upon reopening of these Chapter 11 Cases) to modify or terminate the stay provided in this subsection in the event of a material default by the Reorganized Debtors in the payments required under the Plan.

11. Preservation of All Causes of Action Not Expressly Settled or Released

For the avoidance of doubt, and without limiting or restricting any other provisions of the Plan, including but not limited to Section 9.1 "Vesting of Assets and Retained Causes of Action," unless a claim or Cause of Action against a Creditor or other Entity is expressly and specifically waived, relinquished, released, compromised or settled in the Plan or any Final Order, the Reorganized Debtors expressly reserve such claim or Cause of Action for adjudication or pursuit by the Reorganized Debtors after the Effective Date, and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue

preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after the Confirmation Date or Effective Date of the Plan based on the Disclosure Statement, the Plan, the Confirmation Order or otherwise. The Reorganized Debtors expressly reserve the right to pursue or adopt any claims (and any defenses) or Causes of Action of the Debtors or the Debtors in Possession, as trustees for or on behalf of the Creditors, not specifically and expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order against any Entity, including, without limitation, the plaintiffs or codefendants in any lawsuits. The Reorganized Debtors shall be representatives of the Estate appointed for the purposes of pursuing any and all such claims and Causes of Action (including but not limited to those set forth in Exhibit "E" attached to the Plan) under 11 U.S.C. § 1123(b)(3)(B).

Any Entity to whom the Debtors have incurred an obligation (whether on account of services, purchase or sale of goods, tort, breach of contract or otherwise), or who has received services from the Debtors or a transfer of money or property of the Debtors, or who has transacted business with the Debtors, or leased equipment or property from the Debtors, should assume that such obligation, transfer, or transaction may be reviewed by the Reorganized Debtors subsequent to the Effective Date and may, to the extent not theretofore specifically waived, relinquished, released, compromised or settled in the Plan or any Final Order, be the subject of an action or claim or demand after the Effective Date, whether or not (a) such Entity has filed a proof of claim against the Debtors in the Chapter 11 Cases, (b) such Entity's proof of claim has been objected to, (c) such Entity's Claim was included in the Debtors' Schedules, or (d) such Entity's scheduled Claim has been objected to by the Debtors or has been identified by the Debtors as disputed, contingent, or unliquidated.

VII. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Pursuant to Section 5.1 of the Plan, each executory contract or unexpired lease of the Debtors that has not expired by its own terms before the Effective Date or previously been assumed by the applicable Debtor in Possession pursuant to an order of the Bankruptcy Court, shall be assumed by the applicable Debtor as of the Effective Date pursuant to Sections 365 and 1123 of the Bankruptcy Code, except for any executory contract or unexpired lease (i) that is listed on a "Schedule of Executory Contracts and Unexpired Leases to be Rejected" (to be Filed on or before the day that is ten (10) days prior to the Confirmation Hearing), (ii) that has been previously rejected by the Debtor in Possession pursuant to an order of the Bankruptcy Court, (iii) as to which a motion for rejection of such executory contract or unexpired lease is filed prior to the Effective Date, or (iv) added to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" prior to the Effective Date. Nothing in the Plan, any Exhibit to the Plan, or any document executed or delivered in connection with the Plan or any such Exhibit creates any obligation or liability on the part of the Debtors, the Reorganized Debtors, or any other person or entity that is not currently liable for such obligation, with respect to any executory contract or unexpired lease except as may otherwise be provided in the Plan.

Any executory contract or unexpired lease assumed pursuant to the Plan shall be and hereby is assumed by the applicable Debtor as of the Effective Date and shall be fully enforceable by the applicable Debtor in accordance with its terms thereof, and shall include all written modifications, amendments, supplements of said executory contract or unexpired lease and, as with respect to executory contracts or unexpired leases that relate to real property, shall include all written agreements and leases appurtenant to the premises, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses,

reciprocal easements, and any other interests in real property or rights *in rem* related to such premises. Listing a contract or lease on the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" is not deemed an admission by the applicable Debtor or Reorganized Debtor that such contract is an executory contract or unexpired lease or that the Debtor or Reorganized Debtor has any liability thereunder.

The Debtors reserve the right at any time before the Effective Date to amend the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to: (a) delete any executory contract or unexpired lease listed on the "Schedule of Executory Contracts and Unexpired Leases to be Rejected", thus providing for its assumption under the Plan, or (b) add any executory contract or unexpired lease to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected", thus providing for its rejection under the Plan. The Debtors shall provide notice of any such amendment of the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to the party to the affected executory contract and unexpired lease and to the Office of the U.S. Trustee.

Pursuant to 5.2 of the Plan, all payments, including any and all cure payments, adequate assurance or compensation for actual pecuniary loss, that are required to be paid or provided by Section 365(b)(1)(A)-(C) of the Bankruptcy Code (collectively, all cure payments, and any and all provisions for adequate assurance and/or compensation for actual pecuniary loss due or required to be paid under Section 365(b)(1)(A)-(C) of the Bankruptcy Code, the "Cure Payments") for any executory contract or unexpired lease that is being assumed under the Plan, unless disputed by the Debtors, shall be made by the Reorganized Debtors on the Effective Date. **The Debtors hereby give notice that there are no Cure Payments due with respect to any executory contracts and unexpired leases to be assumed by the Debtors under the Plan.**

Any non-Debtor party to any executory contract or unexpired lease to be assumed under the Plan that objects to assumption of the executory contract or unexpired lease or believes that a Cure Payment is due in connection with such assumption must file a written objection to the assumption of such executory contract or unexpired lease with no Cure Payment and state in the written objection the grounds for such objection and specifically set forth the amount of any request for a Cure Payment by the deadline for objections to confirmation of the Plan. Unless the non-debtor party to any executory contract or unexpired lease to be assumed Files and serves on the respective Debtor and its counsel an objection to assumption of such executory contract or unexpired lease for any reason, or asserting that a Cure Payment is required or owed in connection with such assumption, by the deadline established by the Bankruptcy Court for filing objections to confirmation of the Plan, then the executory contracts and unexpired leases shall be assumed, and any default then existing in the executory contract and/or unexpired lease shall be deemed cured as of the Effective Date, and there shall be no other cure obligation or Cure Payment due or owed by anyone, including the Debtors and the Reorganized Debtors, in connection with such assumption of the executory contract or unexpired lease. Any Claims for Cure Payments not Filed as part of a written objection to the proposed assumption within such time period will be forever barred from assertion against the applicable Debtor, its Estate, the applicable Reorganized Debtor, and its Assets, and the holders of any such Claims are barred from recovering any distributions under the Plan on account thereof. In the event of an objection to the assumption of executory contracts or unexpired leases regarding the amount of any Cure Payment, or the ability of the applicable Reorganized Debtor to provide adequate assurance of future performance or any other matter pertaining to assumption, (a) the Bankruptcy Court will hear and determine such dispute at the Confirmation Hearing, and, (b) in

the discretion of the applicable Debtor, the Debtor (i) may assume such disputed executory contract or unexpired lease by curing any default or providing adequate assurance in the manner determined by the Bankruptcy Court, or (ii) the Debtor may reject such executory contract or unexpired lease as of the Effective Date. The Reorganized Debtor shall make any Cure Payment on the later of the Effective Date and the date such Cure Payment is due pursuant to a Final Order, provided however that the applicable Reorganized Debtor shall have five (5) Business Days after any order determining the amount of a disputed Cure Payment becomes a Final Order in which to amend the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to provide for the rejection of such executory contract or unexpired lease and, in such an event, such executory contract or unexpired lease shall be deemed rejected as of the Effective Date.

Pursuant to Section 5.3 of the Plan, subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of such assumptions pursuant to Section 365(a) and 1123(b)(2) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the applicable Debtor, its estate, and all parties in interest. In addition, the Confirmation Order shall constitute a finding of fact and conclusion of law that (i) there are no defaults of the Debtors, no Cure Payments owing (including that there is no compensation due for any actual pecuniary loss), (ii) there is adequate assurance of future performance with respect to each such assumed executory contract or unexpired lease, (iii) such assumption is in the best interest of the applicable Debtor and its estate, (iv) upon the Effective Date, the assumed executory contracts or unexpired leases constitute legal, valid, binding and enforceable contracts in accordance with the terms thereof, and (v) the counter party to each assumed executory contract or unexpired lease is required to and ordered to perform under and honor the terms of the assumed executory contract or unexpired lease. All executory contracts

and unexpired leases assumed under the Plan or during the Chapter 11 Cases constitute valid contracts and leases, as applicable, enforceable by the Debtors against the non-Debtor counterparties regardless of any cross-default or change of control provisions in any contracts or leases assumed or rejected under the Plan or during the Chapter 11 Cases.

Subject to the occurrence of the Effective Date, the Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejection as of the Effective Date of all executory contracts and unexpired leases which are not assumed under the Plan, with the rejection effective as of the day before the Petition Date, as being burdensome and not in the best interest of the estates.

Pursuant to 5.4 of the Plan, any Claims for damages arising from the rejection of an executory contract or unexpired lease under the Plan must be Filed within thirty (30) days after the Effective Date or, with respect to any executory contracts or unexpired leases which are rejected after the Effective Date by amendment to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected," no later than thirty (30) days after the date of amendment to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected", or such Claims will be forever barred and unenforceable against the Debtors, Reorganized Debtors, and their Assets and the holders of any such Claims are barred from receiving any distributions under the Plan.

Pursuant to 5.5 of the Plan, unless otherwise agreed to by the affected parties, or modified by order of the Bankruptcy Court, all of the Debtors' obligations under employment and severance policies, and all compensation and benefit plans, policies, and programs shall be treated as though they are executory contracts that are deemed assumed under the Plan. In regard to the employment contracts to be assumed, the employment contracts are those of the Debtors with current management. There are twenty three employment contracts outstanding

with current management. The employment contracts have various expiration dates, with four contracts expiring in 2009, fifteen contracts expiring in 2010, three contracts expiring in 2011, and one contract expiring in 2012. Seven of these contracts have change in control and/or severance provisions which provide for payments equal to the remainder of the contract plus six to twelve months salary and bonuses. There are no cure costs associated with the continuation or assumption of these employment contracts. In regard to the other compensation and benefit plans, policies and programs, these are the same plans, policies and programs in place pre-petition, and approved and authorized by this Court in the Order Granting Motion for Authority to Pay Employees' Pre-Petition Wages, Related Expenses, Benefits and Taxes [P-94]. These plans, policies and programs include life insurance, short term and long term disability, dental, vision and medical plans. There are no cure costs associated with the assumption of these either. The Debtors are proposing to continue the employee plans, policies and programs that were in place pre-petition and are standard in the industry. The Debtors have accounted for the costs and expenses associated with these contracts, policies, plans and programs in the Reorganized Debtors Financial Projections.

Pursuant to 5.6 of the Plan, the Management Agreement will be canceled and terminated on the Effective Date, and Legends Management shall have no claim for rejection damages.

VIII. CERTAIN MISCELLANEOUS AND OTHER PROVISIONS

1. Payment of Statutory Fees. All fees payable pursuant to Section 1930 of title 28 of the United States Code shall be paid after the Effective Date by the Reorganized Debtors, as, when and in the amount as required by applicable law.

2. Dissolution of the Unsecured Creditors Committee. On the Effective Date, the Unsecured Creditors Committee and its Professionals shall be released and discharged of and

from all further authority, duties, responsibilities, and obligations relating to or arising from or in connection with the Chapter 11 Cases, and the Unsecured Creditors Committee shall be deemed dissolved; *provided, however,* that in the event that the Effective Date occurs prior to the entry of an order with respect to final fee applications of Professionals for the Unsecured Creditors Committee, the Unsecured Creditors Committee and its Professionals may seek and recover reasonable compensation in connection with the preparation, filing and prosecution of such applications.

3. Pension Plans. For avoidance of doubt, on and after the Effective Date, pursuant to Section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue to pay all retiree benefits of the Debtors (within meaning of Section 1114 of the Bankruptcy Code), if any, at the level established in accordance with Section 1114 of the Bankruptcy Code, at any time prior to the Confirmation Date, for the duration of the period for which such Debtors had obligated themselves to provide such benefits.

4. Notice. Any notices, requests, and demands required or permitted to be provided under the Plan, in order to be effective, must be in writing (including by electronic mail or facsimile transmission), and unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) if personally delivered or if delivered by electronic mail or courier service, when actually received by the Entity to whom such notice is sent, or (b) if deposited with the United States Postal Service (whether actually received or not), at the close of business on the third Business Day following the day when placed in the mail, postage prepaid, certified or registered with return receipt requested, addressed to the appropriate Entity or Entities, at the address of such Entity or Entities set forth below (or at such other address as such Entity may designate by written notice to all other Entities listed below in accordance with this Section:

If to the Debtors or Reorganized Debtors:	Heller, Draper, Hayden, Patrick & Horn, L.L.C. 650 Poydras Street, Suite 2500 New Orleans, LA 70130 Attn: William H. Patrick, Esq. Email: wpatrick@hellerdraper.com Attn: Tristan Manthey, Esq. Email: tmanthey@hellerdraper.com AND Winston & Strawn, LLP 35 West Wacker Drive Chicago, IL 60601 Attn: Joseph A. Walsh Email: jwalsh@winston.com Attn: Matthew J. Botica Email: mbotica@winston.com
If to the Unsecured Creditors Committee:	William E. Steffes Steffes, Vingiello & McKenzie, LLC Attorneys at Law 13702 Coursey Blvd., Bldg. 3 Baton Rouge LA 70817 Email : BSteffes@steffeslaw.com

5. Headings. The headings used in the Plan are inserted for convenience only and do not in any manner affect the construction of the provisions of the Plan or this Disclosure Statement.

6. Governing Law. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Louisiana, without giving effect to any conflicts of law principles thereof that would result in the application of the laws of any other jurisdiction, shall govern the construction of the Plan and any agreements, documents, and instruments executed in connection with the Plan, except as otherwise expressly provided in such instruments, agreements, or documents.

7. Additional Documents. The Debtors have the authority to take any and all actions and execute (and perform) any agreements and documents as the Debtors deem necessary

or appropriate in their reasonable discretion to effectuate and further evidence the terms and conditions of the Plan.

8. Compliance with Tax Requirements. In connection with the Plan, the Debtors and the Reorganized Debtors will comply with all applicable withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions hereunder shall be subject to such withholding and reporting requirements.

9. Exemption from Transfer Taxes. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any securities (including Interests, Series A 15% Preferred Units, Series A Voting Common Units, Series B Preferred Units and Series B Voting Common Units) under the Plan, the making or delivery of any mortgage, deed of trust, other security interest, or other instrument of transfer under, in furtherance of, or in connection with the Plan, shall be exempt from all taxes as provided in such Section 1146(a) of the Bankruptcy Code.

10. Further Authorizations. The Debtors, and after the Effective Date, the Reorganized Debtors, may seek such orders, judgments, injunctions, and rulings they deem necessary or useful to carry out the intention and purpose of, and to give full effect to, the provision of the Plan.

11. Further Assurances. The Debtors, the Reorganized Debtors, and all holders of Claims and Interests receiving distributions under the Plan, and all other parties in interest shall, from time to time, upon the reasonable request or demand of the Debtors and, from and after the Effective Date, the Reorganized Debtors, prepare, execute, and deliver any agreements or documents and take any other action consistent with the terms of the Plan as may be reasonably

necessary to effectuate the provisions and intent of the Plan, with each such Entity to bear its own costs incurred in connection therewith.

12. Successors and Assigns. The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor or assign of such Entity.

13. Modification and Amendment of the Plan. Subject to the restrictions on modifications set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Plan may be amended or modified by the Debtors, and, after the Effective Date, by the Reorganized Debtors.

14. Other Rights. Nothing in the Plan or the Confirmation Order shall be construed to prohibit the Reorganized Debtor from prepaying any Claims or settling Claims on different terms than provided herein or any document execute din connection with the implementation of the Plan.

15. Exemption From Securities Laws. The issuance of the Series A 15% Preferred Units, Series A Voting Common Units, Series B Preferred Units and Series B Voting Common Units shall be exempt from registration under any federal, state or local law, rule or regulation pursuant to Section 1145 of the Bankruptcy Code or other applicable law. Any person who solicits or participates in the offer, issuance, sale or purchase of Series A 15% Preferred Units, Series A Voting Common Units, Series B Preferred Units or Series B Voting Common Units issued under the Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, is not liable, on account of such solicitation or participation, for violation of an applicable law, rule or regulation governing solicitation of acceptance or rejection of the Plan or the offer, issuance, sale or purchase of securities pursuant thereto.

IX. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes certain U.S. federal income tax consequences of the implementation of the Plan to the Debtors and certain U.S. holders of Claims and Interests. The following summary does not address the U.S. federal income tax consequences to holders whose Claims are unimpaired or otherwise entitled to payment in full in cash under the Plan (*e.g.,* Allowed Administrative Expense Claims, Allowed Tax Claims and Allowed Priority Claims).

The following summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury Regulations promulgated thereunder, judicial decisions, and published administrative rules and pronouncements of the Internal Revenue Service (the "IRS"), all as in effect on the date hereof. Changes in such rules or new interpretations thereof may have retroactive effect and could significantly affect the tax consequences described below.

The U.S. federal income tax consequences of the Plan are complex and are subject to significant uncertainties. No assurance can be given that legislative or administrative changes or court decisions may not be forthcoming which would require significant modification of the statements expressed in this section. Certain tax aspects of the Plan are uncertain due to the lack of applicable regulations and other tax precedent. The Debtors have not requested a ruling from the IRS or an opinion of counsel with respect to any of the tax aspects of the Plan. Thus, no assurance can be given as to the interpretation that the IRS will adopt.

This summary generally does not address foreign, state or local tax consequences of the Plan, nor does it address the U.S. federal income tax consequences of the Plan to the particular circumstances of any holder or to holders subject to special income tax rules (such as S

corporations, regulated investment companies, insurance companies, financial institutions, small business investment companies, broker-dealers and tax-exempt organizations). In addition, the discussion does not apply to holders of Claims and Interests that are not "U.S. Persons" (as such phrase is defined in the Tax Code). The use of the terms "holder" or "U.S. holder" herein shall refer to a "holder of a Claim or Interest that is a U.S. Person."

The following discussion is a general summary of certain federal income tax aspects of the Plan to U.S. holders, and should not be relied upon for purposes of determining the specific tax consequences of the Plan with respect to a particular holder of a Claim or Interest.

EACH HOLDER OF A CLAIM OR INTEREST AFFECTED BY THE PLAN SHOULD CONSULT HIS OR HER OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE PLAN WITH RESPECT TO THAT HOLDER'S CLAIM OR INTEREST. THIS INFORMATION MAY NOT BE USED OR QUOTED IN WHOLE OR IN PART IN CONNECTION WITH ANY OFFERING FOR SALE OF SECURITIES.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND ANY INTERESTS ARE HEREBY NOTIFIED THAT (a) ANY DISCUSSION OF TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED UNDER THE TAX CODE, AND (b) THIS DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OF THE PLAN.

1. Tax Consequences To The Debtors

The Debtors are limited liability companies that do not recognize gain or loss at the entity level. Instead, the tax attributes and any resultant gain or loss by virtue of the Debtors' operations are passed through to the Debtors' Interest holders. Accordingly, the pro-formas

attached to this Disclosure Statement do not reflect any tax consequences to the Debtors because of the implementation of the Plan.

2. Tax Consequences To Certain Holders Of Claims And Equity Interests

HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD CONSULT THEIR TAX ADVISOR TO DETERMINE THE AMOUNT AND TIMING OF ANY INCOME OR LOSS SUFFERED AS A RESULT OF THE CANCELLATION OF THE CLAIMS OR STOCK OPTIONS HELD BY SUCH PERSON, WHETHER SUCH INCOME OR LOSS IS ORDINARY OR CAPITAL AND THE TAX EFFECT OF ANY RIGHT TO, AND RECEIPT OF DEFERRED PAYMENT.

THE ABOVE DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. THE TAX CONSEQUENCES ARE IN MANY CASES UNCERTAIN AND MAY VARY DEPENDING ON A HOLDER'S INDIVIDUAL CIRCUMSTANCES. ACCORDINGLY, ALL HOLDERS SHOULD CONSULT THEIR TAX ADVISORS ABOUT THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX CONSEQUENCES OF THE PLAN.

X. CONFIRMATION PROCEDURE

1. Voting And Other Procedures

A Ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement submitted to the holders of Claims and Interests that are entitled to vote to accept or reject the Plan.

After notice and a hearing on February 6, 2009, the Bankruptcy Court approved this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable hypothetical, reasonable investors typical of the Creditors to make an informed judgment whether to accept or reject the Plan.

HOWEVER, APPROVAL OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN. ALL CREDITORS AND HOLDERS OF INTERESTS SHOULD READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY.

Pursuant to the provisions of the Bankruptcy Code, only holders of claims or interests in classes of claims or interests that are impaired under the terms and provisions of a chapter 11 plan and are to receive distributions thereunder are entitled to vote to accept or reject the plan. Classes in which the holders of claims or interests will not receive or retain any property under a Chapter 11 plan are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan. Classes of claims or interests in which the holders of claims or interests are unimpaired under a Chapter 11 plan are deemed to have accepted the plan and also are not entitled to vote to accept or reject the plan.

The Bankruptcy Code defines "acceptance" of a plan by a class of: (i) claims, as acceptance by creditors actually voting in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims; and (ii) interests, as acceptance by interest holders in that class actually voting that hold at least two-thirds in number of such interests.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or otherwise in accordance with the provisions of the Bankruptcy Code.

With respect to the Plan, any Creditor in an impaired Class (i) whose Claim has been listed by the Debtors in the Schedules filed with the Bankruptcy Court (provided that such Claim has not been scheduled as disputed, contingent or unliquidated), or (ii) who filed a proof of claim

on or before the Bar Date (or, if not filed by such date, any proof of claim filed within any other applicable period of limitations or with leave of the Bankruptcy Court), which Claim has not been disallowed and is not the subject of an objection, is entitled to vote. Holders of Claims that are disputed, contingent and/or unliquidated are entitled to vote their Claims only to the extent that such Claims are Allowed for the purpose of voting pursuant to an order of the Bankruptcy Court. The Debtors believe that any Class of impaired, Secured Claims that does not vote to accept or reject the Plan is deemed to accept the Plan, and intend to seek such a determination at the Confirmation Hearing.

Under the Bankruptcy Code, a plan does not have to be accepted by every class of claims or interests to be confirmed. If a class of claims or interests rejects a plan or is deemed to reject the plan, the plan proponent has the right to request confirmation of the plan pursuant to Section 1129(b) of the Bankruptcy Code -- the so-called "cramdown" provision of the Bankruptcy Code. Section 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more impaired classes of claims or interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not “discriminate unfairly” and is “fair and equitable” with respect to each non-accepting class, and meets the other legal criteria for confirmation.

With respect to the Plan, if one or more of the Classes entitled to vote on the Plan votes to reject the Plan, the Debtors intend to request confirmation of the Plan notwithstanding the rejection of such Class or Classes. In so doing, the Debtors will seek to establish that the Plan complies with the best interest of creditors test with respect to any such Class or Classes, and satisfies all other legal criteria for confirmation.

After carefully reviewing this Disclosure Statement, including any Exhibits, each holder of an Allowed Claim or Interest entitled to vote may vote whether to accept or reject the Plan. A

Ballot for voting on the Plan accompanies this Disclosure Statement. If you hold a Claim or Interest in more than one Class and you are entitled to vote Claims or Interests in more than one Class, you are entitled to receive a Ballot or Ballots which will permit you to vote in all appropriate Classes.

Please vote and return your Ballot to the Voting Agent as follows:

By U.S. Mail, Delivery or Courier:

Kurtzman Carson Consultants LLC
Attention: Legends Ballot Processing
2335 Alaska Avenue
El Segundo, CA 90245

ANY EXECUTED BALLOT THAT FAILS TO INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. BALLOTS RETURNED TO THE DEBTORS' VOTING AGENT BY FACSIMILE TRANSMISSION OR ANY OTHER ELECTRONIC MEANS WILL NOT BE COUNTED BY THE DEBTORS' VOTING AGENT.

Ballots must be *received* by the Voting Agent by the Voting Deadline.

THE VOTING DEADLINE TO ACCEPT OR REJECT THE PLAN IS 5:00 P.M., PACIFIC TIME ZONE, ON APRIL 17, 2009.

If a Ballot is received after the Voting Deadline, it will not be counted unless otherwise ordered by the Bankruptcy Court. Complete the Ballot by providing all the information requested, and sign, date and return the Ballot by mail, overnight courier or personal delivery to the Debtors' Voting Agent at the address set forth above.

TO BE COUNTED, YOUR BALLOT INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED NO LATER THAN THE TIME AND DATE SET FORTH IN THE ACCOMPANYING NOTICE.

If you are entitled to vote on the Plan and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan or submitting your ballot, you may telephone the Voting Agent at the following telephone number: 1-866-381-9100.

2. The Confirmation Hearing On The Plan

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing with respect to the accompanying Plan. The Confirmation Hearing in respect of the Plan has been scheduled for the date and time set forth in the accompanying notice before the Honorable Stephen V. Callaway, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Western District of Louisiana, 300 Fannin St., Courtroom 4, Fourth Floor, Shreveport, LA 71101. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than an announcement of the adjourned date made at the Confirmation Hearing or posted at the courthouse at the Confirmation Hearing. Any objection to confirmation must be made in writing and specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or a description of the interest in the Debtors held by the objector, and must be made in accordance with any pre-trial or scheduling orders entered by the Bankruptcy Court. Any such objections must be filed in the record of the Chapter 11 Cases on or before the date and time set forth in the accompanying notice.

