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8 Proposed Reorganization Counsel for
9 Debtors and Debtors in Possession

Proposed Local Reorganization Counsel for
Debtors and Debtors in Possession

10 **UNITED STATES BANKRUPTCY COURT**
11 **DISTRICT OF NEVADA**

12 In re:
13 CIRCUS AND ELDORADO JOINT
14 VENTURE, *et al.*,

Chapter 11
Case No. BK-12-51156
(Jointly Administered)

- 15 Affects this Debtor
- 16 Affects all Debtors
- 17 Affects Silver Legacy Capital Corp.

18 Debtors.

**NOTICE OF FILING OF (I)
STIPULATION PURSUANT TO 11
U.S.C. §§ 105, 361, 362, 363 AND FED. R.
BANKR. P. 4001(B) AND (D) BETWEEN
BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., AS
TRUSTEE, AND DEBTORS-IN-
POSSESSION RE (A) USE OF CASH
COLLATERAL AND (B) GRANT OF
ADEQUATE PROTECTION
PURSUANT NUNC PRO TUNC TO
THE PETITION DATE AND (II)
PROPOSED FINAL ORDER
APPROVING STIPULATION**

Hearing Date: June 25, 2012
Hearing Time: 2:00 p.m.
Place: 300 Booth Street
Reno, NV 89509



1 TO THE HONORABLE BRUCE T. BEESLEY, UNITED STATES BANKRUPTCY JUDGE,
2 THE OFFICE OF THE UNITED STATES TRUSTEE AND ALL PARTIES IN INTEREST:

3 **PLEASE TAKE NOTICE** that, after extensive discussions and negotiations, the above
4 captioned debtors and debtors in possession (together, the "Debtors"), the official committee of
5 unsecured creditors appointed in these cases (the "Committee") and The Bank of New York
6 Mellon Trust Company, N.A. (the "Prepetition Indenture Trustee," and together with the
7 Debtors and the Committee, the "Parties"), in its capacity as Trustee with respect to that certain
8 Indenture dated March 5, 2002, have reached agreement on the terms of the stipulation
9 regarding the Debtors' use of the Prepetition Indenture Trustee's cash collateral on a final basis
10 (the "Final Cash Collateral Stipulation").

11 **PLEASE TAKE FURTHER NOTICE** that attached hereto as Exhibit 1 is a true and
12 correct copy of the proposed Order approving the Final Cash Collateral Stipulation on a final
13 basis (the "Final Order"), which attaches the agreed-upon Final Cash Collateral Stipulation as
14 an exhibit.¹

15 **PLEASE TAKE FURTHER NOTICE** that attached hereto as Exhibit 2 is a blackline
16 comparing the Final Order and Final Cash Collateral Stipulation to the stipulation between the
17 Debtors and the Prepetition Indenture Trustee providing for the Debtors' use of cash collateral
18 on an interim basis (the "Interim Cash Collateral Stipulation") and the Court's order approving
19 the Interim Cash Collateral Stipulation on an interim basis [Docket No. 49].

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28 ¹ The Debtors intend to submit an executed version of the Final Cash Collateral Stipulation at or subsequent to the
Court's hearing on June 25, 2012.

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Dated: June 22, 2012

Respectfully submitted,

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By: /s/ Sallie B. Armstrong
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EXHIBIT 1

EXHIBIT 1

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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

CIRCUS AND ELDORADO JOINT
VENTURE, *et al.*,

- Affects this Debtor
- Affects all Debtors
- Affects Silver Legacy Capital Corp.

Debtors.