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for

confirmation of a plan are that the plan is (i) accepted by all impaired classes of claims or, if rejected by an impaired class, that the plan "does not discriminate unfairly" and is "fair and equitable" as to such class, (ii) feasible, and (iii) in the "best interests" of creditors that are impaired under the plan.

3. Unfair Discrimination And Fair And Equitable Tests

To obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan does not "discriminate unfairly" and is "fair and equitable" with respect to each impaired, non-accepting Class. The Bankruptcy Code provides a non-exclusive definition of the phrase "fair and equitable." The Bankruptcy Code establishes "cram down" tests for classes of secured creditors, unsecured creditors and equity holders which do not accept the plan, as follows:

i. Secured Creditors

Either (a) each impaired secured creditor retains its liens securing its secured claim and receives on account of its secured claim deferred cash payments (x) totaling at least the allowed amount of the secured claim and (y) having a present value at least equal to the value of the secured creditor's collateral, (b) each impaired secured creditor realizes the "indubitable equivalent" of its allowed secured claim, or (c) the property securing the claim is sold free and clear of liens with the secured creditor's lien to attach to the proceeds of the sale and such lien on proceeds is treated in accordance with clause (a) or (b) of this subparagraph.

ii. Unsecured Creditors

Either (a) each impaired unsecured creditor receives or retains under the plan property of a value equal to the amount of its allowed claim, or (b) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan, and

the "best interest" test is met so that each impaired unsecured creditor recovers at least what that creditor would receive if the case was converted to a chapter 7 case.

iii. Holders of Interests

Either (a) each impaired equity interests receives or retains under the plan property of a value equal to the greatest of the allowed amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) no junior interest receives or retains any property, and the "best interest" test is met so that each impaired interest holder recovers at least what that interest holder would receive if the case was converted to a chapter 7 case.

iv. No Unfair Discrimination

In addition, the "cram down" standards of the Bankruptcy Code prohibit "unfair discrimination" with respect to the claims of an impaired, non-accepting class. While the existence of "unfair discrimination" under a plan of reorganization depends upon the particular facts of a case and the nature of the claims at issue, in general, courts have interpreted the standard to mean that the impaired, non-accepting class must receive treatment under a plan of reorganization which allocates value to such class in a manner that is consistent with the treatment given to other classes with similar legal claims against the debtor.

In the event that all impaired Classes do not accept the Plan, the Plan Proponents believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation of the Plan with respect to any Class which does not accept the Plan

4. Feasibility Of Plan

The Bankruptcy Code requires that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization unless the liquidation of the debtor is

provided for in the plan. It is not likely that the confirmation of the Plan will be followed by liquidation or the need for further financial reorganization of the Debtors. Attached as Exhibit D-2 to this Disclosure Statement, entitled, “Pro-Forma Financial Projections," is information reflecting the Reorganized Debtors' projected cash flow under the Plan, demonstrating the ability of the Debtors to operate their businesses and make the payments required under the Plan.

5. Best Interest Test

In order to confirm a plan of reorganization, the Bankruptcy Court must determine that the plan is in the best interests of all classes of creditors and equity security holders impaired under that plan. The "best interest" test requires that the Bankruptcy Court find that the plan provides to each member of each impaired class of claims and interests (unless each such member has accepted the plan) a recovery which has a value at least equal to the value of the distribution that each creditor or interest holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code. If these Chapter 11 Cases were converted to chapter 7 cases, a trustee would be appointed to liquidate the assets of the Debtors. In liquidation under chapter 7, before Creditors receive any distributions, additional administrative expenses involved in the appointment of a trustee, including the statutory fee to a chapter 7 trustee under Section 326(a) of the Bankruptcy Code, and attorneys, accountants and other professionals to assist a trustee, would cause a substantial increase in the administrative expenses of the Debtors’ Estates. The Debtors’ assets available for distribution to Creditors would be reduced by such additional expenses and by Claims, some of which would be entitled to priority status. As demonstrated in the Liquidation Analysis attached as Exhibit D-3 to this Disclosure Statement, the Debtors believe that the Plan provides to each Creditor and Equity Interest holder a value at least equal to the value of the distribution that each creditor or interest holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

6. Post Confirmation Management

Upon the consummation of the Plan, the management of the Reorganized Debtors shall remain as currently constituted unless and until modified pursuant to their respective corporate documents.

7. Certain Risk Factors To Be Considered

HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT, THE PLAN (AND ANY DOCUMENTS DELIVERED TOGETHER HEREWITH AND/OR INCORPORATED BY REFERENCE), BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

8. Certain Bankruptcy Considerations

i. Risk of Liquidation of the Debtors' Estates

If the Plan is not confirmed and consummated, there can be no assurance that Debtors' Chapter 11 Cases will continue as chapter 11 reorganization cases rather than be converted to liquidations, or that any alternative plan of reorganization would be on terms as favorable or more favorable to holders of Claims and Interests as the terms of the Plan.

ii. Risk of Non-Occurrence of the Effective Date

The occurrence of the Effective Date is conditioned upon the happening of certain events. There is no guaranty that all of these events will occur or that those that do not occur will be waived.

iii. Uncertainty Regarding Objections to Claims

The Plan provides that certain objections to Claims can be filed with the Bankruptcy Court after the Effective Date. A Creditor may not know that its Claim will be objected to until after the Effective Date.

iv. Performance of Plan Obligations by the Reorganized Debtors

The Debtors believe and the Pro Forma Projections demonstrate that the Reorganized Debtors can successfully perform all of their obligations under the Plan. However, there is no assurance that the Reorganization Debtors will do so. If the Debtors are unable to comply with their obligations under the Plan, then there could possibly be a subsequent bankruptcy, and possible liquidation, of the Reorganized Debtors.

9. Disclaimers And Endorsements

This Disclosure Statement contains information about the Plan. Creditors and the holders of Equity Interest are urged to study the text of the Plan carefully to determine the Plan's impact on their claims or interests and to consult with their financial, tax and legal advisors.

Nothing contained in this Disclosure Statement or the Plan will be deemed an admission or statement against interest that can be used against the Plan Proponents in any pending or future litigation. Any reference to a Creditor's Claims in this Disclosure Statement is not an admission that such Creditors hold Allowed Claims, or will be an admission with respect to the validity, priority, or extent of any alleged Lien, Claim, Priority or encumbrance.

Certain statements and assertions in this Disclosure Statement may be subject to dispute by parties in interest.

XI. CONCLUSION AND RECOMMENDATION

The Debtors believe that confirmation and implementation of the Plan are preferable to any alternative and that the Plan provides the best alternative for the Debtors to emerge from the

Chapter 11 Cases and for resolving the Debtors' financial difficulties. Any other alternative would involve significant delay, litigation, uncertainty, and substantial additional administrative costs. **THE DEBTORS URGE HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE IN FAVOR OF THE PLAN.**

The First Lien Objecting Parties disagree with the Debtors' conclusion and recommendation. For the reasons set forth in Section I. D. of the Disclosure Statement, the First Lien Objecting Parties strongly urge all First Lien Lenders to vote to REJECT the Plan.

The Second Lien Consortium strongly disagrees with the Debtors' conclusion and recommendation regarding the Plan. The Second Lien Consortium encourages all parties in interest to oppose the Plan so as the force the Debtors to propose a new plan of reorganization that (i) is consistent with the requirements of the Bankruptcy Code; (ii) recognizes and treats fairly the interests of all creditors; and (iii) is not likely to be followed by an immediate need to liquidate or seek further restructuring of the Debtors' obligations to creditors.

Dated: February 10, 2009

DISCLOSURE STATEMENT FILED BY:

Louisiana Riverboat Gaming Partnership
Legends Gaming of Louisiana-1, LLC
Legends Gaming of Louisiana-2, LLC
Legends Gaming, LLC
Legends Gaming of Mississippi, LLC
Legends Gaming of Mississippi RV Park, LLC

BY: /s/ *Michael S. Kelly*
THEIR CHIEF EXECUTIVE OFFICER

/s/ *William H. Patrick*
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Debtors and Debtors in Possession

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As Special Counsel to
Debtors and Debtors in Possession

NOTICE ANNEX 1

Pursuant to 11 U.S.C. § 342, the following sets forth the name, addresses and last four digits of the tax identification number for each of the referenced Debtors:

DEBTORS AND ADDRESSES	CASE NO.	TAX I.D. NO.
Louisiana Riverboat Gaming Partnership 711 DiamondJacks Blvd. Bossier City, LA 71111	08-10824	xx-xxx5811
Legends Gaming of Louisiana-1, LLC 711 DiamondJacks Blvd. Bossier City, LA 71111	08-10825	xx-xxx3064
Legends Gaming of Louisiana-2, LLC 711 DiamondJacks Blvd. Bossier City, LA 71111	08-10826	xx-xxx3099
Legends Gaming, LLC 160 South LaGrange Road Frankfort, IL 60423	08-10827	xx-xxx7524
Legends Gaming of Mississippi, LLC 3990 Washington Street Vicksburg, MS 39180	08-10828	xx-xxx3167
Legends Gaming of Mississippi RV Park, LLC 3990 Washington Street Vicksburg, MS 39180	08-10829	xx-xxx8765

Exhibit D-1

Amended Joint Chapter 11 Plan of Reorganization For Louisiana Riverboat Gaming Partnership and Affiliates as of February 10, 2009 [P-494]

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
SHREVEPORT DIVISION

In re	:	**Chapter 11 Case No. 08-10824**
LOUISIANA RIVERBOAT GAMING PARTNERSHIP, *et al.*[1]	:	
	:	**Jointly Administered**
Debtors.	:	

AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION FOR LOUISIANA RIVERBOAT GAMING PARTNERSHIP AND AFFILIATES AS OF FEBRUARY 10, 2009

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Special Counsel for Debtors and Debtors in Possession

Date: February 10, 2009

[1] Legends Gaming of Louisiana-1, LLC (08- 10825); Legends Gaming of Louisiana-2, LLC (08-10826); Legends Gaming, LLC (08-10827); Legends Gaming of Mississippi, LLC (08-10828); and Legends Gaming of Mississippi RV Park, LLC (08-10829) are being jointly administered with Louisiana Riverboat Gaming Partnership pursuant to order of this Court [P-3].

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PLAN EXHIBITS

Louisiana Riverboat Gaming Partnership, Legends Gaming of Louisiana-1, LLC, Legends Gaming of Louisiana-2, LLC, Legends Gaming, LLC, Legends Gaming of Mississippi, LLC, and Legends Gaming of Mississippi RV Park, LLC, as debtors and debtors-in-possession (each a "Debtor" and collectively, the "Debtors"), propose the following Joint Chapter 11 Plan of Reorganization with respect to each of their Chapter 11 Cases. ALL CREDITORS ARE ENCOURAGED TO CONSULT THE DISCLOSURE STATEMENT, AS APPROVED BY THE BANKRUPTCY COURT, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. NO SOLICITATION MATERIALS, OTHER THAN THE DISCLOSURE STATEMENT, HAVE BEEN AUTHORIZED BY THE BANKRUPTCY COURT FOR USE IN SOLICITING ACCEPTANCES OR REJECTIONS OF THIS PLAN.

ARTICLE 1

DEFINITIONS AND CONSTRUCTION OF TERMS

Unless the context requires otherwise, each term stated in either the singular or the plural will include the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender will include the masculine, the feminine and the neuter. Unless the context requires otherwise, the following words and phrases will have the meanings set forth below when used in the initially-capitalized form in this Plan: An initially capitalized term used herein that is not defined herein shall have the meaning ascribed to such term, if any, in the Bankruptcy Code, unless the context shall otherwise require. The words "in this Plan", "this Plan", "hereto", "hereof," "herein," or "hereunder" and other words of similar import, unless specifically stated otherwise, refer to the entirety of the Plan, and not to a particular Section of the Plan. The words

"Article," "Section," "subsection," "clause" or "sentence" refer to particular provisions of the Plan and not to the entirety thereof. The word "including" (and with correlative meaning, the word "include") means including, without limiting or restricting the generality of any description preceding the word "including" or "include," and shall mean "including, but not limited to." The use of the word "any" shall mean "any and all," and the use of the word "all" shall also mean "any and all." The words "shall" and "will" are used interchangeably and have the same meaning. The phrase "on the Effective Date" shall mean "on the Effective Date, or as soon as reasonably practicable thereafter," and the phrase "on or before the Effective Date" shall mean "on or before the Effective Date, or as soon as reasonably practicable thereafter." Unless the context requires otherwise, the following words and phrases shall have the meanings set forth below when used in initially capitalized form in this Plan:

1.1 *"Adequate Protection Payments"* shall mean any payments made to a creditor as adequate protection pursuant to Section 361 of the Bankruptcy Code, including any Adequate Protection Payments made to the First Lien Lenders arising under those certain orders, as from time to time amended and modified, granting Debtors' (a) Emergency Motion For Entry Of Order Pursuant To Sections 361 And 363 Of The Bankruptcy Coe And Bankruptcy Rule 4001 For Interim And Final Orders: (1) Authorizing Use Of Cash Collateral; (2) Granting Adequate Protection; (3) Scheduling And Approving The Form And Method Of Notice For A Final Order; And (4) For Related Relief [P-28], or (b) any successor motion thereto filed by the Debtors seeking the continued use of cash which may be cash collateral.

1.2 *"Administrative Expense Claim"* shall mean a Claim for any cost or expense of administration of any Debtor's Chapter 11 Case entitled to priority in accordance with the provisions of Sections 503(b), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, (a) actual and necessary expenses of preserving the Estates and operating the Debtors' businesses (including, without limitation, the cure costs with respect to executory contracts and unexpired leases assumed by the Debtors pursuant to Section 365 of the Bankruptcy Code), (b) fees and expenses of Professionals to the extent allowed by a Final Order under Sections 328, 330 and 503 of the Bankruptcy Code, and (c) fees and charges properly assessed against the Debtors in Possession under Section 1930 of title 28 of the United States Code.

1.3 *"Allowed"* shall mean with respect to any Claim against or Interest in any Debtor, a Claim or Interest (a) proof of which is timely Filed (or by order of the Bankruptcy Court is not required to be Filed), (b) that is listed by such Debtor in its Schedules as liquidated in amount, non-disputed and non-contingent and for which no proof of claim has been Filed, or (c) expressly allowed pursuant to this Plan; and, in each case with respect to (a) and (b) above, either (i) no objection (or an amendment of the Schedules with respect thereto) to its allowance, amount, or classification has been interposed within the applicable period for filing same fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court, or (ii) such objection (or an amendment of the Schedules with respect thereto), if so interposed, has been determined and fixed by a Final Order (but only to the extent so determined and fixed and not where fixed and allowed solely for purposes of voting to accept or reject the Plan). Claims that

are not Allowed or are disallowed by Final Order or otherwise, including those disallowed under Section 502(d) of the Bankruptcy Code, shall not be Allowed Claims.

1.4 *"Allowed Amount"* shall mean, with respect to each Claim:

(a) the dollar amount of an Allowed Claim as determined by a Final Order;

(b) in the event that no such determination of the Allowed Amount of a Claim is made pursuant to subsection (a), the dollar amount agreed to by the Claimant and the applicable Debtor or, after the Effective Date, the applicable Reorganized Debtor;

(c) in the event that no Allowed Amount is determined pursuant to clause (a) or agreed to pursuant clause (b) above, the amount estimated by a Final Order of the Bankruptcy Court for purposes of distribution pursuant to Section 502 of the Bankruptcy Code; or

(d) in the event that no Allowed Amount is determined, agreed to or estimated pursuant to clauses (a), (b) or (c) above, the dollar amount as to which no objection to the allowance, amount or classification thereof has been interposed within the applicable period fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court.

Unless otherwise specified herein or in a Final Order, the Allowed Amount of any Claim shall not include interest accruing on such Claim from and after the Petition Date.

1.5 *"Allowed Claim"* shall mean a Claim to the extent that it has been Allowed.

1.6 *"Applicable Administrative Agent"* shall mean the First Lien Agent or the Second Lien Agent, as the context requires.

1.7 *"Assets"* shall mean all property of the Debtors as defined in Section 541(a) of the Bankruptcy Code, including but not limited to, all of the Debtors' rights, title and interests in and to all immovable and real property and appurtenances thereto, improvements thereon, cash, deposits, telephone numbers, trade names, trade secrets, trademarks, copyrights, business "know how," goodwill, bank accounts of any and all types of any kind, tangible personal property, furniture, fixtures, equipment, machinery,

inventory, general intangibles, general accounts, accounts receivable, intellectual property of all types and kinds, contract rights, licenses and permits, contracts and agreements, privileges of any and all kinds, and any and all other property and rights of the Debtors and their estates, including any and all Avoidance Claims and Causes of Action and any and all defenses, which could be exercised by or on behalf of a Chapter 11 trustee or a debtor in possession.

1.8 *"Avoidance Claim"* shall mean all rights, claims, causes of action, avoiding powers, suits and proceedings of or brought by or which may be asserted by a debtor in possession or a person under chapter 5 of the Bankruptcy Code, including by way of illustration and not limitation, under Sections 510, 541, 544, 547, 548, 549, 550, 553 and 554 of the Bankruptcy Code, together with any claims, rights, remedies or demands that may be asserted by a creditor or representative of creditors under similar applicable state or other laws, and claims in the nature of substantive consolidation, successor liability, veil piercing, or alter-ego.

1.9 *"Bankruptcy Code"* shall mean title 11 of the United States Code, as amended from time to time.

1.10 *"Bankruptcy Court"* shall mean the United States Bankruptcy Court for the Western District of Louisiana, Shreveport Division; having jurisdiction over the Chapter 11 Cases, or if such court ceases to exercise jurisdiction over the Chapter 11 Cases, such other court having jurisdiction under Title 28 of the United States Code over the Chapter 11 Cases.

1.11 *"Bankruptcy Rules"* shall mean the Federal Rules of Bankruptcy Procedure, the Federal Rules of Civil Procedure, and the Local Rules of the Bankruptcy Court, in each case as amended from time to time during the Chapter 11 Cases.

1.12 *"Base Rate"* shall mean the rate of interest per annum announced by JPMorgan Chase Bank, N.A. from time to time as its prime rate in effect at its principal office in the City of New York. Any change in the Base Rate shall take effect on the day specified in the public announcement of such change.

1.13 *"Business Day"* shall mean any day that is not a Saturday, Sunday or "legal holiday" as defined in Bankruptcy Rule 9006(a).

1.14 *"Cash"* shall mean legal tender of the United States of America, cash equivalents, and readily marketable securities or instruments, including but not limited to, bank deposits, accounts, certified or cashiers checks, timed certificates of deposit issued by any bank, commercial paper, and readily marketable direct obligations of the United States of America or agencies or instrumentalities thereof.

1.15 *"Causes of Action"* shall mean, without limitation, any and all of the Debtors' and the Estates' actions, causes of action, rights, suits, claims, accounts, debts, sums of money, damages, judgments, claims and demands, actions, defenses, offsets, powers (including all police, regulatory, and enforcement powers and actions that may be taken), privileges, licenses, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whatsoever, whether known or unknown, suspected or unsuspected, whether arising prior to, on or after the Petition Date, in contract or tort, in law, equity or otherwise, whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed,

secured, unsecured and whether asserted or assertable, accruing to and in favor of the Debtors or Debtors in Possession pursuant to the Bankruptcy Code or any applicable statute or law or legal theory. For avoidance of doubt, Causes of Action include, but are in no way limited to (a) rights of setoff, counterclaim or recoupment, and claims on contracts or for breaches of duties imposed by law, (b) claims pursuant to Section 362 of the Bankruptcy Code, (c) such claims and defenses as fraud, mistake, duress, and usury, (d) all Avoidance Claims, (e) all claims and rights of action described or listed or set forth on Exhibit "E" attached hereto, entitled "Retained Claims and Causes of Action"; and (f) all Causes of Action that are assertable by or may be directly or derivatively asserted by the Debtors, their Estates, the Reorganized Debtors, or a representative of the Estate on behalf of Creditors of the Debtors or the Estate.

1.16 *"Chapter 11 Cases"* shall mean the chapter 11 cases of the Debtors pending before the Bankruptcy Court.

1.17 *"Claim*" shall have the meaning set forth in Section 101(5) of the Bankruptcy Code.

1.18 *"Claimant"* or *"Creditor"* shall mean the holder of a Claim, together with any predecessor or successor in interest with respect to such Claim.

1.19 *"Class"* shall mean any group of Claims or Interests classified together by this Plan pursuant to Section 1122 of the Bankruptcy Code.

1.20 *"Common Interests"* shall mean the 10,000 common units of Legends Parent currently issued and outstanding immediately prior to the Effective Date of the Plan.

1.21 *"Confirmation Date"* shall mean the date of entry on the docket of the Bankruptcy Court of the Confirmation Order.

1.22 *"Confirmation Hearing"* shall mean the hearing before the Bankruptcy Court regarding confirmation of this Plan and related matters under Section 1128 of the Bankruptcy Code.

1.23 *"Confirmation Order"* shall mean the order signed by the Bankruptcy Court confirming this Plan.

1.24 *"Cramdown"* shall mean the confirmation of this Plan pursuant to 11 U.S.C. § 1129(b) notwithstanding any rejection by an Impaired Class or Classes of holders of Claims or Interests of this Plan.

1.25 *"Debtor Subsidiaries"* shall mean, collectively, each of the Debtors that is owned entirely by one or more of the Debtors.

1.26 "*Debtors*" shall mean Louisiana Riverboat Gaming Partnership, Legends Gaming of Louisiana-1, LLC, Legends Gaming of Louisiana-2, LLC, Legends Gaming, LLC, Legends Gaming of Mississippi, LLC, and Legends Gaming of Mississippi RV Park, LLC, collectively.

1.27 *"Debtor in Possession or Debtors in Possession"* shall mean the Debtors between the Petition Date and the Effective Date.

1.28 *"Disclosure Statement"* means the Disclosure Statement Filed in connection with the Plan, as modified or amended, approved by the Bankruptcy Court on **[February ___, 2009]** [P-_____].

1.29 *"Disputed Claim"* shall mean any Claim that is not an Allowed Claim. In the event that any portion of a Claim is not an Allowed Claim, such Claim in its entirety

shall be deemed to constitute a Disputed Claim for purposes of distribution under this Plan until entry of a Final Order fixing and determining the Allowed Amount thereof. Without limiting any of the foregoing, a Claim that is the subject of or part of a pending objection, motion, complaint, counterclaim, setoff, recoupment, Avoidance Claim, litigation claim or defense, or any other proceeding seeking to disallow, subordinate or estimate such Claim, shall be deemed a Disputed Claim, unless the Plan or the Confirmation Order expressly provides otherwise.

1.30 *"Disputed Claims Reserve"* shall mean the reserve established pursuant to Section 8.3 of the Plan with respect to Disputed Claims.

1.31 *"Distribution Date"* shall mean each date any payment of Cash or distribution of Assets is due to the holders of Allowed Claims or Allowed Interests under this Plan.

1.32 *"Effective Date"* shall mean a Business Day on which all of the conditions precedent to the effectiveness of the Plan specified in the Plan have been satisfied or waived in accordance with the Plan and which is specified by the Debtors as the "Effective Date" in the notice of occurrence of the Effective Date Filed in the record of the Bankruptcy Court pursuant to Section 10.2 of the Plan..

1.33 *"Entity"* shall mean an individual, corporation, limited liability company, partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, governmental unit (as defined in the Bankruptcy Code) or any political subdivision thereof, or other person.

1.34 *"Estate*" shall mean the estate of each Debtor, as defined in Section 541 of the Bankruptcy Code.

1.35 "File" or "Filed" means properly filed with the clerk of court of the Bankruptcy Court in the Chapter 11 Cases, as reflected on the official docket of the clerk of court of the Bankruptcy Court for the Chapter 11 Cases.

1.36 *"Final Order"* means an order or judgment of the Bankruptcy Court or other court of competent jurisdiction (a) which has become final for purposes of 28 U.S.C. § 158 or such analogous law or rule in the case of an order of a state court and (b)(i) as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which any right to appeal, petition for certiorari, reargue, or rehear shall have been waived in writing in form and substance satisfactory to the Debtors (or, if after the Effective Date, by the Reorganized Debtors) or, (ii) in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, (x) such order or judgment of the Bankruptcy Court or other applicable court shall have been affirmed by the highest court to which such order or judgment was appealed with no modifications thereof, or (y) certiorari, reargument or rehearing has been denied, and (z) the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired with no such further appeal, petition for certiorari or motion for reargument or rehearing having been sought or pending; *provided, however,* that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 or other analogous rules of state courts governing procedures in cases before other courts may be filed with respect to such order or judgment shall not render such order or judgment not to be a Final Order.

1.37 *"First Lien Agent"* shall mean Wilmington Trust Company (as successor to CIT Lending Services Corporation) or any successor thereto, solely in its capacity as the administrative and/or collateral agent for the First Lien Lenders.

1.38 "*First Lien Credit Agreement*" shall mean the Credit Agreement by and among Legends Parent, as Borrower, the financial institutions from time to time party thereto as Lenders, and the First Lien Agent, as Administrative Agent, entered into as of July 31, 2006, as it may have been amended, supplemented or otherwise modified from time to time.

1.39 *"First Lien Lenders"* shall mean the lenders from time to time party to the First Lien Credit Agreement, and shall include the Entities that are entitled to the benefit of the collateral granted for the benefit of the First Lien Lenders on account of the termination of the swap transactions under the First Lien Credit Agreement.

1.40 *"First Lien Lenders' Secured Claims"* shall mean (a) the Secured Claims of the First Lien Lenders in respect of, in connection with, or arising out of the First Lien Loan Documents in the aggregate amount of approximately $158.1 million; (b) any unpaid prepetition fees, costs and expenses thereunder; and (c) to the extent Allowed, the aggregate amount of postpetition interest, fees, costs and expenses that accrue thereon through the Effective Date.

1.41 *"First Lien Loan Documents"* shall mean the First Lien Credit Agreement and the other Loan Documents (as such term is defined in the First Lien Credit Agreement), and any and all further loan, security and other documents, agreements or instruments relating thereto and the obligations described therein, as from time to time amended, supplemented or otherwise modified.

1.42 *"Gaming Regulators"* shall mean the Louisiana Gaming Control Board, the Mississippi Gaming Commission and the Colorado Division of Gaming, as applicable.

1.43 *"General Unsecured Claim"* means any Claim that is not an Administrative Claim, Priority Claim, Secured Claim, or a Claim otherwise specifically classified in another class in this Plan, but shall not include any unsecured deficiency claim of the holder of a Secured Claim determined pursuant to 11 U.S.C. § 506(a) or otherwise.

1.44 "*Impaired*" shall mean, with respect to any Class, that such Class is "impaired" under the Plan within the meaning of Section 1124 of the Bankruptcy Code.

1.45 "*Interests*" shall mean, collectively, any and all "equity securities" (as defined in Section 101(16) of the Bankruptcy Code) in a Debtor, and includes both Common Interests and Preferred Interests.

1.46 "*Intercreditor Agreement*" shall mean that certain Intercreditor Agreement, dated as of July 31, 2006, entered into by and between CIT Lending Services Corporation, a Delaware corporation**,** in its capacity as the administrative agent under the First Lien Credit Agreement and CIT Lending Services Corporation, a Delaware corporation**,** in its capacity as the administrative agent under the Second Lien Credit Agreement, and acknowledged by Legends Parent, as the same may have from time to time been supplemented, modified, amended, renewed, extended or supplanted.

1.47 "*Intercompany Claim*" shall mean any Claim against a Debtor held by another Debtor.

1.48 "*Legends Management"* shall mean Legends Management, LLC, a Delaware limited liability company.

1.49 *"Legends Parent"* shall mean Legends Gaming, LLC, a Delaware limited liability company and a Debtor herein.

1.50 "*LIBOR"* shall mean the offered rate for deposits in Dollars for the applicable interest period appearing on the Reuters Screen LIBOR01 page as of 11:00 a.m. (London Time) on the second Business Day immediately preceding the first day of each interest period. LIBOR will be determined by the First Lien Agent and adjusted for any reserve requirements.

1.51 *"LIBOR Business Day"* shall mean any Business Day on which dealings in dollar deposits are carried on in the London interbank market.

1.52 *"Lien"* shall have the meaning set forth in Section 101(37) of the Bankruptcy Code.

1.53 *"Management Agreement"* shall mean that certain Amended and Restated Management Agreement, dated July 31, 2006, by and between Legends Parent and Legends Management.

1.54 *"New Investors"* shall mean William J. McEnery and/or his designees.

1.55 *"Other Secured Claim"* shall mean a Secured Claim against any Debtor, other than Secured Tax Claims, the First Lien Lenders' Secured Claims, and the Second Lien Lenders' Secured Claims.

1.56 *"Petition Date"* shall mean March 11, 2008, the date on which the Debtors commenced their Chapter 11 Cases.

1.57 *"Plan"* shall mean this Joint Chapter 11 Plan of Reorganization in its present form or as it may, from time to time, be modified, amended or supplemented, by the Debtors or the Reorganized Debtors, in accordance with the terms hereof, together with any exhibits thereto.

1.58 *"Preferred Interests"* shall mean the 4,000 Preferred Units of the Legends Parent currently issued and outstanding immediately prior to the Effective Date of the Plan.

1.59 *"Priority Claim"* shall mean any Claim entitled to priority pursuant to Section 507(a)(1), (a)(4), (a)(5), (a)(6) or (a)(7) of the Bankruptcy Code, other than Priority Tax Claims.

1.60 *"Priority Tax Claim"* shall mean any Claim entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code, but excluding any Secured Tax Claims.

1.61 *"Professional"* shall mean any professional (a) retained by the Debtors in the Chapter 11 Cases or (b) to be compensated pursuant to Sections 327, 328, 330, 503(b), 506 or 1103 of the Bankruptcy Code.

1.62 *"Quarterly Payment Date"* shall mean the last day of each March, June, September and December following the Effective Date (but if such date is not a Business Day, then on the next Business Day).

1.63 *"Released Parties"* shall mean the Debtors, Debtors in Possession and Reorganized Debtors, and their financial advisors, attorneys and accountants whose retention has been approved by the Bankruptcy Court, and all past, present and future officers, directors, servants, shareholders, members, managers, partners, employees, agents, representatives and consultants thereof.

1.64 *"Reorganized Debtors"* shall mean the Debtors upon the occurrence of and from and after the Effective Date.

1.65 *"Schedules"* shall mean the schedules of assets and liabilities and the statement of financial affairs filed by the Debtors as required by Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as amended or supplemented through the Confirmation Date.

1.66 *"Second Lien Agent"* shall mean the successor to Wayzata Investment Partners, LLC, as successor to CIT Lending Services Corporation, or any subsequent successor thereto, solely in its capacity as the administrative and/or collateral agent for the Second Lien Lenders.

1.67 *"Second Lien Credit Agreement"* shall mean the Second Lien Credit Agreement by and among Legends Parent, as Borrower, the financial institutions from time to time party thereto as Lenders, and the Second Lien Agent, as Administrative Agent, entered into as of July 31, 2006, as it may have been amended, supplemented or otherwise modified from time to time.

1.68 "*Second Lien Lenders"* shall mean the lenders from time to time party to the Second Lien Credit Agreement.

1.69 *"Second Lien Lenders' Secured Claims"* shall mean (a) the Secured Claims of the Second Lien Lenders in respect of, in connection with, or arising out of the Second Lien Loan Documents in the aggregate amount of approximately $66 million as of the Petition Date; (b) any unpaid prepetition fees, costs and expenses thereunder; and (c) to the extent Allowed, the aggregate amount of postpetition interest, fees, costs and expenses that accrue thereon through the Effective Date.

1.70 *"Second Lien Loan Documents"* shall mean the Second Lien Credit Agreement and the other Loan Documents (as such term is defined in the Second Lien Credit Agreement), and any and all further loan, security and other document, agreements and instruments relating thereto and the obligations described therein, as from time to time amended, supplemented or otherwise modified.

1.71 *"Secured Claim"* shall mean any Allowed Claim of any Claimant secured by a Lien on the Debtors' interest in any Assets as set forth in the Plan or as determined by the Bankruptcy Court pursuant to Section 506(a) of the Bankruptcy Code.

1.72 *"Secured Tax Claim"* shall mean any Claim in favor of a federal, state, parish, county, local, or special governmental taxing authority, whether or not entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code, that is secured by a lien or other security interest on any Assets of the Debtors.

1.73 *"Series A 15% Preferred Units"* shall mean the new Series A 15% preferred membership units in Legends Parent being issued pursuant to this Plan.

1.74 *"Series A Voting Common Units"* shall mean the new Series A common voting membership units in Legends Parent being issued pursuant to this Plan.

1.75 *"Series B Preferred Units"* shall mean the new Series B preferred membership units in Legends Parent being issued pursuant to this Plan.

1.76 *"Series B Voting Common Units"* shall mean the new Series B common voting membership units in Legends Parent that may be issued pursuant to this Plan.

1.77 *"Unimpaired"* shall mean, with respect to any Class, that such Class is not Impaired.

1.78 *"Unsecured Creditors Committee"* shall mean the official committee for the holders of General Unsecured Claims against the Debtors appointed by the United States Trustee under 11 U.S.C. § 1102, as it may be constituted from time to time.

ARTICLE 2

PROVISIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSES

2.1 ***Payment of Allowed Administrative Expense Claims***.

2.1.1 *Allowed Administrative Expense Claims.*

Subject to Section 2.1.2 below, each Allowed Administrative Expense Claim shall be paid in full, in Cash, by the Reorganized Debtors on the Effective Date or upon such other terms as may be agreed upon by the holder of such Allowed Administrative Expense Claim and the Reorganized Debtors or otherwise established pursuant to an order of the Bankruptcy Court; *provided, however,* that Administrative Expense Claims representing liabilities incurred in the ordinary course of business by any Debtor in Possession shall be paid by the applicable Reorganized Debtor in accordance with the terms and conditions of the particular transactions and any agreements relating thereto or any order of the Bankruptcy Court.

2.1.2 *Compensation of Professionals***.**

All Professionals who are seeking compensation or who have been compensated from the estates of the Debtors in Possession during the Chapter 11 Cases, or who are seeking compensation from the estates of the Debtors in Possession or from the Reorganized Debtors for services rendered or reimbursement of expenses incurred from the Petition Date through and including the Effective Date, pursuant to Sections 327, 328, 330, 503(b), 506 or 1103 of the Bankruptcy Code, shall (a) File final

applications for allowance of compensation for services and reimbursement of expenses incurred from the Petition Date through the Effective Date by no later than the date that is forty five (45) days after the Effective Date, and (b) if granted such an award by the Bankruptcy Court, be paid in full by the Reorganized Debtors or as otherwise provided in this Plan in such amounts as are Allowed by Final Order of the Bankruptcy Court (i) on the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable, or (ii) when mutually agreed upon by such holder of an Administrative Expense Claim and the Reorganized Debtors.

2.1.3 *Substantial Contribution Claims.*

To the extent any Entity is seeking payment or reimbursement of compensation for services rendered or reimbursement of expenses incurred in connection with or during the Chapter 11 Cases under Section 503(b)(3)(D) of the Bankruptcy Code, such Entity shall File its application or request for such payment on or before the deadline established by the Bankruptcy Court for the filing of the objections to the confirmation of the Plan, and any such application or request shall be heard and determined at the Confirmation Hearing; otherwise, any such application or request for compensation or reimbursement of expenses under Section 503(b)(3)(D) shall be forever barred from assertion against the Debtors, their respective Estates, the Reorganized Debtors, and their respective Assets, and the holders of any such Claims are barred from recovering any distributions under the Plan on account thereof.

2.1.4 *Bar Date for Filing Administrative Expense Claims*. Except with respect to any Administrative Expense Claims for which a different deadline is established by this Article 2, any Administrative Expense Claims must be Filed no later

than thirty (30) days after the Effective Date or any such Administrative Expense Claim is and shall be deemed to be forever barred and unenforceable against the Debtors, Reorganized Debtors, their respective estates, and their Assets, and the holders of any such Claims are barred from recovering any distributions under the Plan on account thereof.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

3.1 ***Class 1. Priority Tax Claims.***

3.1.1 *Classification.*

Class 1 consists of all Allowed Priority Tax Claims.

3.1.2 *Treatment.*

Each holder of an Allowed Priority Tax Claim, shall be paid the Allowed Amount of its Allowed Priority Tax Claim, at the option of the Reorganized Debtors: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Priority Tax Claim and the Reorganized Debtors; or (c) in Cash payments commencing forty-five (45) days after the Effective Date, within five (5) years from the Petition Date, and in an aggregate amount equal to such Allowed Priority Tax Claim, together with interest at such rate as required by Section 511 of the Bankruptcy Code or otherwise as required by Section 1129(a)(9)(C) or (D) of the Bankruptcy Code.

3.1.3 *Impairment and Voting.*

Class 1 is Impaired by the Plan. The holders of Class 1 Claims are entitled to vote to accept or reject the Plan.

3.2 ***Class 2. Priority Claims.***

3.2.1 *Classification*.

Class 2 consists of all Allowed Priority Claims.

3.2.2 *Treatment*.

Each holder of an Allowed Priority Claim shall be paid the Allowed Amount of its Allowed Priority Claim, at the option of the Reorganized Debtors: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Priority Claim and the Reorganized Debtors; or (c) in full, in quarterly installments of principal with interest at the rate of six (6%) percent per annum and any fees due thereon, with the first payment due ninety (90) days after the Effective Date and the final payment due on the first anniversary of the Effective Date.

3.2.3 *Impairment and Voting.*

Class 2 is Impaired by the Plan. The holders of Class 2 Claims are entitled to vote to accept or reject the Plan.

3.3 ***Class 3. Secured Tax Claims.***

3.3.1 *Classification*.

Class 3 consists of all Allowed Secured Tax Claims.

3.3.2 *Treatment*.

Each holder of an Allowed Secured Tax Claim, shall be paid the Allowed Amount of its Allowed Secured Tax Claim, at the option of the Reorganized Debtors: (a) in full, in Cash, on the Effective Date or as soon as practicable thereafter; (b) upon such other terms as may be mutually agreed upon between such holder of an Allowed Secured

Claim and the Reorganized Debtors; or (c) in Cash payments commencing forty-five (45) days after the Effective Date, in an aggregate amount equal to such Allowed Secured Tax Claim, together with interest at such rate as required by Section 511 of the Bankruptcy Code or otherwise as required by Section 1129(a)(9)(C) or (D) of the Bankruptcy Code, within five (5) years of the Petition Date. Each holder of an Allowed Secured Tax claim shall retain its existing liens, privileges and encumbrances on Assets, which shall retain the same validity, priority and extent that existed on the Petition Date.

3.3.3 *Impairment and Voting.*

Class 3 is Impaired by the Plan. The holders of Class 3 Claims are entitled to vote to accept or reject the Plan. For purposes of voting each holder of a Secured Tax Claim shall be considered to be the sole member of a separate Class.

3.4 *Class 4. First Lien Lenders' Secured Claims.*

3.4.1 *Classification.*

Class 4 consists of the First Lien Lenders' Secured Claims.

3.4.2 *Treatment of Class 4 First Lien Lenders' Secured Claims*

The First Lien Lenders' Allowed Secured Claims shall be paid in full, with interest, on the following terms and in the following manner:

(a) Term and Amortization

The Allowed First Lien Lenders' Secured Claims will be capitalized as of the Effective Date, and, from and after the Effective Date, the Allowed First Lien Lenders' Secured Claims shall accrue interest: (a) at the option of the Debtors, either: (i) at LIBOR plus four and one-half (4.5%) percent interest per annum, or (ii) at the Base Rate plus three and one-quarter (3.25%) percent per annum; or, if the Plan is confirmed

pursuant to 11 U.S.C. Section 1129(b)(2)(A) with respect to this class, (b) at such interest rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's interest in such property. The Debtors may elect interest periods of 1, 2, 3 or 6 months for interest accrual at LIBOR. LIBOR will be set at the beginning of each interest period selected by the Debtors and continue in effect through the end of such period, after which time the rate will be reset based upon the interest rate selected by the Debtors. The Debtors shall exercise their option to select the applicable interest rate as of the Effective Date, and shall make an election at the end of the applicable interest period for LIBOR loans, and at any time for Base Rate Loans. Interest accrued at the Base Rate shall be due and payable on each Quarterly Payment Date and at the maturity date. Interest at the LIBOR rate which is for a term of three months or less shall be due and payable on the last day of the related interest period. Interest accrued at the LIBOR rate for a term of six months shall be due and payable on the date which is three months after the date such LIBOR rate was elected, and every three months thereafter, and on the maturity date. Principal on the Allowed First Lien Lenders' Secured Claims in the amount of one (1%) percent annually paid in equal quarterly amounts of one quarter (0.25%) percent (rounded to the nearest whole dollar) of the original aggregate principal amount of the Allowed First Lien Lenders' Secured Claims shall be paid on each Quarterly Payment Date, and the remaining principal balance, together with all accrued and unpaid fees and interest, shall be due and payable in full on the fifth anniversary of the Effective Date (but if such fifth

anniversary date is not a Business Day, then on the next Business Day). In addition, the Allowed First Lien Lenders' Secured Claims shall be subject to mandatory prepayments of (a) one hundred (100%) percent of the net after-tax cash proceeds of all non-ordinary course asset sales and other dispositions, subject to reinvestment rights, and (b) fifty (50%) percent of Excess Cash Flow, subject to exceptions, all as more fully set forth in the term sheet attached hereto as Exhibit "A" attached hereto.

(b) Collateral

The First Lien Lenders shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to the First Lien Loan Documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of the Allowed First Lien Lenders' Secured Claim.

(c) Documentation

The Debtor, the First Lien Agent and the First Lien Lenders shall execute and deliver an Amended and Restated Credit Agreement, amendments to the other First Lien Loan Documents, and such other transaction documents as are necessary, in the reasonable judgment of the Debtors, to effectuate the treatment described above and certain other modifications in accordance with the term sheet attached hereto as Exhibit "A", and, in the event of a dispute with respect to the form and content of such documents, in the form ordered by the Bankruptcy Court.

3.4.3 *Impairment and Voting*.

Class 4 is Impaired by the Plan. The holders of Class 4 Claims are entitled to vote to accept or reject the Plan.

3.5 ***Class 5: Second Lien Lenders' Secured Claims.***

3.5.1 *Classification*.

Class 5 consists of the Second Lien Lenders' Secured Claims.

3.5.2 Treatment.

The Second Lien Lenders' Allowed Secured Claims shall be paid in full, with interest, on the following terms and in the following manner:

(a) Term and Amortization

The Allowed Second Lien Lenders' Secured Claims shall be capitalized as of the Effective Date, and, from and after the Effective Date, the Allowed Second Lien Lenders' Secured Claims shall accrue interest at the rate of twelve and one-half (12.5%) percent per annum, or, if the Plan is confirmed pursuant to 11 U.S.C. § 1129 (b)(2)(A) with respect to this class, at such interest rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's interest in such property. Interest on the outstanding principal balance shall be due and payable on each Quarterly Payment Date. The principal balance, together with all accrued and unpaid interest, shall be due and payable on the fifth anniversary of the Effective Date (but if such fifth anniversary date is not a Business Day, then on the next Business Day). In addition, after payment in full of the Allowed First Lien Lenders' Secured Claims, the Allowed Second Lien Lenders' Secured Claims shall be subject to mandatory prepayments of (a) one hundred (100%) percent of the net after-tax cash proceeds of all non-ordinary course asset sales and other dispositions, subject to

reinvestment rights, and (b) fifty (50%) percent of Excess Cash Flow, subject to exceptions, all as more fully set forth in the term sheet attached hereto as Exhibit "B."

(b) Collateral

The Second Lien Lenders shall retain all of their liens and security interests in the Debtors' Assets granted to them pursuant to the Second Lien Lenders' Loan Documents, with the same validity, priority and extent that existed on the Petition Date, to secure the timely payment of the Allowed Second Lien Lenders' Secured Claim.

(c) Documentation

The Debtors, the Second Lien Agent and the Second Lien Lenders shall execute and deliver an Amended and Restated Second Lien Credit Agreement, amendments to the other Second Lien Loan Documents, and such other transaction documents as are necessary, in the reasonable judgment of the Debtors, to effectuate the treatment described above and certain other modifications in accordance with the term sheet attached hereto as Exhibit "B," and, in the event of a dispute with respect to the form and content of such documents, in the form ordered by the Bankruptcy Court.

3.5.3 Impairment and Voting.

Class 5 is Impaired by the Plan. The holders of Class 5 Claims are entitled to vote to accept or reject the Plan.

3.6 *Class 6. Other Secured Claims*.

3.6.1 *Classification*.

Class 6 consists of all Other Secured Claims.

3.6.2 *Treatment.*

The Allowed Other Secured Claims shall be paid in full, with interest, on the following terms and in the following manner:

(a) Term and Amortization

Each holder of an Allowed Other Secured Claim shall be paid the Allowed Amount of its Other Secured Claim (a) in equal quarterly Cash payments commencing on the last Business Day of the next calendar quarter after the Effective Date, amortized over three (3) years from the Effective Date, and in an aggregate amount equal to such Allowed Other Secured Claim, together with interest at the rate of six (6%) percent per annum, or if the Plan is confirmed pursuant to 11 U.S.C. § 1129(b)(2)(A) with respect to this class, (b) at such interest rate, as determined by the Bankruptcy Court pursuant to 11 U.S.C. § 1129(b)(2)(A)(i)(II), that provides each holder of a claim of this class with deferred cash payments totaling at least the allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder's interest in the estate's interest in such property.

(b) Collateral

The holders of Allowed Other Secured Claims shall retain all of their existing liens, privileges and encumbrances in the Debtors' Assets with the same validity, priority and extent that existed on the Petition Date to secure the timely repayment of the Other Secured Claim.

(c) Documentation,

The Debtors and the holders of Allowed Other Secured Claims shall execute and deliver such amended and restated credit agreements, amendments to loan documents,

and other transaction documents as are necessary, in the reasonable judgment of the Debtors, to effectuate the treatment described above, and, in the event of a dispute with respect to the form and content of such documents, in the form ordered by the Bankruptcy Court.

3.6.3 *Impairment and Voting*.

Class 6 is Impaired by the Plan. The holders of Class 6 Claims are entitled to vote to accept or reject the Plan. For purposes of voting, each holder of an Other Secured Claim shall be considered to be the sole member of a separate Class.

3.7 *Class 7. General Unsecured Claims.*

3.7.1 *Classification*

Class 7 consists of all Allowed General Unsecured Claims.

3.7.2 *Treatment*

Each holder of an Allowed Class 7 General Unsecured Claim will be paid its Allowed Claim, in full, with interest from the Petition Date at the rate of six (6%) percent per annum. The Allowed Class 7 Claims shall be paid in two equal payments of principal and accrued interest, with the first payment being due on the Effective Date, and the second payment being due one (1) year from the Effective Date.

3.7.3 *Impairment and Voting*

Class 7 is Impaired by the Plan. The holders of Class 7 Claims are entitled to vote to accept or reject the Plan.

3.8 *Class 8. Legends Management.*

3.8.1 *Classification*

Class 8 consists of all Allowed Claims of Legends Management.

3.8.2 *Treatment*

The holder of an Allowed Class 8 Claim will be paid its Allowed Claim by receiving that number of newly issued Series B Preferred Units as shall equal the product of the accrued and unpaid management fees under the Management Agreement as of the Effective Date divided by 10,000, which Series B Preferred Units shall be issued free and clear of any and all liens, claims or encumbrances whatsoever. The Series B Preferred Units may be issued in fractional shares. The rights of the holders of Series B Preferred Units are set forth on Exhibit "C" attached hereto.

3.8.3 *Impairment and Voting*

Class 8 is Impaired by the Plan. The holders of Class 8 Claims are entitled to vote to accept or reject the Plan.

3.9 *Class 9.* Interests in Debtor Subsidiaries.

3.9.1 *Classification.*

Class 9 consists of the Interests in the Debtor Subsidiaries.

3.9.2 *Treatment.*

The holder of the Interests in the Debtor Subsidiaries held by Legends Parent shall retain such Interests in the Debtor Subsidiaries.

3.9.3 Impairment and Voting

Class 9 is Unimpaired by the Plan. The Holders of Class 9 Allowed Interests are deemed to have accepted the Plan.

3.10 *Class 10 Preferred Interests in Legends Parent.*

3.10.1 *Classification.*

Class 10 consists of the Preferred Interests in Legends Parent.

3.10.2 *Treatment.*

(a) Conversion of Units

As of the Effective Date, each unit of the 4,000 Preferred Interests of the Legends Parent currently issued and outstanding as of the Effective Date of the Plan shall be converted into one (1) newly issued Series B Preferred Unit. The rights of the holders of the new Series B Preferred Units shall have the rights set forth in Exhibit "C" attached hereto.

(b) Documentation

The holders of Class 10 Allowed Preferred Interests shall surrender their existing Preferred Units, and shall receive new Series B Preferred Units, and shall execute such other transaction documents with Debtors, the First Lien Lenders, the Second Lien Lenders and/or the New Investors as are necessary to effectuate the treatment of the Class 10 Allowed Preferred Interests set forth in Section 3.10.2(a) and the other provisions of the Plan, and in the event of a dispute with respect to the form and content of such documents, in the form as ordered by the Bankruptcy Court.

3.10.3 *Impairment and Voting*.

Class 10 is Impaired by the Plan. The holders of Class 10 Allowed Preferred Interests are entitled to vote to accept or reject the Plan.

3.11 ***Class 11. Common Interests in Legends Parent.***

3.11.1 *Classification.*

Class 11 consists of the Allowed Common Interests in Legends Parent.

3.11.2 *Treatment.*

(a) Conversion of Units

As of the Effective Date, each unit of the 10,000 common units of Legends Parent currently issued and outstanding prior to the Effective Date of the Plan shall be converted into one-half (.5) newly issued Series A Voting Common Unit. The rights of the holders of the new Series A Voting Common Units will be diluted by the issuance of new Series A Voting Common Units and shall have the rights set forth in Exhibit "C" attached hereto.

(b) Documentation

The holders of Class 11 Allowed Common Interests shall surrender their existing Common Interests and shall receive their new Series A Voting Common Units, and shall execute such other transaction documents with Debtors, the First Lien Lenders, the Second Lien Lenders and/or the New Investors as are necessary to effectuate the treatment of the Class 11 Allowed Common Interests set forth in Section 3.11.2(a) and the other provisions of the Plan, and in the event of a dispute with respect to the form and content of such documents, in the form as ordered by the Bankruptcy Court.

3.11.3 *Impairment and Voting*.

Class 11 is Impaired by the Plan. The holders of Class 11 Allowed Common Interests are entitled to vote to accept or reject the Plan.

ARTICLE 4

ACCEPTANCE OR REJECTION OF THE PLAN

4.1 ***Impaired Classes Vote.*** Each holder of a Claim or Interest in an impaired Class receiving or retaining anything under this Plan is entitled to vote to accept or reject this Plan to the extent and in the manner provided in the Plan, the Bankruptcy Code and the Bankruptcy Rules, or in any voting procedures order.

4.2 ***Acceptance by Impaired Classes of Claims*****.** Acceptance of this Plan by any Impaired Class entitled to vote shall be determined in accordance with the Bankruptcy Code, the Bankruptcy Rules and any voting procedures order entered by the Bankruptcy Court .

4.3 ***Designation of Classes Entitled to Vote.*** Classes 1-8, 10, and 11 are Impaired, and the holders of Claims and Interests in those Classes are entitled to vote on the Plan.

4.4 ***Nonconsensual Confirmation***. With respect to any Impaired Class, including any Class of Claims or Interests created pursuant to amendments or modifications to this Plan, that does not accept the Plan in accordance with Section 1129(a) of the Bankruptcy Code, the Debtors will request that the Bankruptcy Court confirm this Plan by Cramdown with respect to any such non-accepting Class or Classes at the Confirmation Hearing, and the filing of this Plan shall constitute a motion for such relief.

ARTICLE 5

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 ***Assumption***. Each executory contract or unexpired lease of the Debtors that has not expired by its own terms before the Effective Date or previously been assumed by the applicable Debtor in Possession pursuant to an order of the Bankruptcy Court, shall be assumed by the applicable Debtor as of the Effective Date pursuant to Sections 365 and 1123 of the Bankruptcy Code, except for any executory contract or unexpired lease (i) that is listed on a "Schedule of Executory Contracts and Unexpired Leases to be Rejected" (to be Filed on or before the day that is ten (10) days prior to the

Confirmation Hearing), (ii) that has been previously rejected by the Debtor in Possession pursuant to an order of the Bankruptcy Court, (iii) as to which a motion for rejection of such executory contract or unexpired lease is filed prior to the Effective Date, or (iv) added to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" prior to the Effective Date. Nothing in the Plan, any Exhibit to the Plan, or any document executed or delivered in connection with the Plan or any such Exhibit creates any obligation or liability on the part of the Debtors, the Reorganized Debtors, or any other person or entity that is not currently liable for such obligation, with respect to any executory contract or unexpired lease except as may otherwise be provided in the Plan.

Any executory contract or unexpired lease assumed pursuant to the Plan shall be and hereby is assumed by the applicable Debtor as of the Effective Date and shall be fully enforceable by the applicable Debtor in accordance with its terms thereof, and shall include all written modifications, amendments, supplements of said executory contract or unexpired lease and, as with respect to executory contracts or unexpired leases that relate to real property, shall include all written agreements and leases appurtenant to the premises, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easements, and any other interests in real property or rights *in rem* related to such premises. Listing a contract or lease on the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" is not deemed an admission by the applicable Debtor or Reorganized Debtor that such contract is an executory contract or unexpired lease or that the Debtor or Reorganized Debtor has any liability thereunder.

The Debtors reserve the right at any time before the Effective Date to amend the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to: (a) delete any executory contract or unexpired lease listed on the "Schedule of Executory Contracts and Unexpired Leases to be Rejected", thus providing for its assumption under the Plan, or (b) add any executory contract or unexpired lease to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected", thus providing for its rejection under the Plan. The Debtors shall provide notice of any such amendment of the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to the party to the affected executory contract and unexpired lease and to the Office of the U.S. Trustee.

5.2 ***Cure Payments, Compensation for Pecuniary Loss, and Adequate Assurance***. All payments, including any and all cure payments, adequate assurance or compensation for actual pecuniary loss, that are required to be paid or provided by Section 365(b)(1)(A)-(C) of the Bankruptcy Code (collectively, all cure payments, and any and all provisions for adequate assurance and/or compensation for actual pecuniary loss due or required to be paid under Section 365(b)(1)(A)-(C) of the Bankruptcy Code, the "Cure Payments") for any executory contract or unexpired lease that is being assumed under the Plan, unless disputed by the Debtors, shall be made by the Reorganized Debtors on the Effective Date. **The Debtors hereby give notice that there are no Cure Payments due with respect to any executory contracts and unexpired leases to be assumed by the Debtors under the Plan. Any non-Debtor party to any executory contract or unexpired lease to be assumed under the Plan that objects to assumption of the executory contract or unexpired lease or believes that a Cure Payment is due in connection with such assumption must file a written objection to**

the assumption of such executory contract or unexpired lease with no Cure Payment and state in the written objection the grounds for such objection and specifically set forth the amount of any request for a Cure Payment by the deadline established by the Bankruptcy Court for filing objections to confirmation of the Plan. Unless the non-debtor party to any executory contract or unexpired lease to be assumed files and serves on the respective Debtor and its counsel an objection to assumption of such executory contract or unexpired lease for any reason, or asserting that a Cure Payment is required or owed in connection with such assumption, by the deadline established by the Bankruptcy Court for filing objections to confirmation of the Plan, then the executory contracts and unexpired leases shall be assumed, and any default then existing in the executory contract and/or unexpired lease shall be deemed cured as of the Effective Date, and there shall be no other cure obligation or Cure Payment due or owed by anyone, including the Debtors and the Reorganized Debtors, in connection with such assumption of the executory contract or unexpired lease. Any Claims for Cure Payments not Filed as part of a written objection to the proposed assumption within such time period will be forever barred from assertion against the applicable Debtor, its Estate, the applicable Reorganized Debtor, and its Assets, and the holders of any such Claims are barred from recovering any distributions under the Plan on account thereof. In the event of an objection to the assumption of executory contracts or unexpired leases regarding the amount of any Cure Payment, or the ability of the applicable Reorganized Debtor to provide adequate assurance of future performance or any other matter pertaining to assumption, (a) the Bankruptcy Court will hear and determine such dispute at the Confirmation Hearing, and, (b) in the discretion of the applicable Debtor, the Debtor (i)

may assume such disputed executory contract or unexpired lease by curing any default or providing adequate assurance in the manner determined by the Bankruptcy Court, or (ii) the Debtor may reject such executory contract or unexpired lease as of the Effective Date. The Reorganized Debtor shall make any Cure Payment on the later of the Effective Date and the date such Cure Payment is due pursuant to a Final Order, provided however that the applicable Reorganized Debtor shall have five (5) Business Days after any order determining the amount of a disputed Cure Payment becomes a Final Order in which to amend the "Schedule of Executory Contracts and Unexpired Leases to be Rejected" to provide for the rejection of such executory contract or unexpired lease and, in such an event, such executory contract or unexpired lease shall be deemed rejected as of the Effective Date.

5.3 ***Effect of Confirmation Order on Executory Contracts and Unexpired Leases*****.** Subject to the occurrence of the Effective Date, entry of the Confirmation Order shall constitute approval of such assumptions pursuant to Section 365(a) and 1123(b)(2) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the applicable Debtor, its estate, and all parties in interest. In addition, the Confirmation Order shall constitute a finding of fact and conclusion of law that (i) there are no defaults of the Debtors, no Cure Payments owing (including that there is no compensation due for any actual pecuniary loss), (ii) there is adequate assurance of future performance with respect to each such assumed executory contract or unexpired lease, (iii) such assumption is in the best interest of the applicable Debtor and its estate, (iv) upon the Effective Date, the assumed executory contracts or unexpired leases constitute legal, valid, binding and enforceable contracts in accordance with the terms

thereof, and (v) the counter party to each assumed executory contract or unexpired lease is required to and ordered to perform under and honor the terms of the assumed executory contract or unexpired lease. All executory contracts and unexpired leases assumed under the Plan or during the Chapter 11 Cases constitute valid contracts and leases, as applicable, enforceable by the Debtors against the non-Debtor counterparties regardless of any cross-default or change of control provisions in any contracts or leases assumed or rejected under the Plan or during the Chapter 11 Cases.

Subject to the occurrence of the Effective Date, the Confirmation Order shall constitute an order of the Bankruptcy Court approving the rejection as of the Effective Date of all executory contracts and unexpired leases which are not assumed under this Plan, with the rejection effective as of the day before the Petition Date, as being burdensome and not in the best interest of the estates.

5.4 ***Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Plan***. Any Claims for damages arising from the rejection of an executory contract or unexpired lease under this Plan must be Filed within thirty (30) days after the Effective Date or, with respect to any executory contracts or unexpired leases which are rejected after the Effective Date by amendment to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected," no later than thirty (30) days after the date of such amendment to the "Schedule of Executory Contracts and Unexpired Leases to be Rejected", or such Claims will be forever barred and unenforceable against the Debtors, Reorganized Debtors, and their Assets and the holders of any such Claims are barred from receiving any distributions under the Plan.

5.5 ***Compensation and Benefits Program.*** Unless otherwise agreed to by the affected parties, or modified by order of the Bankrupty Court, all of the Debtors' obligations under employment and severance policies, and all compensation and benefit plans, policies, and programs shall be treated as though they are executory contracts that are deemed assumed under this Plan.

5.6 ***Management Agreement With Legends Management.*** The Management Agreement will be canceled and terminated on the Effective Date, and Legends Management shall have no claim for rejection damages.

ARTICLE 6

DISTRIBUTIONS UNDER THE PLAN

6.1 ***Distributions under the Plan***. The Reorganized Debtors or, at the option of the Reorganized Debtors, any distribution agent the Reorganized Debtors may retain, shall make all distributions to the holders of Allowed Claims and Allowed Interests that are required under this Plan. Notwithstanding the foregoing, the distributions to the First Lien Lenders shall be made to the First Lien Agent and the distributions to the Second Lien Lenders shall be made to the Second Lien Agent. Each distribution shall be made on a Distribution Date (unless otherwise provided herein or ordered by the Bankruptcy Court). Distributions to be made on the Distribution Date shall be deemed actually made on the Distribution Date if made either (a) on the Distribution Date or (b) as soon as practicable thereafter. If any litigation now pending is resolved by Final Order or settlement, and any of the Debtors are ordered to pay any sums to the successful litigant, then such party shall become a creditor, and shall share in distributions to the appropriate Class. Whenever any distribution to be made under this

Plan shall be due on a day other than a Business Day, such distribution shall instead be made, without the accrual of any interest, on the immediately succeeding Business Day, but shall be deemed to have been made on the date due.

6.2 ***Record Date for Voting on Plan***. The transfer registers for each of the Classes of Claims and Interests as maintained by the Debtors or any third party, including the voting agent, shall be deemed closed on the date of entry of an order of the Bankruptcy Court approving the Disclosure Statement (or, with respect to any Class, any later date to which the Debtors agree) for purposes of voting on the Plan, and there shall be no further changes to reflect any new record holders of any Claims or Interests for purposes of voting on the Plan.

6.3 ***Delivery of Distributions***. Except as otherwise provided in this Plan, Distributions to a holder of an Allowed Claim or Allowed Interest shall be made at the address of such holder as indicated on the Debtors' records. In the event that any such distribution is returned as undeliverable, the Reorganized Debtors shall use reasonable efforts to determine the current address of the applicable holder, and no distribution to such holder shall be made unless and until the Reorganized Debtors have determined such then current address, *provided, however*, that if any distribution remains unclaimed after the first anniversary after distribution, such distribution shall be deemed unclaimed property pursuant to Section 347(b) of the Bankruptcy Code and shall become vested in the Reorganized Debtors. In such event, the Claim of the holder for such distribution shall no longer be deemed to be Allowed, and such holder shall be deemed to have waived its rights to such distribution under this Plan pursuant to Section 1143 of the Bankruptcy Code, shall have no further claim or right thereto, and shall not participate in

any further distributions under this Plan with respect to such Claim. Checks issued by the Reorganized Debtors in respect of Allowed Claims shall be null and void if not negotiated within one hundred and twenty (120) days after the date of issuance thereof.

6.4 ***Third Party Agreements***. The distributions to the various Classes of Claims or Interests hereunder will not affect the right of any Entity to levy, garnish, attach, or employ any other legal process with respect to such distributions by reason of any claimed subordination or lien priority rights or otherwise. All subordination agreements entered into by any parties in interest shall be enforceable to the extent applicable under bankruptcy and applicable non-bankruptcy laws and all distributions and payments made pursuant to the Plan shall be subject to such laws. Nothing in the Intercreditor Agreement shall impair or conflict with the implementation of the Plan or the obligations of the Debtors under the First Lien Loan Documents or the Second Lien Loan Documents, as modified by the Plan or the documentation executed in connection therewith.

6.5 ***Manner of Payment Under the Plan***. At the option of the Reorganized Debtors, any payment in Cash to be made under the Plan may be made by check or wire transfer from a domestic bank or as otherwise required by applicable agreement.

6.6 ***No Fractional Distributions***. No fractional dollars shall be distributed under the Plan. For purposes of distributions, Cash distributions shall be rounded up or down, as applicable, to the nearest whole dollar.

6.7 ***Withholding and Reporting***. The Reorganized Debtors shall comply with all applicable withholding and reporting requirements imposed by federal, state, and local

taxing authorities, and all distributions shall be subject to such withholding and reporting requirements.

6.8 ***Surrender of Instruments***. At the option of the Reorganized Debtors, as a condition to receiving any distribution under the Plan, each holder of an Allowed Claim evidenced by a certificated instrument must either (a) surrender such instrument to the Reorganized Debtors (or, in the case of a First Lien Lenders' Secured Claims, to the First Lien Agent, or, in the case of a Second Lien Lenders' Claim, to the Second Lien Agent) or (b) submit evidence satisfactory to the Reorganized Debtors, the First Lien Agent or the Second Lien Agent, as applicable, of the loss, theft, mutilation, or destruction of such instrument. If any holder of an Allowed Claim fails to do either (a) or (b) before the one year anniversary of the Effective Date, such holder shall be deemed to have forfeited its Claim and all rights appurtenant thereto, including the right to receive any distributions hereunder. After the first anniversary of the Effective Date, all payments not distributed pursuant to this Section 6.8 shall be deemed unclaimed property pursuant to Section 347(b) of the Bankruptcy Code and shall become vested in the Reorganized Debtors.

ARTICLE 7

MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

7.1 ***Generally***. Upon confirmation of this Plan, the Debtors shall be authorized to take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of this Plan including, without limitation, the execution and filing of all documents required or contemplated by this Plan. In connection with the occurrence of the Effective Date, the Reorganized Debtors are authorized to execute, deliver, or record such contracts, instruments, releases, indentures, and other agreements or

documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

7.2 ***Equity Contribution by New Investors*****.** On the Effective Date, New Investors will contribute to the capital of Legends Parent the sum of $15,000,000.00, cash, and will receive 1,500 Series A 15% Preferred Units and 8,300 Series A Voting Common Units in Legends Parent, which Series A 15% Preferred Units and Series A Voting Common Units shall be issued free and clear of any and all liens, claims or encumbrances whatsoever. The Series A 15% Preferred Units and the Series A Voting Common Units shall have the rights set forth on Exhibit "C." The terms and conditions of the $15 million contribution to capital by the New Investors are contained in that certain Equity Contribution and Participation Agreement, a copy of which is attached hereto as Exhibit "D."

7*.3 *Employment Agreement with Michael E. Kelly and Others.

Legends Parent shall enter into an employment agreement with Michael E. Kelly, President and Chief Executive Officer, and Legends Parent shall enter into restricted unit agreements with Michael E. Kelly and other members of key management for the issuance of up to 3,170 Series B Voting Common Units, which shall have the rights set forth in Exhibit "C" attached hereto.

7.4 ***Documentation Between Debtors and New Investors.*** The Debtors and New Investors shall execute the Equity Contribution and Participation Agreement and such other transaction documents as are necessary to effectuate the equity infusion described above.

7.5 ***Entity Action.*** All matters contemplated in the Plan involving the entity structure of the Reorganized Debtors and any entity action including, without limitation, any change in entity form required in connection with the Plan, shall be deemed to have timely occurred in accordance with applicable state law and shall be in effect, without any requirement of further action by the holders of Interests in the Debtors or the Reorganized Debtors or the directors, managers or officers of the Debtors or the Reorganized Debtors. Each of the officers of the Reorganized Debtors shall be authorized, in accordance with his or her authority under the resolutions of the applicable board of directors or board of managers, to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate, for and on behalf of the Reorganized Debtors, to effectuate and further evidence the terms and conditions of this Plan and any notes or securities issued pursuant to this Plan.

7.6 ***Status of Existing Liens of Secured Tax Claims, First Lien Lenders, Second Lien Lenders and Other Secured Claims.*** Unless otherwise provided in this Plan, on the Effective Date, all existing liens held by the First Lien Lenders, Second Lien Lenders and Holders of Allowed Secured Tax Claims and Other Secured Claims on the Debtors' Assets shall retain the same validity, priority and extent that existed on the Petition Date. All other Liens and encumbrances shall be deemed automatically canceled, terminated and of no further force or effect without further act or action under any applicable agreement, law, regulation, order, or rule.

7.7 ***Plan Documents.*** The Plan and all documents to implement this Plan and the transactions contemplated herein shall be in form and substance satisfactory to the Reorganized Debtors and to the New Investors to the extent set forth in the Plan.

7.8 ***Effectuating Documents and Further Transactions.*** Each of the officers of the Debtors and the Reorganized Debtors shall be authorized, in accordance with his or her authority under the resolutions of the board of directors and operating agreements of the Debtors and the Reorganized Debtors, to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and to take such actions as may be necessary or appropriate, for and on behalf of the Debtors and the Reorganized Debtors, to effectuate and further evidence the terms and conditions of this Plan and any notes or securities issued pursuant to this Plan.

ARTICLE 8

RESOLUTION OF DISPUTED CLAIMS AND INTERESTS

8.1 ***Objections to Claims and Interests; Prosecution of Disputed Claims and Interests.*** The Debtors and, after the Effective Date, the Reorganized Debtors, shall have the exclusive right to object to the allowance, amount or classification of Claims and Interests asserted in the Chapter 11 Cases, and such objections may be litigated to Final Order by the Debtors or Reorganized Debtors, as applicable, or compromised and settled in accordance with the business judgment of the Debtors or Reorganized Debtors, as applicable, without further order of the Bankruptcy Court. Unless otherwise provided herein or ordered by the Bankruptcy Court, all objections to Claims and Interests shall be Filed no later than one hundred and eighty (180) days after the Effective Date, subject to

any extensions granted pursuant to a further order of the Bankruptcy Court, which extensions may be obtained by the Reorganized Debtors without notice upon *ex parte* motion.

8.2 ***Estimation of Disputed Claims and Interests***. The Debtors and, after the Effective Date, the Reorganized Debtors, may at any time request that the Bankruptcy Court estimate for all purposes, including distribution under this Plan, any Disputed, contingent or unliquidated Claim or Interest pursuant to Section 502(c) of the Bankruptcy Code whether or not the Debtors or the Reorganized Debtors have previously objected to such Claim or Interest. The Bankruptcy Court shall retain jurisdiction to estimate any such Claim or Interest at any time, including, without limitation, during the pendency of an appeal relating to such objection.

8.3 ***No Distribution on Account of Disputed Claims and Interests.*** Notwithstanding anything else contained in this Plan, except with respect to any undisputed, non-contingent and liquidated portion of General Unsecured Claims, no distribution shall be due or made with respect to all or any portion of any Disputed, contingent, or unliquidated Claim until the Claim becomes an Allowed Claim by Final Order. The Reorganized Debtors shall set aside or reserve a portion of the consideration payable to the holders of Allowed Claims and Allowed Interests in a particular Class to be held in the Disputed Claims Reserve for such Class in an amount sufficient to pay to the holders of all Disputed Claims in such Class the full distributions they may be entitled to if their respective Claims and Interests were ultimately to be allowed in full by Final Order.

ARTICLE 9

EFFECT OF CONFIRMATION OF PLAN

9.1 ***Vesting of Assets and Retained Causes of Action.*** On the Effective Date, pursuant to Section 1141(b) of the Bankruptcy Code, all Assets of the Debtors in Possession and their respective Estates shall vest in the Reorganized Debtors free and clear of any and all Claims, Liens, Interests, and other interests, charges and encumbrances, except as otherwise expressly provided in this Plan or in the Confirmation Order. From and after the Effective Date, the Reorganized Debtors may operate their businesses and may own, use, acquire and dispose of Assets free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if the Chapter 11 Cases had never been filed. The Debtors will not pursue any Avoidance Claims for affirmative recoveries or assert Avoidance Claims against the holders of General Unsecured Claims with respect to such General Unsecured Claims, but reserve all such Avoidance Claims for defensive purposes and may assert Avoidance Claims as defenses against other Claims filed against any of the Debtors.

Except as otherwise specifically provided in this Plan, the Reorganized Debtors shall retain all rights and are authorized to commence and pursue, as the Reorganized Debtors deem appropriate, any and all claims and Causes of Action, whether arising before or after the Petition Date, in any court or other tribunal including, without limitation, in an adversary proceeding filed in one or more of the Chapter 11 Cases, and including but not limited to, the claims and Causes of Action specified in the Plan or any Plan exhibit (including Exhibit "E"). Due to the size and scope of the Debtors' business operations and the multitude of business transactions therein, there may be numerous

other claims and Causes of Action that currently exist or may subsequently arise, in addition to the claims and Causes of Action identified on Exhibit "E" attached hereto, all of which other claims and Causes of Action shall revest in the Reorganized Debtors. The Reorganized Debtors do not intend, and it should not be assumed that because any existing or potential claims or Causes of Action have not yet been pursued by the Debtors or do not fall within the list identified on Exhibit "E" attached hereto, that any such claims or Causes or Action have been waived or will not be pursued. Under this Plan, the Reorganized Debtors retain all rights to pursue any and all claims and Causes of Action to the extent the Reorganized Debtors deem appropriate (under any theory of law or equity, including, without limitation, the Bankruptcy Code and any applicable local, state, or federal law, in any court or other tribunal, including, without limitation, in an adversary proceeding filed in the Chapter 11 Cases) except as otherwise specifically provided in this Plan. The Debtors' Retained Claims and Causes of Actions, include, without limitation, those described on Exhibit "E" attached hereto.

9.2 ***Binding Effect.*** Subject to the occurrence of the Effective Date, on and after the occurrence of the Confirmation Date, the provisions of this Plan shall bind any holder of a Claim against or an Interest in any of the Debtors and such holder's successors and assigns, whether or not such holder's Claim or Interest is Impaired under the Plan, whether or not such holder has accepted the Plan, and whether or not such holder is entitled to a distribution under the Plan.

9.3 ***Discharge of the Debtors.*** Except as otherwise specifically provided in this Plan or in the Confirmation Order, the rights afforded in this Plan and the treatment of the Claims and Interests herein shall be in exchange for and in complete satisfaction,

discharge, and release of all Claims against and Interests in the Debtors, the Debtors in Possession, the Reorganized Debtors or the Assets, properties, or interests in property of the Debtors, the Debtors in Possession or the Reorganized Debtors of any nature whatsoever, including any interest accrued on any Claim from and after the Petition Date. Except as expressly otherwise provided herein or in the Confirmation Order, on the Effective Date, all Claims arising before the Effective Date (including those arising under Sections 502(g), 502(h) or 502(i) of the Bankruptcy Code) against the Debtors and the Debtors in Possession (including any based on acts or omissions that constituted or may have constituted ordinary or gross negligence or reckless, willful, or wanton misconduct of any of the Debtors, or any conduct for which any of the Debtors may be deemed to have strict liability under any applicable law), and all Interests shall be irrevocably satisfied, discharged, cancelled and released in full.

For the avoidance of doubt, the Reorganized Debtors shall be responsible only for (a) those payments and Distributions expressly provided for or due under this Plan and (b) Claims and Interests that are not canceled and discharged pursuant to specific and express provisions of this Plan, and then only to the extent and in the manner specifically and expressly provided in this Plan. All Entities are precluded and forever barred from asserting against the Debtors, the Debtors in Possession or the Reorganized Debtors, or the Assets, properties, or interests in property of the Debtors, the Debtors in Possession or the Reorganized Debtors of any nature whatsoever any Claims or Interests based upon any act or omission, transaction, or other activity, event, or occurrence of any kind or nature that occurred prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date, except for (a) those payments

and distributions expressly due under this Plan and (b) Claims and Interests, if any, that are not canceled and discharged under the Plan, but instead survive pursuant to specific and express provisions of this Plan, and then only to the extent and in manner specifically and expressly provided in the Plan.

9.4 ***Indemnification Obligations***. Subject to the occurrence of the Effective Date, the obligations of the Debtors to indemnify, reimburse or limit liability of any person who is serving or has served as one of its directors, officers, employees or agents by reason of such person's prior or current service in such capacity as provided in the applicable articles of organization, operating agreements, partnership agreements, or bylaws, by statutory law or by written or oral agreement, policies or procedures of or with the Debtors, shall not be affected by or discharged by this Plan. Nothing in the Plan shall be deemed to affect any rights of any director or officer against any insurer with respect to any directors or officers liability insurance policies.

9.5 ***Term of Certain Injunctions*.** Unless otherwise provided herein or in the Confirmation Order, all of the injunctions and/or stays provided for in, or in connection with, the Chapter 11 Cases, whether pursuant to Section 105, Section 362, or any other provision of the Bankruptcy Code or other applicable law, in existence on the Confirmation Date, shall remain in full force and effect through the Effective Date and thereafter if so provided by this Plan, the Confirmation Order, or by their own terms. In addition, on and after the Confirmation Date, the Debtors may seek such further orders as they may deem necessary or appropriate to preserve the *status quo* during the time between the Confirmation Date and the Effective Date.

9.6 ***No Successor Liability.*** Except as otherwise specifically provided in the Plan or the Confirmation Order, neither the Debtors, the Reorganized Debtors, or any non-filed subsidiaries of any Debtor or any Released Parties will have any responsibilities, pursuant to the Plan or otherwise, for any liabilities or obligations of the Debtors or any of the Debtors' past or present subsidiaries relating to or arising out of the operations of or assets of the Debtors or any of the Debtors' past or present subsidiaries, whether arising prior to, or resulting from actions, events, or circumstances occurring or existing at any time prior to the Effective Date. The non-debtor subsidiaries and the Reorganized Debtors shall have no successor or transferee liability of any kind or character, for any Claims; *provided, however*, that the Reorganized Debtors shall have the obligations for the payments specifically and expressly provided in the Plan.

9.7 ***Release of Debtors' Claims***. As of the Effective Date, and subject to its occurrence, for the good and valuable consideration provided by each of the Released Parties, any and all Causes of Actions of the Debtors and Debtors in Possession against any of the Released Parties based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date shall be forever released and discharged. The foregoing releases, however, shall not operate as a waiver or release for any borrowed money owed to the Debtors by any officer, director or employee.

9.8 ***Release by Holders of Claims***. Except as otherwise specifically provided in the Plan or the Confirmation Order, on and after the Effective Date, each holder of a Claim who has voted to accept the Plan shall be deemed to have unconditionally released the Released Parties from any and all Claims, obligations, rights, suits, damages, Causes

of Action, remedies, and liabilities, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based in whole or in part upon any act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date.

9.9 ***Exculpation***. Except as otherwise specifically provided for in this Plan or the Confirmation Order, the Released Parties, the Debtors, the Debtors in Possession and the Reorganized Debtors shall have no liability to any Entity for any act or omission in connection with or arising out of the negotiation of the Plan, the pursuit of approval of the Disclosure Statement, the pursuit of confirmation of this Plan, the consummation of this Plan, the transactions contemplated and effectuated by this Plan, the administration of this Plan, or the Assets to be distributed under such Plan or any other act or omission during the administration of the Chapter 11 Cases or the Debtors' Estates. In all respects, each of the foregoing shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Plan.

9.10 ***Temporary Stay.*** In order to effectuate the Plan, no action may be taken by any Creditor to exercise any control over, vote or foreclose upon any Interests in and to any Debtors or Reorganized Debtors up to and through thirty (30) days after the fifth anniversary of the Effective Date of this Plan, provided however, that the Bankruptcy Court shall retain jurisdiction (including if necessary, upon reopening of these Chapter 11 Cases) to modify or terminate the stay provided in this subsection in the event of a material default by the Reorganized Debtors in the payments required under the Plan.

9.11 ***Preservation of All Causes of Action Not Expressly Settled or Released.***

For the avoidance of doubt, and without limiting or restricting any other provisions of this Plan, including but not limited to Section 9.1 "Vesting of Assets and Retained Causes of Action," unless a claim or Cause of Action against a Creditor or other Entity is expressly and specifically waived, relinquished, released, compromised or settled in this Plan or any Final Order, the Reorganized Debtors expressly reserve such claim or Cause of Action for adjudication or pursuit by the Reorganized Debtors after the Effective Date, and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such claims or Causes of Action upon or after the Confirmation Date or Effective Date of the Plan based on the Disclosure Statement, the Plan, the Confirmation Order or otherwise. The Reorganized Debtors expressly reserve the right to pursue or adopt any claims (and any defenses) or Causes of Action of the Debtors or the Debtors in Possession, as trustees for or on behalf of the Creditors, not specifically and expressly waived, relinquished, released, compromised or settled in this Plan or any Final Order against any Entity, including, without limitation, the plaintiffs or codefendants in any lawsuits. The Reorganized Debtors shall be representatives of the Estate appointed for the purposes of pursuing any and all such claims and Causes of Action (including but not limited to those set forth in Exhibit "E") under 11 U.S.C. § 1123(b)(3)(B).

Any Entity to whom the Debtors have incurred an obligation (whether on account of services, purchase or sale of goods, tort, breach of contract or otherwise), or who has received services from the Debtors or a transfer of money or property of the Debtors, or

who has transacted business with the Debtors, or leased equipment or property from the Debtors, should assume that such obligation, transfer, or transaction may be reviewed by the Reorganized Debtors subsequent to the Effective Date and may, to the extent not theretofore specifically waived, relinquished, released, compromised or settled in this Plan or any Final Order, be the subject of an action or claim or demand after the Effective Date, whether or not (a) such Entity has filed a proof of claim against the Debtors in the Chapter 11 Cases, (b) such Entity's proof of claim has been objected to, (c) such Entity's Claim was included in the Debtors' Schedules, or (d) such Entity's scheduled Claim has been objected to by the Debtors or has been identified by the Debtors as disputed, contingent, or unliquidated.

ARTICLE 10

THE EFFECTIVE DATE OF THE PLAN

10.1 ***Conditions to Occurrence of Effective Date of Plan*.** The "effective date of the plan," as used in Section 1129 of the Bankruptcy Code, shall not occur until the Effective Date. The occurrence of the Effective Date is subject to satisfaction of the following conditions precedent (or conditions subsequent with respect to actions that are to be taken contemporaneously with, or immediately upon, the occurrence of the Effective Date), any of which may be waived in writing by the Debtors and any other party whose consent to any such waiver is specifically required in writing under the Plan, if such waiver is legally permissible with respect thereto:

10.1.1 The Confirmation Order and the Plan as confirmed pursuant to the Confirmation Order and Filed shall be in a form and substance satisfactory to the Debtors and the New Investors.

10.1.2 The Confirmation Order shall have become a Final Order; *provided, however,* that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtors, with the consent of the New Investors and any other party whose consent in writing to any such waiver is specifically required under the Plan, unless the effectiveness of the Confirmation Order has been stayed or vacated.

10.1.3 The Bankruptcy Court shall have made the statutorily-required findings of fact and conclusions of law in connection with the confirmation of this Plan, each of which findings and conclusions shall be expressly set forth in the Confirmation Order or in findings of fact and conclusions of law entered in support of and contemporaneously with the entry of the Confirmation Order.

10.1.4 All actions, Plan documents, agreements and instruments, or other documents necessary to implement the terms and provisions of the Plan shall have been executed and delivered in form and substance satisfactory to the Debtors and the New Investors;

10.1.5 Any federal, state, local and foreign governmental authorizations, consents and regulatory approvals, including to the extent required, approval of the Gaming Regulators, required for the consummation of each of the transactions contemplated in the Plan shall have been obtained and shall have become final and non-appealable and, with respect to any court proceeding relating thereto, been approved by Final Order;

10.1.6 All fees and expenses due to or incurred by Professionals for the Debtors through the Effective Date not previously paid pursuant to interim or final orders

shall have been paid into and shall be held in escrow, free and clear of Liens, Claims and encumbrances (other than the rights of such Professionals) until due and payable in accordance with applicable court order;

10.1.7 All payments required to be made on the Effective Date shall have been made;

10.1.8 The New Investors shall have made the equity contributions contemplated by Section 7.2 of the Plan and shall have received the Series A 15% Preferred Units and Series A Voting Common Units as contemplated thereby;

10.1.9 Any and all documentation contemplated by this Plan to be executed by the Debtors, the First Lien Lenders, the Second Lien Lenders, the New Investors, the Holders of the Class 10 and 11 Claims and/or any other Persons, shall have been executed and delivered.

10.1.10 Legends Management shall have executed and delivered an agreement in favor of the Reorganized Debtors waiving its right to payment of its post-petition unpaid management fees and canceling the Management Agreement.

10.1.11 The Effective Date shall occur no later than May 29, 2009, unless such date is extended in writing by the Debtors with the consent of the New Investors.

10.2 ***Filing of Notice of Effective Date.*** Within two (2) Business Days of the occurrence of the Effective Date, the Reorganized Debtors shall file a notice of occurrence of the Effective Date signed by the counsel for the Debtors in Possession and, if different, counsel to the Reorganized Debtors in the record of the Bankruptcy Court reflecting (a) that the foregoing conditions to the occurrence of the Effective Date have been satisfied or waived by the Debtors and any other person whose consent or waiver is

required, (b) the date of the Effective Date, and (c) acknowledging that the Effective Date has occurred on and as of such date.

10.3 ***Revocation or Withdrawal of Plan*****.** The Debtors may revoke or withdraw the Plan prior to the Confirmation Date by filing a Notice of Withdrawal of Plan in the record of the Chapter 11 Cases. If the Plan is revoked or withdrawn prior to the Confirmation Date, or if the Effective Date does not occur prior to the date set forth in Section 10.1.11 (or any later date agreed in writing by the Debtors with the consent of the New Investors) because the conditions precedent thereto have not been satisfied, then the Plan shall be deemed withdrawn. In such event, (i) the Debtors and all holders of Claims and Interests shall be restored to the *status quo ante* as of the day immediately preceding the filing of the Plan, and (ii) all the Debtors' respective obligations with respect to the Claims and Interests shall remain unchanged, all of the Debtors' rights and claims against all Entities shall be fully preserved and nothing contained herein or in the Disclosure Statement shall be deemed to constitute an admission or statement against interest or to constitute a waiver or release of any claims by or against the Debtors or any other persons or to prejudice in any manner the rights of the Debtors or any person in any further proceedings involving the Debtors or the persons.

ARTICLE 11

MISCELLANEOUS PROVISIONS

11.1 ***Payment of Statutory Fees.*** All fees payable pursuant to Section 1930 of title 28 of the United States Code shall be paid after the Effective Date by the Reorganized Debtors, as, when and in the amount as required by applicable law.

11.2 ***Dissolution of the Unsecured Creditors Committee.*** On the Effective Date, the Unsecured Creditors Committee and its Professionals shall be released and discharged of and from all further authority, duties, responsibilities, and obligations relating to or arising from or in connection with the Chapter 11 Cases, and the Unsecured Creditors Committee shall be deemed dissolved; *provided, however,* that in the event that the Effective Date occurs prior to the entry of an order with respect to final fee applications of Professionals for the Unsecured Creditors Committee, the Unsecured Creditors Committee and its Professionals may seek and recover reasonable compensation in connection with the preparation, filing and prosecution of such applications.

11.3 ***Pension Plans.*** For avoidance of doubt, on and after the Effective Date, pursuant to Section 1129(a)(13) of the Bankruptcy Code, the Reorganized Debtors shall continue to pay all retiree benefits of the Debtors (within meaning of Section 1114 of the Bankruptcy Code), if any, at the level established in accordance with Section 1114 of the Bankruptcy Code, at any time prior to the Confirmation Date, for the duration of the period for which such Debtors had obligated themselves to provide such benefits.

11.4 ***Notice.*** Any notices, requests, and demands required or permitted to be provided under this Plan, in order to be effective, must be in writing (including by electronic mail or facsimile transmission), and unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) if personally delivered or if delivered by electronic mail or courier service, when actually received by the Entity to whom such notice is sent, or (b) if deposited with the United States Postal Service (whether actually received or not), at the close of business on the third Business Day

following the day when placed in the mail, postage prepaid, certified or registered with return receipt requested, addressed to the appropriate Entity or Entities, at the address of such Entity or Entities set forth below (or at such other address as such Entity may designate by written notice to all other Entities listed below in accordance with this Section:

If to the Debtors or Reorganized Debtors:	Heller, Draper, Hayden, Patrick & Horn, L.L.C. 650 Poydras Street, Suite 2500 New Orleans, LA 70130 Attn: William H. Patrick, Esq. Email: wpatrick@hellerdraper.com Attn: Tristan Manthey, Esq. Email: tmanthey@hellerdraper.com AND Winston & Strawn, LLP 35 West Wacker Drive Chicago, IL 60601 Attn: Joseph A. Walsh Email: jwalsh@winston.com Attn: Matthew J. Botica Email: mbotica@winston.com
If to the Unsecured Creditors Committee:	William E. Steffes Steffes, Vingiello & McKenzie, LLC Attorneys at Law 13702 Coursey Blvd., Bldg. 3 Baton Rouge LA 70817 Email : BSteffes@steffeslaw.com

11.5 ***Headings***. The headings used in this Plan are inserted for convenience only and do not in any manner affect the construction of the provisions of this Plan.

11.6 ***Governing Law***. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Louisiana, without giving effect to any conflicts of law principles thereof that would result in the application of the laws of any other jurisdiction, shall govern the construction of this Plan and any agreements, documents, and instruments executed in

connection with this Plan, except as otherwise expressly provided in such instruments, agreements, or documents.

11.7 ***Additional Documents***. The Debtors have the authority to take any and all actions and execute (and perform) any agreements and documents as the Debtors deem necessary or appropriate in their reasonable discretion to effectuate and further evidence the terms and conditions of this Plan.

11.8 ***Compliance with Tax Requirements***. In connection with this Plan, the Debtors and the Reorganized Debtors will comply with all applicable withholding and reporting requirements imposed by federal, state, and local taxing authorities, and all distributions hereunder shall be subject to such withholding and reporting requirements.

11.9 ***Exemption from Transfer Taxes***. Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of any securities (including Interests, Series A 15% Preferred Units, Series A Voting Common Units, Series B Preferred Units and Series B Voting Common Units) under this Plan, the making or delivery of any mortgage, deed of trust, other security interest, or other instrument of transfer under, in furtherance of, or in connection with this Plan, shall be exempt from all taxes as provided in such Section 1146(a) of the Bankruptcy Code.

11.10 ***Further Authorizations***. The Debtors, and after the Effective Date, the Reorganized Debtors, may seek such orders, judgments, injunctions, and rulings they deem necessary or useful to carry out the intention and purpose of, and to give full effect to, the provisions of this Plan.

11.11 ***Further Assurances.*** The Debtors, the Reorganized Debtors, and all holders of Claims and Interests receiving distributions under this Plan, and all other

parties in interest shall, from time to time, upon the reasonable request or demand of the Debtors and, from and after the Effective Date, the Reorganized Debtors, prepare, execute, and deliver any agreements or documents and take any other action consistent with the terms of this Plan as may be reasonably necessary to effectuate the provisions and intent of this Plan, with each such Entity to bear its own costs incurred in connection therewith.

11.12 ***Successors and Assigns.*** The rights, benefits and obligations of any Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, personal representative, successor or assign of such Entity.

11.13 ***Modification and Amendment of the Plan.*** Subject to the restrictions on modifications set forth in Section 1127 of the Bankruptcy Code and Bankruptcy Rules 2002 and 3019, this Plan may be amended or modified by the Debtors, and, after the Effective Date, by the Reorganized Debtors.

11.14 ***Other Rights.*** Nothing in the Plan or the Confirmation Order or any document executed in connection with the implementation of the Plan, shall be construed to prohibit the Reorganized Debtors from prepaying any Claims or settling Claims on different terms than provided herein.

11.15 ***Exemption From Securities Laws.***

The issuance of the Series A 15% Preferred Units, Series A Voting Common Units, Series B Preferred Units and Series B Voting Common Units shall be exempt from registration under any federal, state or local law, rule or regulation pursuant to Section 1145 of the Bankruptcy Code or other applicable law. Any person who solicits or

participates in the offer, issuance, sale or purchase of Series A 15% Preferred Units, Series A Voting Common Units, Series B Preferred Units or Series B Voting Common Units issued under this Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, is not liable, on account of such solicitation or participation, for violation of an applicable law, rule or regulation governing solicitation of acceptance or rejection of this Plan or the offer, issuance, sale or purchase of securities pursuant thereto.

ARTICLE 12

RETENTION OF JURISDICTION

Pursuant to Sections 105(a) and 1142 of the Bankruptcy Code, the Bankruptcy Court shall retain and shall have jurisdiction to the fullest extent provided by applicable law over any matter arising under the Bankruptcy Code or arising in or related to the Chapter 11 Cases or this Plan, including, without limitation, the following:

12.1 ***Executory Contracts and Unexpired Leases.*** To hear and determine any and all motions or applications (i) for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases to which the Debtors are parties or with respect to which the Debtors may be liable, (ii) to review and determine all Cure Payments under any such assumed executory contract or unexpired lease, and (iii) to review and determine any Claims resulting from the rejection of any executory contract or unexpired lease.

12.2 ***Causes of Action.*** To determine any and all Causes of Action, including all adversary proceedings, applications, motions, and contested or litigated matters that

may be pending on the Effective Date or that, pursuant to this Plan, may be instituted by the Reorganized Debtors after the Effective Date.

12.3 ***Disputed Claims, Contingent Claims and Unliquidated Claims Allowance/Dissallowance.*** To hear and determine any objections to the allowance of Claims or Interests, including but not limited to any objections to the classification of any Claim, and to allow or disallow any contingent Claim, Disputed Claim, unliquidated Claim, contingent Interest, disputed Interest in whole or in part, and to determine any and all disputes among Creditors and holders of Interests with respect to their Claims and Interests.

12.4 ***Enforcement/Modification of Plan.***

12.4.1 To hear and determine any modifications of this Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including the Confirmation Order.

12.4.2 To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with this Plan or any other Plan documents or their interpretation, implementation, enforcement, or consummation.

12.4.3 To hear and determine such other matters that may be set forth in this Plan and the Confirmation Order or that relate to any transaction required or contemplated by the Plan.

12.4.4 To hear and determine any other matters related hereto, including matters related to the implementation and enforcement of the Plan, the Confirmation Order, and all orders entered by the Bankruptcy Court in the Chapter 11 Cases.

12.4.5 To hear and determine any issue relating to distributions under the Plan.

12.4.6 To enter such orders as are necessary to implement and enforce the injunctions described herein, including orders extending the protections afforded under Section 105 of the Bankruptcy Code.

12.4.7 To issue such orders in aid of execution of this Plan to the fullest extent authorized or contemplated by Section 1142 of the Bankruptcy Code.

12.5 ***Compensation of Professionals*****.** To hear and determine all applications for allowances of compensation and reimbursement of expenses of Professionals, any other fees and expenses authorized to be paid or reimbursed under this Plan, and to approve the reasonableness of any payments made or to be made as provided in Section 1129(a)(4) of the Bankruptcy Code.

12.6 ***Settlements*****.** To the extent that Bankruptcy Court approval is required, to consider and act on any compromise and settlement of any Claim against or Cause of Action by the Debtors or the Reorganized Debtors.

12.7 ***Taxes.*** To hear and determine matters concerning state, local, and federal taxes, fines, penalties, or additions to taxes for which the Debtors or Debtors in Possession may be liable, directly or indirectly, in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code.

12.8 ***506(b) Claims***. To determine the amounts, if any, of the reasonable fees, costs and other charges payable under Section 506(b) of the Bankruptcy Code.

12.9 ***Specific Purposes.*** To hear and determine such other matters as may be provided for in the Confirmation Order or may be appropriate under applicable law.

12.10 F*inal Decrees.* To enter an order or final decree closing the Chapter 11 Cases.

Dated: February 10, 2009

PLAN FILED BY:

Louisiana Riverboat Gaming Partnership
Legends Gaming of Louisiana-1, LLC
Legends Gaming of Louisiana-2, LLC
Legends Gaming, LLC
Legends Gaming of Mississippi, LLC
Legends Gaming of Mississippi RV Park, LLC

BY: /s/ *Michael S. Kelly*
THEIR CHIEF EXECUTIVE OFFICER

/s/ *William H. Patrick*
William H. Patrick, III, La. Bar No. 10359
Tristan Manthey, La. Bar No. 24539
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As counsel to
Debtors and Debtors in Possession

/s/ *Matthew J. Botica*
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As Special Counsel to
Debtors and Debtors in Possession

NOTICE ANNEX 1

Pursuant to 11 U.S.C. § 342, the following sets forth the name, addresses and last four digits of the tax identification number for each of the referenced Debtors:

DEBTORS AND ADDRESSES	CASE NO.	TAX I.D. NO.
Louisiana Riverboat Gaming Partnership 711 DiamondJacks Blvd. Bossier City, LA 71111	08-10824	xx-xxx5811
Legends Gaming of Louisiana-1, LLC 711 DiamondJacks Blvd. Bossier City, LA 71111	08-10825	xx-xxx3064
Legends Gaming of Louisiana-2, LLC 711 DiamondJacks Blvd. Bossier City, LA 71111	08-10826	xx-xxx3099
Legends Gaming, LLC 160 South LaGrange Road Frankfort, IL 60423	08-10827	xx-xxx7524
Legends Gaming of Mississippi, LLC 3990 Washington Street Vicksburg, MS 39180	08-10828	xx-xxx3167
Legends Gaming of Mississippi RV Park, LLC 3990 Washington Street Vicksburg, MS 39180	08-10829	xx-xxx8765

Exhibit A –

Term Sheet for First Lien Lenders

Exhibit A

Legends Gaming, LLC
First Lien Credit Agreement
Summary of Principal Terms and Conditions

Borrower:	Legends Gaming, LLC, a Delaware limited liability company (the "Borrower").
Effectiveness:	The existing Credit Agreement dated as of July 31, 2006, as amended (the "Existing First Lien Credit Agreement"), by and among the Borrower, the financial institutions party thereto and Wilmington Trust Company, as successor administrative agent, will be amended and restated (the "Restated First Lien Credit Agreement") on the effective date (the "Effective Date") under the Borrower's Plan of Reorganization (the "Plan") under Chapter 11 of the Bankruptcy Code.
Administrative Agent:	Wilmington Trust Company (the "Agent").
Credit Facility:	A senior secured term loan in an aggregate principal amount equal to the Allowed First Lien Lenders' Secured Claims (the "First Lien Credit Facility").
Final Maturity and Amortization:	The First Lien Credit Facility will mature on the fifth anniversary of the Effective Date and will amortize in equal quarterly installments equal to 0.25% of the original aggregate principal amount thereof during the first 4.75 years thereof, with the balance payable on the maturity date. Payments will be due on the last day of each fiscal quarter, provided that if the last day is not a business day, then such payment will be due on the immediately succeeding business day.
Interest Rates and Fees:	As set forth on Annex I hereto.
Letters of Credit:	Letters of credit outstanding under the Existing First Lien Credit Agreement on the Effective Date will remain outstanding under the Restated First Lien Credit Agreement under the same terms and conditions as in the Existing First Lien Credit Agreement.
Guarantees:	All obligations of the Borrower under the First Lien Credit Facility will remain unconditionally guaranteed (the "Guarantees") by each existing and subsequently acquired or organized wholly-owned subsidiary of the Borrower (collectively, the "Guarantors").
Security:	The First Lien Credit Facility will remain secured by a first-priority security interest in the same assets and properties of the Borrower and the Guarantors (collectively, the "Collateral") that currently secures the obligations of the Borrower and the Guarantors under

the Existing First Lien Credit Agreement and related loan documents.

Simultaneously with the effectiveness of the Restated First Lien Credit Agreement, the existing Second Lien Credit Agreement dated as of July 31, 2006, as amended (the "Existing Second Lien Credit Agreement"), by and among the Borrower, the financial institutions party thereto and Jefferies High Yield Trading, LLC (or such other successor administrative agent as may be selected by the applicable lenders), as successor administrative agent, will be amended and restated (the "Restated Second Lien Credit Agreement") on the Effective Date. The obligations of the Borrower and the Guarantors under the Restated Second Lien Credit Agreement will be secured by a second-priority security interest in the Collateral.

The existing Intercreditor Agreement dated as of July 31, 2006, as amended (the "Existing Intercreditor Agreement"), by and among Wilmington Trust Company, as successor administrative agent under the Existing First Lien Credit Agreement, the successor administrative agent under the Existing Second Lien Credit Agreement, and the Borrower will be amended to delete Sections 5.3(a)(6) and (b)(6) thereunder.

Cash Dominion: Notwithstanding anything to the contrary in any deposit account control agreement or any other loan document, neither the Agent nor any Lender shall have the right to exercise any right or remedy (including, without limitation, the delivery of any cash dominion or control notice to any deposit bank as provided under any deposit account control agreement or the exercise of any right of setoff with respect to any deposit account or any funds therein) with respect to any deposit accounts of the Borrower or any of its subsidiaries except during a Cash Dominion Event. A "Cash Dominion Event" means the occurrence and continuance of an Event of Default and an acceleration of all obligations under the Restated First Lien Credit Agreement by the Required Lenders with written notice thereof delivered to the Borrower.

Voluntary Prepayments: Voluntary prepayments of loans will be permitted in whole or in part, at the option of the Borrower, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of prepayment of LIBOR rate loans other than on the last day of the relevant interest period. Each partial prepayment of loans shall be in a minimum principal amount of $500,000.

Mandatory Prepayments: The First Lien Credit Facility will be prepaid with (a) 100% of the net after-tax cash proceeds of all non-ordinary course asset sales and other dispositions, subject to a 360-day reinvestment right, and

	(b) 50% of Excess Cash Flow (as defined in Annex II hereto) for each fiscal year of the Borrower, commencing with the partial period commencing on the first day following the Effective Date and ending December 31, 2009, and for each fiscal year thereafter and paid on an annual basis within 120 days after the end of each fiscal year; provided, however, that in no event shall any prepayment of Excess Cash Flow be required to the extent such payment would cause the aggregate amount of available cash on hand of the Borrower and its subsidiaries to be less than the sum of (i) the aggregate amount of cash on hand required under applicable gaming laws and regulations and (ii) $5,000,000. There will be no mandatory prepayment from the proceeds of equity issuances.
Conditions Precedent:	All agreements and documents will be executed and delivered as of the Effective Date.
Representations and Warranties:	Substantially similar to the Existing First Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan, but excluding representations and warranties regarding (i) no material adverse effect, (ii) any projections and (iii) solvency. The representations and warranties will be made one time as of the Effective Date, and will not be re-made upon the periodic delivery of compliance certificates or any other periodic basis.
Affirmative Covenants:	Substantially similar to the Existing First Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan, but excluding (i) use of proceeds, (ii) any requirement to execute or pledge any intercompany promissory note and (iii) any requirement to obtain or maintain interest rate protection agreements.
Negative Covenants:	Substantially similar to the Existing First Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan. There will be no restrictions or covenants concerning capital expenditures or any other financial covenants except as provided below under the heading "Financial Covenants".
Financial Covenants:	1. Fixed Charge Coverage Ratio not to be less than 1.00 to 1.00, tested as of the last day of each fiscal quarter, commencing on the last day of the fiscal quarter ending upon the completion of four full fiscal quarters following the Effective Date. 2. Aggregate Consolidated Capital Expenditures not to exceed $6,000,000 for any fiscal year, tested as of the end of each fiscal year, commencing with fiscal year 2009, and subject to a one-year

carryover for any unused amounts. There will be no restrictions or requirements with respect to maintenance capital expenditures.

A failure to meet the required Fixed Charge Coverage Ratio will not be deemed to be a "Default" or an "Event of Default" under the Restated First Lien Credit Agreement unless such ratio has been missed for two consecutive fiscal quarters. In the event the Borrower has failed to meet any such ratio, the Borrower shall have the right to cure such failure through the sale of additional equity (or through a capital contribution), with any cash equity proceeds received within 90 days after any fiscal quarter being added to the calculation of Consolidated EBITDA for such fiscal quarter. The relevant definitions relating to financial covenants are set forth on Annex II hereto.

Information and Reporting Requirements: Delivery of audited financial statements within 120 days after the end of each fiscal year and unaudited quarterly financial statements for the first three fiscal quarters of each fiscal year within 60 days after the end of each such quarter; delivery of compliance certificate with annual and quarterly financial statements; together with the delivery of annual financial statements, a management discussion and analysis; within 60 days after the commencement of each fiscal year, a budget and projections for such year; copies of written notices from any gaming authority relating to proposed or threatened license revocation; notices of reportable events under ERISA; notices of default, material litigation and events that could have a material adverse effect. There shall be no monthly financial reporting as was required under Section 7.1(c) of the Existing First Lien Credit Agreement and no enhanced monthly reporting as was added to the Existing First Lien Credit Agreement under Section 5 of Amendment No. 2 to Credit Agreement dated as of July 18, 2007.

Events of Default: Substantially similar to the Existing First Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan, but excluding (i) change in control and (ii) occurrence of a material adverse effect.

Voting: Substantially similar to the Existing First Lien Credit Agreement (with such modifications thereof to reflect the transactions being consummated under the Plan).

Replacement of Lenders: If in connection with any proposed amendment, modification, consent or waiver, the consent of the Required Lenders is obtained but the consent of one or more other Lenders is not obtained, then the Borrower shall have the right to assign any such non-consenting Lender's loans and related interests to an assignee, so long as on the

	date of such assignment the non-consenting Lender is paid the principal of the loan owing to such non-consenting Lender and the interest accrued to but excluding the date of payment.
Assignments and Participations:	Substantially similar to the Existing First Lien Credit Agreement (with such modifications thereof to reflect the transactions being consummated under the Plan).
Expenses and Indemnification:	The Borrower will indemnify the Agent and the Lenders and their respective officers, directors, employees and affiliates and hold them harmless from and against all costs, expenses (including reasonable fees and disbursements of counsel) and liabilities of any such indemnified person arising out of or relating to any claim or any litigation or other proceedings (regardless of whether any such indemnified person is a party thereto) that relate to the transactions contemplated hereby, provided that no such indemnified person will be indemnified for the gross negligence, willful misconduct or bad faith of any indemnified person. After the occurrence of an Event of Default, the Borrower will pay all reasonable out-of-pocket expenses of the Agent and Lenders for enforcement costs in connection with enforcement of the loan documents by reason of such Event of Default.
Governing Law:	New York.

Annex I

Interest Rates:	The interest rates for borrowings under the First Lien Credit Facility will be, at the Borrower's option, LIBOR plus 4.50% or Base Rate plus 3.25%. The Borrower may elect interest periods of 1, 2, 3 or 6 months for LIBOR borrowings. LIBOR will be the offered rate for deposits in Dollars for the applicable interest period appearing on the Reuters Screen LIBOR01 page as of 11:00 a.m. (London Time) on the second business day immediately preceding the first day of each interest period. LIBOR will be determined by the Agent and adjusted for any reserve requirements. Base Rate shall be as defined in the Existing First Lien Credit Agreement. Calculation of interest shall be on the basis of actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of loans based on the Base Rate), and interest shall be payable at the end of each interest period and, in any event, at least every 3 months.
Unused Fees:	There will be no unused fees.

Annex II

Definitions: "Consolidated Capital Expenditures" means, for any period, the aggregate amount of all expenditures of the Borrower and its subsidiaries determined on a consolidated basis for fixed or capital assets incurred during such period (including that portion of capital leases which is capitalized on the consolidated balance sheet of the Borrower) which, in accordance with generally accepted accounting principles, would be classified as capital expenditures; provided, however, that in no event shall Consolidated Capital Expenditures include (a) amounts expended in the replacement, repair or reconstruction of any fixed or capital asset which was destroyed, damaged or condemned, in whole or in part, to the extent insurance, condemnation or other similar recoveries or proceeds are receivable or have been received by the Borrower or any of its subsidiaries in respect of such destruction, damage or condemnation, or (b) any capital expenditures made or committed to be made with the cash proceeds from any equity offering or capital contribution.

"Consolidated Cash Interest Expense" means, for any period, the Consolidated Interest Expense of the Borrower for such period to the extent paid in cash during such period.

"Consolidated EBITDA" means, for any period, the consolidated net income of the Borrower and its subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles for such period, plus, without duplication and to the extent deducted in determining such consolidated net income, (a) any provisions for taxes, (b) Consolidated Interest Expense, (c) depreciation, depletion, amortization of intangibles and other non-cash expenses, charges or losses deducted in determining consolidated net income for such period, (d) severance, non-compete, relocation, recruiting and retention bonus payments paid to officers and employees of the Borrower or any of its subsidiaries during such period, (e) all fees, costs, expenses, charges and losses incurred in connection with or relating to the Borrower's proceeding under Chapter 11 of the Bankruptcy Code or the Plan (including, without limitation, all professional fees and any expenses, charges or losses resulting from re-evaluations of assets due to "fresh start" accounting to the extent required under generally accepted accounting principles), (f) usual and customary compensation and expense reimbursement for travel expenses and fees paid to outside directors of the Borrower, (g) usual and customary indemnifications of directors of the Borrower and its subsidiaries, (h) all costs, expenses, charges and losses incurred in connection with any hurricane, flood, fire or other similar events that are nonrecurring in

nature (regardless of whether or not any such event is treated as nonrecurring under generally accepted accounting principles), and (i) any extraordinary loss, and plus any business interruption insurance proceeds received during such period to the extent such proceeds are not otherwise included in determining such consolidated net income.

"Consolidated Fixed Charges" means, for any period, the sum of (a) Consolidated Cash Interest Expense of the Borrower for such period plus (b) the aggregate amount of scheduled principal payments (excluding any voluntary or mandatory prepayments) in respect of indebtedness paid in cash by the Borrower and its subsidiaries during such period.

"Consolidated Interest Expense" means, for any period, the interest expense (net of any interest income) of the Borrower and its subsidiaries for such period determined on a consolidated basis in accordance with generally accepted accounting principles, but excluding all fees, costs and expenses in connection with any debt issuance and all amortization or write-off of deferred debt issuance fees, costs and expenses. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by the Borrower and its subsidiaries with respect to interest rate hedging agreements, but excluding any gain or loss under generally accepted accounting principles that results from the mark-to-market valuation of any interest rate hedging agreement.

"Excess Cash Flow" means, with respect to the Borrower and its subsidiaries on a consolidated basis for any period, (a) the sum of (without duplication) (i) consolidated net income of the Borrower and its subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles for such period, (ii) depreciation, depletion, amortization of intangibles and other non-cash expenses, charges or losses deducted in determining consolidated net income for such period, and (iii) Consolidated Interest Expense for such period, minus (b) the sum of (without duplication) (i) the amount of all non-cash gains, income or other credits included in determining consolidated net income for such period, (ii) Consolidated Cash Interest Expense for such period, (iii) scheduled and optional principal repayments of indebtedness (including capital leases) during such period, (iv) unfinanced capital expenditures made during such period, (v) tax distributions made during such period, (vi) any permitted restricted payments made in cash during such period, (vii) the amount of any cash deposits made during such period in respect of the purchase of assets where the purchase of such assets will be treated as a capital expenditure in a subsequent period, and (viii) the amount of any net increase (or plus

any net decrease) in the amount of any cash bonds, cash utility deposits and other similar cash deposits (including, without limitation, deposits for marketing, promotional and inventory (including food and beverage) purchases) made during such period.

"Fixed Charge Coverage Ratio" means, with respect to the Borrower for any four-quarter period, the ratio of (a) the sum of Consolidated EBITDA of the Borrower for such period minus Consolidated Capital Expenditures of the Borrower that are made in cash during such period (other than Consolidated Capital Expenditures (i) funded by any third party debt financing, (ii) funded by proceeds of any equity issuance or capital contribution or by proceeds from the sale of property or assets or from a condemnation or casualty event, or (iii) that are capital leases) to (b) Consolidated Fixed Charges of the Borrower for such period.

Exhibit B –

Term Sheet for Second Lien Lenders

Exhibit B

Legends Gaming, LLC
Second Lien Credit Agreement
Summary of Principal Terms and Conditions

Borrower:	Legends Gaming, LLC, a Delaware limited liability company (the "Borrower").
Effectiveness:	The existing Second Lien Credit Agreement dated as of July 31, 2006, as amended (the "Existing Second Lien Credit Agreement"), by and among the Borrower, the financial institutions party thereto (the "Lenders") and Jefferies High Yield Trading, LLC (or such other successor administrative agent as may be selected by the applicable lenders), as successor administrative agent, will be amended and restated (the "Restated Second Lien Credit Agreement") on the effective date (the "Effective Date") under the Borrower's Plan of Reorganization (the "Plan") under Chapter 11 of the Bankruptcy Code.
Administrative Agent:	To be selected by the Lenders and reasonably acceptable to the Borrower (the "Agent").
Credit Facility:	A senior secured term loan in an aggregate principal amount equal to the Allowed Second Lien Lenders' Secured Claims (the "Second Lien Credit Facility").
Final Maturity and Amortization:	The Second Lien Credit Facility will mature on the fifth anniversary of the Effective Date and will not have any scheduled amortization payments prior to the maturity date.
Interest Rate:	The outstanding principal balance of the Second Lien Credit Facility will accrue interest at 12.50% per annum. Calculation of interest shall be made on the basis of actual days elapsed in a year of 365 or 366 days, as the case may be. Interest will be due on the last day of each fiscal quarter, provided that if the last day is not a business day, then such payment will be due on the immediately succeeding business day.
Guarantees:	All obligations of the Borrower under the Second Lien Credit Facility will remain unconditionally guaranteed (the "Guarantees") by each existing and subsequently acquired or organized wholly-owned subsidiary of the Borrower (collectively, the "Guarantors").
Security:	The Second Lien Credit Facility will remain secured by a second-priority security interest in the same assets and properties of the Borrower and the Guarantors (collectively, the "Collateral") that currently secures the obligations of the Borrower and the Guarantors

under the Existing Second Lien Credit Agreement and related loan documents.

Simultaneously with the effectiveness of the Restated Second Lien Credit Agreement, the existing Credit Agreement dated as of July 31, 2006, as amended (the "Existing First Lien Credit Agreement"), by and among the Borrower, the financial institutions party thereto and Wilmington Trust Company, as successor administrative agent, will be amended and restated (the "Restated First Lien Credit Agreement") on the Effective Date. The obligations of the Borrower and the Guarantors under the Restated First Lien Credit Agreement will be secured by a first-priority security interest in the Collateral.

The existing Intercreditor Agreement dated as of July 31, 2006, as amended (the "Existing Intercreditor Agreement"), by and among Wilmington Trust Company, as successor administrative agent under the Existing First Lien Credit Agreement, the successor administrative agent under the Existing Second Lien Credit Agreement, and the Borrower will be amended to delete Sections 5.3(a)(6) and (b)(6) thereunder.

Cash Dominion: Notwithstanding anything to the contrary in any deposit account control agreement or any other loan document, neither the Agent nor any Lender shall have the right to exercise any right or remedy (including, without limitation, the delivery of any cash dominion or control notice to any deposit bank as provided under any deposit account control agreement or the exercise of any right of setoff with respect to any deposit account or any funds therein) with respect to any deposit accounts of the Borrower or any of its subsidiaries except during a Cash Dominion Event. A "Cash Dominion Event" means the occurrence and continuance of an Event of Default and an acceleration of all obligations under the Restated Second Lien Credit Agreement by the Required Lenders with written notice thereof delivered to the Borrower.

Voluntary Prepayments: Voluntary prepayments of loans will be permitted in whole or in part, at the option of the Borrower, without premium or penalty. Each partial prepayment of loans shall be in a minimum principal amount of $500,000.

Mandatory Prepayments: Following the repayment in full of all obligations under the Restated First Lien Credit Agreement, the Second Lien Credit Facility will be prepaid with (a) 100% of the net after-tax cash proceeds of all non-ordinary course asset sales and other dispositions, subject to a 360-day reinvestment right, and (b) 50% of Excess Cash Flow (as defined in Annex I hereto) for each fiscal year of the Borrower, commencing with the partial period commencing on the first day

following the Effective Date and ending December 31, 2009, and for each fiscal year thereafter and paid on an annual basis within 120 days after the end of each fiscal year; provided, however, that in no event shall any prepayment of Excess Cash Flow be required to the extent such payment would cause the aggregate amount of available cash on hand of the Borrower and its subsidiaries to be less than the sum of (i) the aggregate amount of cash on hand required under applicable gaming laws and regulations and (ii) $5,000,000. There will be no mandatory prepayment from the proceeds of equity issuances.

Conditions Precedent: All agreements and documents will be executed and delivered as of the Effective Date.

Representations and Warranties: Substantially similar to the Existing Second Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan, but excluding representations and warranties regarding (i) no material adverse effect, (ii) any projections and (iii) solvency. The representations and warranties will be made one time as of the Effective Date, and will not be re-made upon the periodic delivery of compliance certificates or any other periodic basis.

Affirmative Covenants: Substantially similar to the Existing Second Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan, but excluding (i) use of proceeds, (ii) any requirement to execute or pledge any intercompany promissory note and (iii) any requirement to obtain or maintain interest rate protection agreements.

Negative Covenants: Substantially similar to the Existing Second Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan. There will be no restrictions or covenants concerning capital expenditures or any other financial covenants except as provided below under the heading "Financial Covenants".

Financial Covenants: 1. Fixed Charge Coverage Ratio not to be less than 1.00 to 1.00, tested as of the last day of each fiscal quarter, commencing on the last day of the fiscal quarter ending upon completion of four full fiscal quarters following the Effective Date.

2. Aggregate Consolidated Capital Expenditures not to exceed $6,000,000 for any fiscal year, commencing with fiscal year 2009, and subject to a one-year carryover for any unused amounts. There will be no restrictions or requirements with respect to maintenance

	capital expenditures. A failure to meet the required Fixed Charge Coverage Ratio will not be deemed to be a "Default" or an "Event of Default" under the Restated Second Credit Agreement unless such ratio has been missed for two consecutive fiscal quarters. In the event the Borrower has failed to meet any such ratio, the Borrower shall have the right to cure such failure through the sale of additional equity (or through a capital contribution), with any cash equity proceeds received within 90 days after any fiscal quarter being added to the calculation of Consolidated EBITDA for such fiscal quarter. The relevant definitions relating to financial covenants are set forth on Annex I hereto.
Information and Reporting Requirements:	Delivery of audited financial statements within 120 days after the end of each fiscal year and unaudited quarterly financial statements for the first three fiscal quarters of each fiscal year within 60 days after the end of each such quarter; delivery of compliance certificate with annual and quarterly financial statements; together with the delivery of annual financial statements, a management discussion and analysis; within 60 days after the commencement of each fiscal year, a budget and projections for such year; copies of written notices from any gaming authority relating to proposed or threatened license revocation; notices of reportable events under ERISA; notices of default, material litigation and events that could have a material adverse effect. There shall be no monthly financial reporting as was required under Section 7.1(c) of the Existing Second Lien Credit Agreement and no enhanced monthly reporting as was added to the Existing Second Lien Credit Agreement under Section 4 of Amendment No. 1 to Second Lien Credit Agreement dated as of July 18, 2007.
Events of Default:	Substantially similar to the Existing Second Lien Credit Agreement, with such modifications thereof to reflect the restructured Borrower and the transactions being consummated under the Plan, but excluding (i) change in control and (ii) occurrence of a material adverse effect.
Voting:	Substantially similar to the Existing Second Lien Credit Agreement (with such modifications thereof to reflect the transactions being consummated under the Plan).

Replacement of Lenders:	If in connection with any proposed amendment, modification, consent or waiver, the consent of the Required Lenders is obtained but the consent of one or more other Lenders is not obtained, then the Borrower shall have the right to assign any such non-consenting Lender's loans and related interests to an assignee, so long as on the date of such assignment the non-consenting Lender is paid the principal of the loan owing to such non-consenting lender and the interest accrued to but excluding the date of payment.
Assignments and Participations:	Substantially similar to the Existing Second Lien Credit Agreement (with such modifications thereof to reflect the transactions being consummated under the Plan).
Expenses and Indemnification:	The Borrower will indemnify the Agent and the Lenders and their respective officers, directors, employees and affiliates and hold them harmless from and against all costs, expenses (including reasonable fees and disbursements of counsel) and liabilities of any such indemnified person arising out of or relating to any claim or any litigation or other proceedings (regardless of whether any such indemnified person is a party thereto) that relate to the transactions contemplated hereby, provided that no such indemnified person will be indemnified for the gross negligence, willful misconduct or bad faith of any indemnified person. After the occurrence of an Event of Default, the Borrower will pay all reasonable out-of-pocket expenses of the Agent and any Lenders for enforcement costs in connection with enforcement of the loan documents by reason of such Event of Default.
Governing Law:	New York.

Definitions:

"Consolidated Capital Expenditures" means, for any period, the aggregate amount of all expenditures of the Borrower and its subsidiaries determined on a consolidated basis for fixed or capital assets incurred during such period (including that portion of capital leases which is capitalized on the consolidated balance sheet of the Borrower) which, in accordance with generally accepted accounting principles, would be classified as capital expenditures; provided, however, that in no event shall Consolidated Capital Expenditures include (a) amounts expended in the replacement, repair or reconstruction of any fixed or capital asset which was destroyed, damaged or condemned, in whole or in part, to the extent insurance, condemnation or other similar recoveries or proceeds are receivable or have been received by the Borrower or any of its subsidiaries in respect of such destruction, damage or condemnation, or (b) any capital expenditures made or committed to be made with the cash proceeds from any equity offering or capital contribution.

"Consolidated Cash Interest Expense" means, for any period, the Consolidated Interest Expense of the Borrower for such period to the extent paid in cash during such period.

"Consolidated EBITDA" means, for any period, the consolidated net income of the Borrower and its subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles for such period, plus, without duplication and to the extent deducted in determining such consolidated net income, (a) any provisions for taxes, (b) Consolidated Interest Expense, (c) depreciation, depletion, amortization of intangibles and other non-cash expenses, charges or losses deducted in determining consolidated net income for such period, (d) severance, non-compete, relocation, recruiting and retention bonus payments paid to officers and employees of the Borrower or any of its subsidiaries during such period, (e) all fees, costs, expenses, charges and losses incurred in connection with or relating to the Borrower's proceeding under Chapter 11 of the Bankruptcy Code or the Plan (including, without limitation, all professional fees and any expenses, charges or losses resulting from re-evaluations of assets due to "fresh start" accounting to the extent required under generally accepted accounting principles), (f) usual and customary compensation and expense reimbursement for travel expenses and fees paid to outside directors of the Borrower, (g) usual and customary indemnifications of directors of the Borrower and its subsidiaries, (h) all costs, expenses, charges and losses incurred in connection with any hurricane, flood, fire or other similar events that are nonrecurring in nature (regardless of whether or not any such event is treated as nonrecurring under generally accepted accounting principles), and (i) any extraordinary loss, and plus any business interruption

insurance proceeds received during such period to the extent such proceeds are not otherwise included in determining such consolidated net income.

"Consolidated Fixed Charges" means, for any period, the sum of (a) Consolidated Cash Interest Expense of the Borrower for such period plus (b) the aggregate amount of scheduled principal payments (excluding any voluntary or mandatory prepayments) in respect of indebtedness paid in cash by the Borrower and its subsidiaries during such period.

"Consolidated Interest Expense" means, for any period, the interest expense (net of any interest income) of the Borrower and its subsidiaries for such period determined on a consolidated basis in accordance with generally accepted accounting principles, but excluding all fees, costs and expenses in connection with any debt issuance and all amortization or write-off of deferred debt issuance fees, costs and expenses. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by the Borrower and its subsidiaries with respect to interest rate hedging agreements, but excluding any gain or loss under generally accepted accounting principles that results from the mark-to-market valuation of any interest rate hedging agreement.

"Excess Cash Flow" means, with respect to the Borrower and its subsidiaries on a consolidated basis for any period, (a) the sum of (without duplication) (i) consolidated net income of the Borrower and its subsidiaries determined on a consolidated basis in accordance with generally accepted accounting principles for such period, (ii) depreciation, depletion, amortization of intangibles and other non-cash expenses, charges or losses deducted in determining consolidated net income for such period, and (iii) Consolidated Interest Expense for such period, minus (b) the sum of (without duplication) (i) the amount of all non-cash gains, income or other credits included in determining consolidated net income for such period, (ii) Consolidated Cash Interest Expense for such period, (iii) scheduled and optional principal repayments of indebtedness (including capital leases) during such period, (iv) unfinanced capital expenditures made during such period, (v) tax distributions made during such period, (vi) any permitted restricted payments made in cash during such period, (vii) the amount of any cash deposits made during such period in respect of the purchase of assets where the purchase of such assets will be treated as a capital expenditure in a subsequent period, and (viii) the amount of any net increase (or plus any net decrease) in the amount of any cash bonds, cash utility deposits and other similar cash deposits (including, without limitation, deposits for marketing, promotional and inventory

(including food and beverage) purchases) made during such period.

"Fixed Charge Coverage Ratio" means, with respect to the Borrower for any four-quarter period, the ratio of (a) the sum of Consolidated EBITDA of the Borrower for such period minus Consolidated Capital Expenditures of the Borrower that are made in cash during such period (other than Consolidated Capital Expenditures (i) funded by any third party debt financing, (ii) funded by proceeds of any equity issuance or capital contribution or by proceeds from the sale of property or assets or from a condemnation or casualty event, or (iii) that are capital leases) to (b) Consolidated Fixed Charges of the Borrower for such period.

Exhibit C –

Summary of Relative Rights of Classes of Equity

Exhibit C

Summary of Relative Rights of Classes of Equity

Series A Preferred

Voting. The Series A 15% Preferred Units shall have one (1) votes per unit on all matters submitted to the members.

Interest. The Series A 15% Preferred Units shall accrue interest at the rate of 15% per annum and all interest shall be payable in pay-in-kind units of Series A Preferred or fractional units of Series A Preferred using a $10,000 per unit liquidation value.

Liquidation Value. Each unit of Series A 15% Preferred shall have a liquidation value of $10,000 per unit.

Redemption. The Series A 15% Preferred shall be redeemed by the Company upon the occurrence of a Put Event (as defined in the Operating Agreement).

Series B Preferred

Voting. The Series B Preferred Units shall have one (1) vote per unit on all matters submitted to members.

Interest and Dividends. The Series B Preferred Units shall not accrue or earn any interest or dividends.

Liquidation Value. Each Unit of Series B Preferred shall have a liquidation value of $10,000 per unit.

Redemption. The Series B Preferred shall be redeemed by the Company upon the occurrence of a Put Event.

Series A Voting Common

Voting. The Series A Voting Common Units shall have ten (10) votes per unit on all matters submitted to the members.

Dividends. The Series A Voting Common Units shall have no right to dividends.

Redemption. The Series A Voting Common Units shall have no redemption rights.

Series B Voting Common

Voting. The Series B Voting Common Units shall have one (1) vote per unit on all matters submitted to the members.

Dividends. The Series B Voting Common Units shall have no right to dividends.

Redemption. The Series B Voting Common Units shall have no redemption rights.

Priority on Distributions..

After payment of third party indebtedness, cash flow and any distributions upon sale or liquidation shall be distributed as follows:

First, amounts sufficient to pay members tax payments;

Second, to the holders of the Series A 15% Preferred Units until the aggregate liquidation value is paid in full;

Third, to the holders of the Series B Preferred Units until the aggregate liquidation value is paid in full; and

Fourth, to the holders of the Series A Voting Common Units and Series B Voting Common Units pro rata.

Exhibit D –

Equity Contribution and Participation Agreement

EXHIBIT D

EQUITY CONTRIBUTION AND PARTICIPATION AGREEMENT

by and between

LEGENDS GAMING, LLC

and

WILLIAM J. MCENERY

Dated as of December 15, 2008

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EQUITY CONTRIBUTION AND PARTICIPATION AGREEMENT

This Equity Contribution and Participation Agreement (the "***Agreement***") is made and entered into effective as of December 15, 2008, by and between Legends Gaming, LLC., a Delaware limited liability company ("***The Debtor***" or the "***Company***") and William J. McEnery or his designee or designees (a "***Contributing Party***" or the "***Contributing Parties***").

WHEREAS, Company and its subsidiaries (collectively, the "***Debtors***") are currently parties to those certain proceedings entitled "In Re: Louisiana Riverboat Gaming Partnership, et al., Chapter 11 Case No. 08-10824, Jointly Administered (the "***Proceedings***") in the United States Bankruptcy Court, Western District of Louisiana, Shreveport Divisions (the "***Court***");

WHEREAS, Debtors have filed their Joint Chapter 11 Plan of Reorganization for the Company and filed subsidiaries as of December 15, 2008 (the "***Plan***"*);*

WHEREAS, pursuant to the Plan, all Allowed Equity Interests in the Company will be cancelled as of the Effective Date (as defined in Section 3.1), including, without limitation, all preferred units in the Company, and all common units in the Company;

WHEREAS, the Company will issue (i) 1,500 units of Series A 15% Preferred Units ("***Preferred Units***"); and (ii) 8,300 units of Series A Voting Common Units ("***Common Units***"), on the Effective Date; and

WHEREAS, the Plan requires the execution of this Agreement and the contribution by the Contributing Parties of equity in the amount of Fifteen Million Dollars ($15,000,000) in return for which the Contributing Parties shall receive (i) 1,500 Preferred Units; and (ii) 8,300 Common Units (collectively, "***New Equity***") of the Company on the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, each intending to be legally bound, do hereby agree as follows:

ARTICLE I
CONTRIBUTION AND ISSUANCE OF SHARES

Section 1.1 Capitalized Terms. Capitalized Terms not defined herein shall have the meanings set forth in the Plan.

Section 1.2 Contribution and Issuance of Shares. On the Effective Date (as defined in Section 3.1), upon the terms and subject to the conditions set forth in this Agreement, the Contributing Parties shall contribute and deliver to the Company cash in the amount of Fifteen Million Dollars ($15,000,000), in exchange for the New Equity of the Company, free and clear of any liens (collectively, the "***Transaction***"). For each ten thousand dollars ($10,000) of cash contributed, a Contributing Party shall receive (i) one (1) Series A Preferred Unit, and (ii) 5.533 Series A Common Units, rounded up to the nearest whole number.

Section 1.3 Designees. William J. McEnery shall have the right to assign his purchase rights hereunder to a third party, without the consent of the Company, and such third party shall execute a joinder agreement and become a Contributing Party hereunder.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company makes the following representations and warranties, all of which have been relied upon by the Contributing Parties in entering into this Agreement and all of which shall be true and correct at the Closing:

Section 2.1 Organization and Qualification. The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company is duly qualified to do business in, and is in good standing under, the laws of each jurisdiction where such qualification is necessary, except for those jurisdictions where failure to be so qualified, individually or in the aggregate, would not have a material adverse effect on the Company. The Company has full corporate power and authority to own its assets and to conduct its business as it is now being conducted.

Section 2.2 Due Authorization. On the Effective Date, the Company shall represent and warrant to the Contributing Parties the following:

(a) The Company has all requisite capacity and authority to execute and deliver this Agreement, and to perform its obligations hereunder and to consummate the Transaction;

(b) This Agreement has been duly executed by the Company and delivered to the Contributing Party and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms; and

(c) No further actions or proceedings by the Company are necessary to consummate the Transaction.

ARTICLE III
CLOSING

Section 3.1 Closing Date. The closing (the "***Closing***") shall occur on the effective date (the "***Effective Date***"). At the Closing, the Contributing Parties shall deliver to the Company cash in the amount of Fifteen Million Dollars ($15,000,000) and the Company shall deliver to the Contributing Parties the New Equity in accordance with Section 1.2 above. The occurrence of the Effective Date is subject to the satisfaction of the following conditions precedent (or conditions subsequent) with respect to actions that are to be taken contemporaneously with, or immediately upon, the occurrence of the Effective Date), any of which may be waived in writing by the Debtors, the Contributing Parties and any other party whose consent is required with respect thereto:

(a) The Confirmation Order shall have become a Final Order; provided, however, that the Effective Date may occur at a point in time when the Confirmation Order is not a Final Order at the option of the Debtors, with the written consent of the Contributing Parties, unless the effectiveness of the Confirmation Order has been stayed or vacated, in which case the Effective Date may be, at the option of the Debtors, with the written consent of Contributing Parties, be the first Business Day immediately following the expiration or other termination of any stay of effectiveness of the Confirmation Order.

(b) The Court shall have made the statutorily-required findings of fact and/or conclusions of law in connection with the confirmation of this Plan, each of which findings and/or conclusions shall be expressly set forth in the Confirmation Order or in findings of fact and conclusions of law entered in support of and contemporaneously with the entry of the Confirmation Order. The Confirmation Order shall be in a form satisfactory to the Debtors and the Contributing Parties, and shall be signed by the Court and entered in the docket of the Court.

(c) Any federal, state, local and foreign governmental authorizations, consents and regulatory approvals, including without limitation to, the Mississippi Gaming Commission ("***MGC***"), the Louisiana Gaming Control Board ("***LA Board***"), the Riverboat Gaming Enforcement Division of the Louisiana State Police ("***Enforcement Division***" and together with the LA Board the "***Louisiana Gaming Authorities***"), and the Colorado Division of Gaming (***"Colorado Gaming"***) required for the consummation of each of the transactions contemplated in the Plan shall have been obtained.

(d) All Contributing Parties shall be found "suitable" by the MGC, the Louisiana Gaming Authorities and Colorado Gaming.

(e) The Contributing Parties shall have executed an Amended and Restated Operating Agreement of the Company dated the Effective Date which incorporates the terms of the New Equity as set forth in Exhibit C attached to the Plan.

(f) This Agreement shall have been executed and delivered, and the funds shall be available for disbursement to the Debtors immediately upon the occurrence of the Effective Date.

(g) The Transaction Proceeds shall be (i) $15,000,000 or (ii) such other amount deemed satisfactory in the discretion of the Debtors and the Contributing Parties.

(h) No material adverse change shall have occurred prior to the Effective Date. The term "Material Adverse Change" shall mean the occurrence of an event that causes, or is likely to cause, significant asset or property damage or a significant reduction in the Debtors' revenue base or any event or occurrence that, in the reasonable judgment of the Debtors and the Contributing Parties is likely to have a material adverse effect on the Debtors' financial condition, businesses, performance, operations or prospects, including but not limited to the Debtors' ability to maintain their gaming or liquor licenses.

ARTICLE IV
GENERAL PROVISIONS

Section 4.1 Assignment. No party hereto may assign its rights or obligations hereunder without the prior written consent of the other parties hereto, except as provided in Section 1.3 hereof. Subject to the foregoing, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective successors and assignees.

Section 4.2 Counterparts. This Agreement may be signed in any number of counterparts with the same effect as if the signatures on each such counterpart were on the same instrument.

Section 4.3 Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Louisiana, without regard to the choice of law rules utilized in that jurisdiction.

Section 4.4 Cost and Expenses. The Contributing Parties and the Company will each pay their own costs and expenses (including attorneys' fees, accountants' fees and other professional fees and expenses) in connection with the negotiation, preparation, execution and delivery of this Agreement.

Section 4.5 Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the transactions contemplated hereunder, and supersedes all negotiations, representations, warranties, commitments, offers, contracts and writings prior to the date hereof. No waiver and no modification or amendment of any provision of this Agreement shall be effective unless specifically made in writing and duly signed by the party or parties to be bound thereby.

Section 4.6 Severability. In the event any provision of this Agreement or portion thereof is found to be wholly or partially invalid, illegal or unenforceable in any judicial proceeding, then such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed excised from this Agreement, as the case may require, and this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted, or as if such provisions had not been originally incorporated herein, as the case may be.

Section 4.7 Headings. The captions of the various Sections of this Agreement have been inserted only for convenience of reference and shall not be deemed to modify, explain, enlarge or restrict any of the provisions of this Agreement.

Section 4.8 U.S. Dollars. All amounts expressed in this Agreement and all payments required by this Agreement are in United States dollars.

Section 4.9 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and delivered in person, or sent by facsimile or sent by reputable overnight delivery service and properly addressed to the addresses set opposite the parties signature.

Any party may from time to time change its address for the purpose of notices to that party by a similar notice specifying a new address, but no such change shall be deemed to have been given until it is actually received by the party sought to be charged with its contents.

All notices and other communications required or permitted under this Agreement which are addressed as provided in this Section 4.9 if delivered personally or air courier, shall be effective upon delivery; if sent by facsimile, shall be delivered upon receipt of proof of transmission.

Section 4.10 No Third-Party Beneficiary. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

Section 4.11 Rights Cumulative; Waiver. The rights and remedies of the parties hereto under this Agreement shall be cumulative and not exclusive of any rights or remedies which either would otherwise have hereunder or at law or in equity or by statute, and no failure or delay by either party in exercising any right or remedy shall impair any such right or remedy or operate as a waiver of such right or remedy, nor shall any single or partial exercise of any power or right preclude such party's other or further exercise or the exercise of any power or right. The waiver by any party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any preceding or succeeding breach and no failure by either party to exercise any right or privilege hereunder shall be deemed a waiver of such party's rights or privileges hereunder or shall be deemed a waiver of such party's rights to exercise the same at any subsequent time or times hereunder.

Section 4.12 Specific Performance. Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, the non-breaching party or parties would be irreparably harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto will waive the defense in any action for specific performance that a remedy at law would be adequate and that the parties hereto, in addition to any other remedy to which they may be entitled at law or in equity, shall be entitled to compel specific performance of this Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed as of the date first written above.

Address
160 S. LaGrange Road
Frankfort, IL 60423

DEBTOR:

LEGENDS GAMING, LLC

By: /s/ Michael Kelly
Its: Chief Executive Officer

c/o Gas City, Ltd.
160 S. LaGrange Road
Frankfort, IL 60423

CONTRIBUTING PARTY:

/s/ William J. McEnery
William J. McEnery

Exhibit E –

Retained Claims and Causes of Action

EXHIBIT "E"

RETAINED CLAIMS AND CAUSES OF ACTION

- Causes of Action, including Avoidance Claims, as defined in the Plan; *provided, however,* the Debtors will not pursue any Avoidance Claims for affirmative recoveries or assert Avoidance Claims against holders of General Unsecured Claims with respect to such General Unsecured Claims but reserve all Avoidance Claims and may assert Avoidance Claims as defenses against other Claims filed against any of the Debtors;

- Objections to Claims and Interests under the Plan;

- Any and all litigation, claims, or Causes of Action of the Debtors and any rights, suits, damages, remedies, or obligations, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, relating to or arising from the acts, omissions, activities, conduct, Claims, or Causes of Action listed or described in the Plan, Plan supplements, Disclosure Statement, this Exhibit, or the Confirmation Order;

- Any other litigation, claims or Causes of Action, whether legal, equitable or statutory in nature, arising out of, or in connection with the Debtors' businesses, assets or operations or otherwise affecting the Debtors, including, without limitation, possible claims or Causes of Action against the following types of parties for the following types of Claims;

- Possible claims or Causes of Action against vendors, customers or suppliers for warranty, indemnity, back charge, set-off issues, overpayment or duplicate payment issues and collections, accounts receivables matters;

- Possible claims or Causes of Action against utilities or other persons or parties for wrongful or improper termination of services to the Debtors;

- Possible claims or Causes of Action for any breaches or defaults arising from the failure of any persons or parties to fully perform under executory contracts with the Debtors before the assumption or rejection of the subject contracts;

- Mechanic's lien claims of the Debtors;

- Possible claims or Causes of Action for deposits or other amounts owed by any Creditor, lessor, utility, supplier, vendor, factor or other person;

- Possible claims for damages or Causes of Action for other relief against any party arising out of environmental, asbestos and product liability matters;

- Claims or Causes of Action against insurance carriers relating to coverage, indemnity or other matters;

- Counterclaims and defenses relating to any Claims against the Debtors;

- Possible claims against local, state and federal taxing authorities (including, without limitation, any claims for refunds of overpayments);

- Contract, tort, or equitable claims which may exist or subsequently arise;

- Any claims of the Debtors arising under Section 362 of the Bankruptcy Code;

- Equitable subordination claims arising under Section 510 of the Bankruptcy Code or other applicable law;

- Any and all claims arising under chapter 5 of the Bankruptcy Code and all similar actions under applicable law, including, but not limited to, preferences under Section 547 of the Bankruptcy Code, turnover Claims arising under Sections 542 or 543 of the Bankruptcy Code, and fraudulent transfers under Section 548 of the Bankruptcy Code;

- Potential claims against Jefferies & Company, Inc., and its affiliates (collectively, "Jefferies") for breach of contract, fraud, negligence and breach of duty of good faith and fair dealing related to the Agreement dated June 21, 2007 between Jefferies and Legends Parent; potential claims relating to the December 2007 debt offering by Legends Parent; potential claims related to actions of Jefferies contributing to Debtors' filing of Chapter 11 proceedings; potential claims related to the purchase of the second lien indebtedness from Wayzata Investment Partners, LLC ("Wayzata"); potential claims related to the alleged sale by Wayzata of its second lien indebtedness to Jefferies and the subsequent purchase by Wayzata of additional first lien indebtedness, potential claims related to Jefferies assistance to the debt holders of Legends Parent adverse to the interests of Legends Parent and such other Causes of Action or claims of any kind or nature discovered in connection with the investigation related to the claims identified herein; Jefferies asserts that, pursuant to the Agreement, Legends Parent agreed to "indemnify and hold harmless Jefferies and its affiliates, and each of their respective officers, directors, managers, members, partners, employees and agents, and any other persons controlling Jefferies or any of its affiliates (collectively, "Indemnified Persons"), to the fullest extent lawful, from and against any claims, liabilities, losses, damages and expenses . . . , related to or arising out of or in connection with Jefferies' services (whether occurring before, at or after [June 21, 2007]) under the Agreement . . . or any proposed transaction contemplated by the Agreement whether or not resulting from an Indemnified Person's negligence." Jefferies further asserts, among other things, that Legends

Parent has waived its right to pursue any claim or cause of action for any and all claims, liabilities, losses, damages or expenses against Jefferies pursuant to, arising out of or in connection with the Agreement, and Jefferies reserves all rights to seek indemnification in accordance with the terms of the Agreement or as otherwise permitted in law or in equity. The Debtors dispute Jefferies' assertions.

- Potential claims against Wayzata for tortuous interference with contract related to the Agreement dated June 21, 2007 between Jefferies and Legends Parent; potential claims relating to the December 2007 debt offering by Legends Parent; potential claims related to the alleged sale of the second lien indebtedness to Jefferies; potential claims related to the breach of the First Lien Loan Agreement in connection with the purchase of additional first lien indebtedness subsequent to the Amendment of the First Lien Loan Agreement dated June 20, 2008; potential claims related to actions of Wayzata contributing to Debtors' filing of Chapter 11 proceedings; and such other Causes of Action or claims of any kind or nature discovered in connection with the investigation related to the claims identified herein;

- Potential claims against LaPressCo Printing, Inc. of Shreveport, Louisiana for negligence and breach of contract in connection with the printing of coupons for the Bossier City DiamondJacks Casino in 2007, which led to a Texas class action lawsuit against Legends Parent;

- Potential rights, defenses and other claims (whether as a result of indemnification obligations or otherwise) against Isle of Capri Casinos, Inc. and its affiliates (collectively, "Isle") arising from or under that certain Purchase Agreement dated as of February 13, 2007 (the "Isle Purchase Agreement") among certain Isle entities and the Debtors and any related agreements or other instruments executed in connection with the consummation of the transactions contemplated by the Isle Purchase Agreement.

All capitalized terms not defined on this Exhibit E shall have the meanings given to them in the Joint Chapter 11 Plan of Reorganization for Louisiana Riverboat Gaming Partnership and Affiliates as of December 15, 2008, as from time to time amended.

Exhibit D-2

Reorganized Debtors Financial Projections

EXHIBIT D-2
Reorganized Debtors Financial Projections
Legends Gaming LLC

These financial projections (the "Financial Projections") present, to the best of the Debtors' knowledge and belief, the Debtors' expected financial position, results of operations and cash flows for the projection period. The assumptions disclosed herein are those that the Debtors believe are significant to the Financial Projections. Because events and circumstances frequently do not occur as expected, there will be differences between the projected and actual results. These differences may be material to the Financial Projections herein.

The Projections have been prepared based on the assumption that the Effective Date of the Plan is March 31, 2009 and assume the successful implementation of the Reorganized Debtors' business plan. Although the Debtors presently intend to cause the Effective Date to occur as soon as practical following confirmation of the Plan, there can be no assurance as to when the Effective Date will actually occur given the conditions for the Effective Date to occur pursuant to the terms of the Plan.

A. ACCOUNTING POLICIES

The Financial Projections have been prepared by the Debtors in good faith based upon assumptions believed to be reasonable. The Financial Projections include assumptions to various financial accounts of the Company, which are based upon the Debtors' estimates and market conditions. The Debtors have included balance sheet information to facilitate the presentation of the projected financials. The Debtors are in the process of reviewing with accounting advisors any potential adjustments to equity and goodwill in the projected financials, which are not expected to be material to forecasted cash flows.

B. PROJECTION ASSUMPTIONS

The Debtors prepared the Financial Projections for the five years ending December of 2008 through 2013. The financial projections are based on a number of assumptions, and while the Debtors have prepared the Financial Projections in good faith and believe the assumptions to be reasonable, it is important to note that the Debtors can provide no assurance that such assumptions will ultimately be realized. The Financial projections should be read in conjunction with the assumptions, qualifications and notes contained herein and the historical financial statements filed by the Debtors as Monthly Operating Reports. The following summarizes the underlying key assumptions upon which the Financial Projections were based:

Projected Consolidated Statement Of Operations

Revenue Forecast: Below are key revenue assumptions for each property:

a) Bossier City:

Market: In 2007, DiamondJacks Bossier City completed a substantial casino renovation and in 2008, a refreshing of the main pavilion including a remodeling of the hotel lobby and meeting rooms and conversion of the atrium restaurant to the new Agave Mexican themed casual dining restaurant. In mid-2008 an upgrade to the existing slot system was installed with down-loadable credits capability. The New Cyber Command Center and associated Technology Center being developed in the area are expected to introduce thousands of new jobs with an average salary of $70,000 to the Bossier City Market in

2010 through 2012. Additionally, increased production from the Haynesville Shale Natural Gas reserve in Northwest Louisiana is expected to benefit the Bossier City/ Shreveport market.

Slot and Table Win: Slot Win growth is expected to be down 4.41% and Table Win is expected to be up 1.6% in 2008. Slot Win growth forecast is 4.95% in 2009 and 5.0% annually thereafter. Table Win growth forecast is 1.4% in 2009, 3.0% in 2010 and 2.0% thereafter.

Hotel and Other: Hotel occupancy is expected to increase gradually from 81% in 2009 to 88% by 2013 and Room Average Daily Rate (ADR) of $70 in 2009 is expected to increase gradually to $79 by 2013. Other Revenue growth is 15.3% in 2008 and the forecast is 15.6% in 2009 and 16.5% thereafter.

b) Vicksburg:

Market: During 2008, DiamondJacks Vicksburg completed a substantial casino renovation as well as a refreshing of the main pavilion including all food and beverage outlets. However, the property incurred extensive flooding in April and May of 2008 restricting traffic to the casino. Also, in the second half of 2008, an expansion of the Ameristar property and the opening of the Riverwalk Casino introduced additional competition to the market.

Slot and Table Win: Slot Win is expected to decrease by 12.7% and Table Win by 7.5% in 2008. Slot Win growth forecast is 4.0% in 2009 and 3.0% annually thereafter. Table Win growth is 2.0% in 2009 and 3.0% annually thereafter.

Hotel and Other: Hotel occupancy is expected to increase gradually from 92% in 2009 to 96% by 2013 and Room ADR is expected to increase gradually from $57 in 2009 to $68 by 2013. Other Revenue growth forecast is 14.2% in 2008 and the forecast is 15.6% in 2009 and 16.5% thereafter.

Operating Costs: Operating costs (other than marketing and administrative costs) are forecast to remain relatively constant over the next several years at 67.0% of gross revenues in 2008, 67.4% in 2009, 67.2% in 2010 and 67.1% thereafter. Bossier City costs will increase slightly due to inflation increases for both operating and labor costs. Vicksburg operating margins will improve primarily as result of improved utilization and management of labor resources.

Marketing & Administrative Costs: Marketing and Administrative Cost is forecast to decrease from 16.7% of gross revenues in 2008 to 14.3% of gross revenues in 2013. Overall marketing expenditures will improve over the next several years in relationship to revenue growth and as a result of continued emphasis on maximizing and leveraging marketing spend targeting the most profitable business segments.

Interest Expense: Interest for the First Lien Term Loan is projected for 2009 through 2013 based on an annual rate of LIBOR plus 4.50%. For purposes of the model projections, we have assumed a five-year Forward LIBOR Swap Rate assumption of 2.50%. The First Lien Term Loan interest is expensed monthly and disbursed on a quarterly basis. The Second Lien Term Loan interest is projected at 12.50% per annum and is expensed monthly and disbursed on a quarterly basis. Available cash balances are assumed to generate interest income at a rate of 2.00% per annum.

Income Taxes: Legends Gaming is organized as a limited liability corporation and is an entity disregarded for U.S. federal and state income tax purposes; accordingly, no provision for federal or state income taxes is reflected in the consolidated financial statements. Tax obligations of the Company's equity holders are reimbursed in the form of tax dividends. Due to past and expected future pre-tax losses, no tax dividends are expected during the 2009 through 2013 projection period.

Adjusted EBITDAM: Adjusted EBITDAM for the trailing twelve months ended December 31, 2008 and March 31, 2009 includes $3.2 million of adjustments for weather, construction, bankruptcy and other extraordinary events. Approximately $1.0 million of these adjustments are related to Bossier City and $2.2 million of these adjustments are related to Vicksburg.

Projected Consolidated Balance Sheet

Cash: Cash is projected each month to be $15 million, reflecting a minimum regulatory cash reserve requirement estimated at $10 million plus a $5 million cash working capital reserve. The March 31, 2009 cash balance represents the October 31, 2008 ending cash balance of $17.8 million plus the $15 million New Series A Preferred Investment less a $2.0 million use of cash during the October 31, 2008 to March 31, 2009 stub period and transaction cash uses of $1.6 million for first payment to unsecured creditors, $5.0 million for transaction fees and other administrative expenses and $9.1 million for restructuring contingency.

Accounts Receivable: The Debtors operate their casino businesses principally on a cash basis. Accordingly, accounts receivable is less than $1.2 million in 2008. The 2009 through 2013 accounts receivable balances are based on the historical trailing 12 months number of days carried, which approximated 2.2 days in 2008.

Accounts Payable: Projected accounts payable balances are based on the historical trailing 12 months days payable outstanding, which approximated 20.9 days in 2008. Days payable are down in 2008 from historical averages of 30.4 days in 2007 and 36.8 days in 2006. Conservatively, the model assumes no improvement in days payable outstanding during the projection period.

Other Accrued Liabilities: The Debtors have $11.2 million of other accrued liabilities as of October 31, 2008. $3.3 million of these liabilities are represented by unsecured creditors of the Debtors, of which $1.7 million is expected to be repaid at the Effective Date and the remainder in 2009. There are $7.9 million of other accrued liabilities expected to be maintained going forward on a constant dollar basis, which include property taxes, progressive slot liabilities, slot club point liability and payroll related accounts.

Long-term Debt: As of the Effective Date, First Lien Term Loan balances are estimated at $158.1 million, Second Lien Term Loan balances are estimated at $65 million plus $8.0 million of capitalized unpaid accrued interest, and Equipment Leases are estimated at $2.6 million.

Preferred Stock: New Series A Preferred Stock of $15.0 million reflects a new capital contribution as part of the Plan of Reorganization. The New Series A Preferred Stock will accrue PIK interest at 15.0% per annum. Existing Preferred Stock of $40 million and unpaid accrued management fees of $5.3 million have been converted to New Series B Preferred Stock and assumed to accrue no interest or dividends.

SUMMARY TRANSACTION SOURCES AND USES

(Dollars in Millions)

Sources			Uses		
First Lien Term Loan	$158.1		Existing First Lien	$158.1	
Second Lien Term Loan	73.0	(a)	Existing Second Lien	65.0	
New Series A Preferred Stock	15.0		2nd Lien Unpaid Accrued Interest	8.0	(a)
Excess Cash	0.8	(b)	First Payment to Unsecured Creditors	1.6	
			Transaction Fees & Expenses	5.0	(c)
			Restructuring Contingency	9.1	(d)
	$246.8			$246.8	

Footnotes:
(a) Unpaid accrued interest at the non-default rate of 10.5% applied to new principal balance of the 2nd Lien Term Loan.
(b) Estimated cash available as of 3/31/08 excluding $15mm minimum cash ($10mm for regulatory reserves and $5mm for working capital).
(c) Debtor success fee plus other administrative claims due as of effective date.
(d) Estimated restructuring contingency to account for any potential shortfall in roll-period projections and other general obligations.

SUMMARY PRO FORMA CAPITALIZATION

(Dollars in Millions)

	Current Rate	Plan Rate	Current 10/31/2008	Roll	Financing	Pro Forma 3/31/2009
Cash			$17.8	($2.0) (a)	($0.8)	$15.0
First Lien Term Loan	L+ 300	L+ 450	$158.1			$158.1
Second Lien Term Loan	10.5%	12.5%	65.0		8.0 (b)	$73.0
Equipment Leases	8.0%	8.0%	2.6			$2.6
Total Debt			**$225.7**			**$233.7**
New Series A Preferred Stock	-	15% PIK			15.0	15.0
Series B Preferred Stock (Existing Preferred)	-	-	40.0		5.3 (c)	45.3
Total Equity			**$40.0**			**$60.3**
Total Capitalization			**$265.7**			**$293.9**
Key Statistics:						
EBITDAM			$31.0			$28.8
Adj. EBITDAM			$34.3			$32.0
PF Cash Interest Expense (d)			$15.7			$20.4
Capital Expenditures			$7.8			$4.6
Credit Metrics:						
(Adj. EBITDAM - CapEx) / (Cash Interest + First Lien Amortization)			1.53x			1.25x
Adj. EBITDAM / Cash Interest			2.18x			1.57x
Debt / Adj. EBITDAM			6.59x			7.29x

Footnotes:
(a) Assumes $8.5mm of operating cash flow, less CapEx of $2.0mm, less $4.7mm interest payments and $3.7mm restructuring charges.
(b) Unpaid accrued interest on 2nd Lien Term Loan applied to new principal balance.
(c) Unpaid accrued management fee applied to principal balance of New Series B Preferred.
(d) Cash interest expense equals rate assumptions multiplied by shown debt balances. First Lien interest assumes 5-year LIBOR Swap Rate of 2.50%.

SUMMARY FINANCIAL DATA

(Dollars in Millions)

	FYE Dec. 31, 2008	LTM Ended 3/31/09	Projected Fiscal Years Ending Dec. 31, 2009	2010	2011	2012	2013
Bossier City Revenues	$118.4	$119.7	$124.6	$131.5	$137.4	$143.5	$150.1
Vicksburg Revenues	63.7	61.5	65.9	68.0	70.1	72.2	74.5
Total Revenues	182.1	181.2	190.5	199.5	207.4	215.7	224.6
Cost of Sales	121.9	122.5	128.5	134.1	139.2	144.7	150.7
Gross Profit	60.2	58.8	62.0	65.4	68.2	71.0	73.9
Marketing & Admin	30.4	30.0	28.0	29.1	29.9	30.8	32.1
Other expense (income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDAM	**29.8**	**28.8**	**34.0**	**36.3**	**38.4**	**40.2**	**41.8**
ADJ. EBITDAM	**33.0**	**32.0**	**34.0**	**36.3**	**38.4**	**40.2**	**41.8**
Mgmt Fee Expense	3.3	2.4	0.0	0.0	0.0	0.0	0.0
P,P&E Depreciation	14.6	14.6	14.5	14.9	15.2	15.6	16.0
Goodwill Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fees and Expenses Amortization	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Other Amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Depreciation & Amortization	16.6	16.6	15.5	15.9	16.2	16.6	17.0
EBIT	**9.9**	**9.8**	**18.5**	**20.5**	**22.1**	**23.6**	**24.9**
Capital Expenditures	6.9	4.6	4.5	4.5	4.5	4.5	4.5
Bossier City Adjusted EBITDAM	$17.7	$18.0	$18.5	$20.3	$21.3	$22.4	$23.5
Vicksburg Adjusted EBITDAM	15.3	14.0	15.5	16.1	17.1	17.8	18.4
Total Adjusted EBITDAM	$33.0	$32.0	$34.0	$36.3	$38.4	$40.2	$41.8

CONSOLIDATED INCOME STATEMENT

(Dollars in Millions)

	9 Mo's Ended 12/31/09	Projected Fiscal Years Ending Dec. 31, 2010	2011	2012	2013
Revenues	$142.7	$199.5	$207.4	$215.7	$224.6
Cost of Sales	96.5	134.1	139.2	144.7	150.7
Gross Profit	46.2	65.4	68.2	71.0	73.9
Marketing & Admin	20.6	29.1	29.9	30.8	32.1
Other expense (income)	0.0	0.0	0.0	0.0	0.0
EBITDAM	**25.5**	**36.3**	**38.4**	**40.2**	**41.8**
Mgmt Fee Expense	0.0	0.0	0.0	0.0	0.0
P,P&E Depreciation	11.0	14.9	15.2	15.6	16.0
Goodwill Amortization	0.0	0.0	0.0	0.0	0.0
Fees and Expenses Amortization	0.5	1.0	1.0	1.0	1.0
Other Amortization	0.0	0.0	0.0	0.0	0.0
Total Depreciation & Amortization	11.5	15.9	16.2	16.6	17.0
EBIT	**14.1**	**20.5**	**22.1**	**23.6**	**24.9**
Interest Expense:					
First Lien Term Loan	8.1	10.2	9.3	8.1	6.7
Second Lien Term Loan	6.8	9.1	9.1	9.1	9.1
Equipment Leases	0.1	0.1	0.1	0.0	0.0
Other interest expense	0.0	0.0	0.0	0.0	0.0
Total Interest Expense	**15.1**	**19.5**	**18.5**	**17.3**	**15.8**
Interest (Income)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Net Interest Expense	**14.8**	**19.2**	**18.2**	**17.0**	**15.5**
Pretax Income	**(0.8)**	**1.3**	**4.0**	**6.6**	**9.4**
Income Tax Payable by Members	0.0	0.0	0.4	2.7	3.7
Net Income Before Minority Interest and Dividend	(0.8)	1.3	3.6	4.0	5.6
New Series A Preferred Stock Dividends	1.8	2.6	3.0	3.5	4.0
Series B Preferred Stock Dividends	0.0	0.0	0.0	0.0	0.0
Net Income Available To Common	**(2.5)**	**(1.3)**	**0.6**	**0.5**	**1.6**
Common Dividends	0.0	0.0	0.0	0.0	0.0
Net Income After Common Dividends	**($2.5)**	**($1.3)**	**$0.6**	**$0.5**	**$1.6**

CONSOLIDATED BALANCE SHEET

(Dollars in Millions)

ASSETS	Pro Forma	Projected As of Dec. 31,				
	3/31/09	2009	2010	2011	2012	2013
Current Assets						
Cash	$15.0	$15.0	$15.0	$15.0	$15.0	$15.0
Accounts Receivable	1.1	1.2	1.2	1.3	1.3	1.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid and Other	5.0	5.0	5.0	5.0	5.0	5.0
Total Current Assets	21.0	21.1	21.2	21.2	21.3	21.3
Property, Plant & Equipment	127.1	130.2	134.7	139.2	143.7	148.2
Less: Accumulated Depreciation	5.8	16.8	31.6	46.8	62.4	78.4
Net Property, Plant & Equipment	121.3	113.4	103.1	92.3	81.2	69.8
Other Amortizing Assets	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill & Asset Write-Ups	105.4	105.4	105.4	105.4	105.4	105.4
Capitalized Fees and Expenses	5.0	4.5	3.5	2.5	1.5	0.5
Restricted Cash	0.3	0.3	0.3	0.3	0.3	0.3
Total Other Assets	110.7	110.2	109.2	108.2	107.2	106.2
Total Assets	**$253.0**	**$244.7**	**$233.4**	**$221.7**	**$209.7**	**$197.3**
LIABILITIES & SHAREHOLDERS' EQUITY						
Current Liabilities						
Accounts Payable	$7.0	$7.4	$7.7	$8.0	$8.3	$8.6
Accrued Interest	0.0	0.0	0.0	0.0	0.0	0.0
Other Accrued Liabilities	9.6	8.0	8.0	8.0	8.0	8.0
Total Current Liabilities	16.6	15.4	15.7	16.0	16.3	16.6
Deferred Taxes	0.0	0.0	0.0	0.4	3.0	6.8
Accrued Management Fees	0.0	0.0	0.0	0.0	0.0	0.0
Total Other Obligations	0.0	0.0	0.0	0.4	3.0	6.8
Long-Term Debt						
First Lien Term Loan	158.1	152.3	140.1	124.8	106.6	84.5
Second Lien Term Loan	73.0	73.0	73.0	73.0	73.0	73.0
Equipment Leases	2.6	2.1	1.5	0.8	0.0	0.0
Total Long-Term Debt	**233.7**	**227.4**	**214.5**	**198.6**	**179.6**	**157.4**
Shareholders' Equity						
New Series A Preferred Stock	15.0	16.8	19.4	22.4	25.9	29.9
Series B Preferred Stock	45.3	45.3	45.3	45.3	45.3	45.3
Common Equity	0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings	(57.5)	(60.0)	(61.4)	(60.8)	(60.3)	(58.7)
Total Shareholders' Equity	**2.7**	**2.0**	**3.2**	**6.8**	**10.8**	**16.4**
Total Liabilities and Shareholders' Equity	**$253.0**	**$244.7**	**$233.4**	**$221.7**	**$209.7**	**$197.3**
Total Capitalization	**$236.4**	**$229.4**	**$217.7**	**$205.4**	**$190.4**	**$173.9**

CONSOLIDATED CASH FLOW STATEMENT

(Dollars in Millions)

	9 Mo's Ended	Projected Fiscal Years Ending Dec. 31,			
Cash Flow From Operations	**12/31/09**	**2010**	**2011**	**2012**	**2013**
Net Income After Common Dividends	($2.5)	($1.3)	$0.6	$0.5	$1.6
Plus Non-Cash Expenses:					
Deferred Taxes	0.0	0.0	0.4	2.7	3.7
Depreciation & Amortization	11.5	15.9	16.2	16.6	17.0
Non-Cash Preferred Dividends	1.8	2.6	3.0	3.5	4.0
Non-Cash Interest Expense	0.0	0.0	0.0	0.0	0.0
Minority Interest	0.0	0.0	0.0	0.0	0.0
Decrease (Increase) In Non-Cash Working Capital:					
Decrease (Increase) In Accounts Receivable	(0.1)	(0.1)	(0.0)	(0.1)	(0.1)
Decrease (Increase) In Inventories	0.0	0.0	0.0	0.0	0.0
Decrease (Increase) In Prepaid and Other	0.0	0.0	0.0	0.0	0.0
Increase (Decrease) In Accounts Payable	0.4	0.3	0.3	0.3	0.3
Increase (Decrease) In Accrued Interest	0.0	0.0	0.0	0.0	0.0
Increase (Decrease) In Other Accrued Liabilities	(1.6)	0.0	0.0	0.0	0.0
Total Decr. (Incr.) In Non-Cash Working Capital	(1.3)	0.3	0.2	0.3	0.3
Cash Flow From Operations	9.4	17.4	20.4	23.5	26.6
Cash Flow From Operations					
Capital Expenditures	(3.1)	(4.5)	(4.5)	(4.5)	(4.5)
Net Asset Dispositions	0.0	0.0	0.0	0.0	0.0
Change in Other Assets	0.0	0.0	0.0	0.0	0.0
Change in Other Liabilities	0.0	0.0	0.0	0.0	0.0
Cash Flow From Investing	(3.1)	(4.5)	(4.5)	(4.5)	(4.5)
Cash Flow From Financing					
Mandatory Amortization & Refinancing:					
First Lien Term Loan	(1.2)	(1.5)	(1.4)	(1.2)	(1.1)
Second Lien Term Loan	0.0	0.0	0.0	0.0	0.0
Equipment Leases	(0.5)	(0.7)	(0.7)	(0.8)	0.0
New Series A Preferred Stock	0.0	0.0	0.0	0.0	0.0
Series B Preferred Stock	0.0	0.0	0.0	0.0	0.0
CF before optional debt repayments	4.6	10.7	13.9	17.0	21.1
Optional debt borrowing (repayments)	*2.9%*	*7.0%*	*9.9%*	*13.6%*	*19.8%*
First Lien Term Loan	(4.6)	(10.7)	(13.9)	(17.0)	(21.1)
Second Lien Term Loan	0.0	0.0	0.0	0.0	0.0
Equipment Leases	0.0	0.0	0.0	0.0	0.0
New Series A Preferred Stock	0.0	0.0	0.0	0.0	0.0
Series B Preferred Stock	0.0	0.0	0.0	0.0	0.0
Cash Flow From Financing	(6.3)	(12.9)	(15.9)	(19.0)	(22.1)
Cash at Beginning of Period	**$15.0**	**$15.0**	**$15.0**	**$15.0**	**$15.0**
Net Increase (Decrease) in Cash	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Cash at End of Period	**$15.0**	**$15.0**	**$15.0**	**$15.0**	**$15.0**

Exhibit D-3

Liquidation Analysis

EXHIBIT D-3
Hypothetical Liquidation Analysis as of June 30, 2009
Legends Gaming LLC

EXHIBIT D-3
LIQUIDATION ANALYSIS
($ in thousands)

Statement of Assets	Note(s)	Plan of Reorganization Recovery (A) Low	Plan of Reorganization Recovery (A) High	Chapter 7 Liquidation Recovery (B) Low	Chapter 7 Liquidation Recovery (B) High
Bossier City	A, B	$ 130,000	$ 145,000	$ 91,000	$ 101,500
Vicksburg	A, B	110,000	125,000	77,000	87,500
Other	A, B	-	-	-	-
Sub total assets	I	240,000	270,000	168,000	189,000
Cash at Effective Date / Commencement of Ch. 7 Liquidation	C	17,966	17,966	17,966	17,966
Less Cash from Reorganization / Liquidation Period	C	(5,000)	(5,000)	689	689
Net Cash at Effective Date / Commencement of Ch. 7 Liquidation		12,966	12,966	18,655	18,655
Total Assets	I	$ 252,966	$ 282,966	$ 186,655	$ 207,655
Less Cash Allocated for POR / Chapter 7 Liquidation Uses					
Chapter 7 Trustee Fees	D	-	-	4,666	5,191
Chapter 7 Professional Fees	E	-	-	1,650	1,650
Retention Pay	E	-	-	5,000	5,000
Costs Associated with Liquidation		-	-	11,316	11,841
Total Recoverable Assets Available for Distribution		**$ 252,966**	**$ 282,966**	**$ 175,339**	**$ 195,814**
Unencumbered Assets [1]					
Casino Cage Cash	C			$ 9,600	$ 9,600
Gaming Licenses	F			33,000	33,000
Total Unencumbered Assets				$ 42,600	$ 42,600
Secured Recovery Amount				$ 132,739	$ 153,214

Total Claim Recovery	Amount of Claims[2]	Excluded Payments[2]			
First Lien	$ 145,807	$ 12,278	G	$ 132,739	$ 153,214
Second Lien	65,746	5,520	H	$ -	$ -
General Unsecured Claims	8,600	-	J	$ -	$ -
	$ 220,153	$ 17,798			
Deficiency Claim					
First Lien				$ (13,068)	$ -
Second Lien				(65,746)	(65,746)
General Unsecured Claims				(8,600)	(8,600)
				$ (87,414)	$ (74,346)
Resulting Deficiency from Amount of Claim %					
First Lien				15.0%	0.0%
Second Lien				75.2%	88.4%
General Unsecured Claims				9.8%	11.6%
Allocation of Net Cash & Proceeds Attributable to Unencumbered Assets					
First Lien				$ 6,369	$ -
Second Lien				$ 32,040	$ 37,672
Other Secured Claims				$ -	$ -
General Unsecured Claims				$ 4,191	$ 4,928
Total Recovery [3]					
First Lien				$ 139,107	$ 153,214
Second Lien				$ 32,040	$ 37,672
General Unsecured Claims				$ 4,191	$ 4,928
Total Recovery as % Claim and Excluded Payments					
First Lien				88.0%	96.9%
Second Lien				45.0%	52.9%
General Unsecured Claims				48.7%	57.3%

Footnotes:
(1) The first lien lenders and second lien lenders do not have an enforceable security interest in casino cage cash or the applicable gaming licenses.
(2) The first lien lenders claim has been reduced by $12.3 million of interest payments and advisory fees paid during the bankruptcy period from April 2008 through December 2008. The second lien lenders claim includes $0.75 million of unpaid and accrued interest as of the bankruptcy date. and excludes unpaid and accrued interest during the bankruptcy period.
(3) Recoveries do not take into consideration any intercreditor or other agreements that may exist between 1st Lien Lenders and 2nd Lien Lenders with respect to sharing or disbursement of recovery. Total recovery percentage equals amount recovered divided by amount of claims plus excluded payments.

EXHIBIT D-3

Legends Gaming LLC

Notes to Liquidation Analysis

The following discussion summarizes the assumptions and methodology employed in the preceding hypothetical Chapter 7 liquidation analysis (the "Liquidation Analysis"). While the Debtors believe that the assumptions utilized in the Liquidation Analysis are reasonable, the validity of such assumptions may be affected by the occurrence of events or the existence of conditions not now contemplated or by other factors. Underlying this analysis are a number of assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond the control of the Debtors. Accordingly, while the analysis is presented with numerical specificity, there can be no assurance that the values reflected in the Liquidation Analysis would be realized if the Debtors were, in fact, to undergo such a liquidation, and actual results could vary materially from those shown herein.

The Liquidation Analysis assumes that a Chapter 7 case is commenced on December 31, 2008 under the control and supervision of a court appointed Chapter 7 trustee. It is further assumed that the Chapter 7 case would continue for six months during which time the business of the Debtors would be sold in an orderly liquidation on a going concern basis and the proceeds thereafter distributed within 90 days in accordance with sections 726 and 1129 (b) of the Bankruptcy Code. The Liquidation Analysis assumes that there are no proceeds as a result of any potential preferences, fraudulent conveyance or other causes of action.

The assumptions reflect management's judgment of the most likely course of action of a hypothetical Chapter 7 Trustee in liquidating the assets. It should also be understood that this is a hypothetical analysis only, in as much as the Chapter 11 cases have not been converted to Chapter 7 cases and a Chapter 7 Trustee has not been appointed.

FOOTNOTES TO LIQUIDATION ANALYSIS

The following notes describe the significant assumptions reflected in this Liquidation Analysis.

Note A – Reorganization Value

The Debtors have estimated the reorganization value of the Reorganized Debtors to be in the range of $253 million to $283 million including cash. The Debtors purchased these assets for $240 million in July 2006 and have made approximately $19.0 million of capital improvements. See the Disclosure Statement for a description of and analysis of caveats thereto. The Liquidation Analysis assumes that, in a hypothetical Chapter 7 liquidation, the Debtors' Vicksburg, Mississippi casino (the "DiamondJacks-Vicksburg") and Bossier City, Louisiana casino (the "DiamondJacks-Bossier City") would each be sold on a going concern basis. It is assumed that this strategy would produce the highest value consistent with the trustee's obligation to liquidate assets of the estate expeditiously. It should be noted that for purposes of this analysis, the Debtors have assumed that the Chapter 7 Trustee that is appointed would be licensed on a temporary basis under applicable gaming regulations, would otherwise be permitted by such authorities to operate the assets during such sales process and would be permitted by such authorities to transfer the gaming licenses to the ultimate purchaser of the Debtors' ongoing business. In the event that the

Chapter 7 Trustee is not authorized to operate the assets during the sale process and transfer the gaming licenses to a buyer, the liquidation recoveries would be materially adversely affected.

The Debtors considered the following generally accepted business valuation approaches in the valuation of both DiamondJacks-Vicksburg and DiamondJacks-Bossier City.

• **Market Approach**: Guideline Merged and Acquired Company Method – Within this method, the value of the business is estimated by comparing DiamondJacks-Vicksburg and DiamondJacks-Bossier City to guideline companies that have been bought or sold during a reasonably recent period of time. The Debtors accessed databases and SEC filings in its search for guideline merged and acquired company transactions.

• **Income Approach**: Discounted Cash Flow Method – Within this method, the value of the business is estimated as the present value of the future cash flows derived by the stakeholders of the business.

Note B –Liquidation Value

The Debtors believe that a chapter 7 liquidation would inevitably lead to selling conditions that would substantially reduce the total value available to the estate. The following are some, but not all, of the adverse consequences that the Debtors believe would result from a Chapter 7 liquidation of the Debtors' assets:

a) The sale of the Debtors' assets and businesses under the time pressure and adverse publicity attendant to any Chapter 7 liquidation would create a difficult selling environment and could result in a transaction consummated at a substantial discount to going-concern value. In the Debtors' circumstances, these effects would be particularly acute because, among other factors: (i) applicable gaming regulations would require that any buyer be licensed for a Chapter 7 trustee to consummate a sale within a short period of time, and as a result would likely require that any buyer already be licensed in Mississippi and/or Louisiana, thus greatly limiting the number of prospective purchasers; (ii) the perceived distressed nature of the sale; and (iii) the general conditions in the credit markets would make it difficult for many acquirers to raise capital within a short time frame.

b) Conversion of the case to a Chapter 7 liquidation could adversely affect: (i) morale, productivity and retention of the Debtors' employees; (ii) the willingness of the Debtors' vendors to provide goods and services and extend credit; (iii) the effectiveness of recent investments in the re-branding of the DiamondJacks properties; (iii) the relationships between the Debtors and their customers, particularly under their current player loyalty and reward programs; and (iv) the ability of the Debtors to attract new customers and to exploit various marketing opportunities otherwise available. Given that the Debtors' profitability is heavily dependent on their relationships with their customers, any prolonged delay that results in the reduction of customer attendance or otherwise effects the Debtors' loyalty or reward programs could cause a significant decline in the projected cash flows.

The discount applied to the going concern enterprise value represents a judgment as to the discount that would be required in selling the operating businesses to take into

account the matters referred to above and is assumed to be 30%. The discount applied by any particular purchaser could be significantly different from that amount.

Note C – Cash & Cash Equivalents

Cash is per the Debtors' financial statements and schedules and includes cage cash, petty cash, cash on hand and cash deposited in depository accounts and overnight investment accounts. Cash at the effective date is the December 31, 2008 cash balance per Management estimate based on the cash budget for operating cash flow, less capital expenditure, less cash interest and estimated restructuring charges. Operating cash at the end of the liquidation period represents the amount of operating cash generated less maintenance capital expenditures and restructuring expenses during the liquidation period. The liquidation analysis does not reduce cash for first lien interest payments during the liquidation period. Net cash at the end of the liquidation period is assumed to be fully recoverable.

Note D – Chapter 7 Trustee Fees

Section 326 of the U.S. Bankruptcy Code limits Chapter 7 Trustee fees to 3.0% of gross liquidation proceeds. For this Liquidation Analysis, an estimate of 2.5% is assumed. It is assumed that 100% of the Chapter 7 liquidation costs will be charged to the First Lien Lenders' collateral.

Note E – Chapter 7 Professional Fees and Retention Pay

This amount represents estimated professional fees for legal and other professionals representing the Trustee in the liquidation of the Debtors. Legal fees are assumed to be $200,000 per month for six months and $150,000 per month for the next three months. Retention pay for key management is estimated to be $5.0 million. It is assumed that 100% of these Chapter 7 liquidation costs will be charged to the First Lien Lenders' collateral.

Note F – Gaming License

This amount represents the book value on the Debtor's financial statements that is attributable to the carrying value of the Debtor's gaming licenses in Mississippi and Louisiana. The gaming licenses are not subject to the security interests of the First Lien Lenders or the Second Lien Lenders. It is possible that the actual value of the gaming licenses could be considerably different than the book value in the event the Bankruptcy Court was required to determine the value thereof.

Note G – First Lien Senior Lenders' Secured Claims

The total estimated amount of First Lien Senior Lenders' secured debt owed by the Debtors as of the assumed date of the completion of the liquidation and distribution of proceeds is $158.1 million. The First Lien Lenders were paid $12.3 million of interest and advisory fees during the bankruptcy period, which may reduce the First Lien Senior Lenders' secured recovery claim to $145.8 million. In the event that the total secured recovery amount available for distribution exceeds $145.8 million, the First Lien Senior Lenders would be entitled to additional secured recovery of up to $12.3 million before any Second Lien Senior Lenders' secured claims would be paid. Management assumes the recovery on the liquidation will not exceed the amount of the secured debt of the

First Lien Senior Lenders as of June 30, 2009, the date of the assumed completion of the liquidation and assumed distribution of proceeds from the liquidation.

Note H – Second Lien Lenders' Secured Claims

The estimated amount of Second Lien Senior Lenders' Secured Claims owed by the Debtors as of the assumed date of the completion of the liquidation and distribution of proceeds is $65.7 million, including $0.75 million of unpaid accrued interest as of the petition date and excludes all unpaid interest claims accrued during the bankruptcy period. Management assumes the recovery on the liquidation will not exceed the amount of the secured debt of the Second Lien Lenders as of June 30, 2009, the date of the assumed completion of the liquidation and assumed distribution of proceeds therefrom.

Note I – Other Secured Claims

The estimated amount of Other Secured Claims owed by the Debtors is $2.6 million and includes claims related to leased equipment and other assets used in the ongoing operation of the business. For purposes of this liquidation analysis, Other Secured Claim liabilities would be assumed by the buyer in the liquidation sale to avoid loss of the operating equipment.

Note J – General Unsecured Claims

The estimated General Unsecured Claims amount to approximately $8.6 million, including unpaid pre-petition accrued management fees of $5.3 million. For purposes of estimation we have included $0.4 million for the settlement of a dispute over working capital adjustments in the July 2006 purchase from Isle of Capri; the Debtors contend that it owes no claim to Isle of Capri, however an eventual settlement could range in size from $0 to $1.8 million. The total general unsecured claim estimate is based on the estimated amount of unsecured, non–priority creditors, including accounts payable and accrued expenses, capital leases and contracts payable. The amount includes a nominal amount of unpaid accrued interest. The total general unsecured claim estimate does not include claims related to executory contract rejection damages, the First Lien Lenders' and Second Lien Lenders' deficiency claims and any other miscellaneous general unsecured claims.