CHAPTER 11

CASE NO. BK-12-51156

(JOINTLY ADMINISTERED)

**FINAL ORDER PURSUANT TO 11
U.S.C. §§ 105, 361, 362, AND 363 AND
FED. R. BANKR. P. 4001(B) AND (D):
(I) AUTHORIZING USE OF CASH
COLLATERAL; (II) GRANTING
ADEQUATE PROTECTION TO
PREPETITION SECURED PARTIES;
AND (III) GRANTING RELATED
RELIEF NUNC PRO TUNC TO THE
PETITION DATE**

Hearing Date: June 25, 2012
Hearing Time: 2:00 p.m.
Place: 300 Booth Street
Reno, NV 89509

Upon consideration of the motion (the "Motion") of the Debtors for entry of interim and final orders pursuant to Sections 105(a), 361, 362, and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b) and (d): (i) authorizing the Debtors to use cash collateral in accordance with and pursuant to that certain stipulation between the Debtors and the Prepetition Indenture Trustee (as amended, modified, restated or supplemented from time to time, the "Cash Collateral Stipulation"), a true and correct copy of which is attached hereto as Exhibit 1, (ii) granting adequate protection as described herein and in the Cash Collateral Stipulation to the Debtors' principal secured creditors, and (iii) granting certain related relief described herein and in the Cash Collateral Stipulation, and (iv) scheduling a final hearing to consider entry of a final order approving the Cash Collateral Stipulation; notice of the Motion having been given to the 20 largest unsecured creditors of the Debtor, the United States Trustee, the Prepetition Indenture Trustee; and the Court having conducted a hearing to consider the relief requested in the Motion on May 18, 2012 (the "Preliminary Hearing"); the Court previously having entered its interim order approving the Cash Collateral Stipulation [Docket No. 49]; the Court having considered all pleadings filed in connection with the Motion and the Cash Collateral Stipulation, including, but not limited to, the Committee's Reservation of Rights re Interim Cash Collateral Order [Docket No. 197]; and the Court having conducted a further hearing to consider the relief requested in the Motion on June 25, 2012 (the "Final Hearing" and together with the Preliminary Hearing, the "Hearings"), and upon the Declaration of Stephanie D. Lepori in Support of First Day Motions, dated May 17, 2012 (the "Lepori Declaration") and upon the entire record of the Hearings, including any evidence presented or statements of counsel at the Hearings and after due deliberation thereon; and any and all objections to the Motion, the Cash Collateral Stipulation or any of the relief requested therein having been withdrawn, settled or overruled; and good and sufficient cause appearing therefore;

THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and over the persons and property affected thereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2).

B. Under the circumstances, the Court concludes that the notice of the Motion given by the Debtors constitutes due, sufficient and appropriate (i) notice of the Motion and (ii) opportunity for a hearing on the Motion, and the notice requirements of Bankruptcy Rules 2002 and 6004 are deemed satisfied.

C. Approval of the Cash Collateral Stipulation is necessary to allow the Debtors to continue to operate their businesses and to facilitate the sale and/or reorganization of the Debtors' business, and thereby maximize creditor recoveries.

D. The Cash Collateral Stipulation has been negotiated at arms length and in good faith among the Prepetition Indenture Trustee, the Official Committee of Unsecured Creditors and the Debtors.

E. The immediate entry of this Order pursuant to Bankruptcy Rule 4001(b) and (c) is necessary to avoid immediate and irreparable harm to the Debtor.

F. This Court concludes that entry of this Order is in the best interests of the Debtors' estates and creditors and its implementation will, among other things, provide the Debtors with the necessary liquidity to sustain the operation of the Debtors' businesses and enhance the Debtors' prospects for successfully reorganizing and thereby maximizing creditor recoveries.

G. Based on the foregoing and upon the record made before this Court at the Hearings on the Motion, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT

1. The Court's consideration of the Stipulation is a core proceeding as defined in 28 U.S.C. § 157(b)(2)(A) and (M). The statutory predicates for the relief sought herein are Sections

361, 362 and 363 of the Bankruptcy Code, Bankruptcy Rule 4001(b), and Rule 4001 of the Local Rules of Bankruptcy Practice of the United States District Court for the District of Nevada.

2. The Motion is GRANTED on a Final basis.
3. All of the terms and conditions of the Cash Collateral Stipulation are approved in their entirety.
4. Debtors' entry into the Cash Collateral Stipulation is approved on a final basis, and the Debtors are authorized to perform and do all acts that are required or contemplated by or in connection with this Order and the Cash Collateral Stipulation.
5. The Adequate Protection Liens granted pursuant to the Cash Collateral Stipulation shall be deemed perfected, valid and enforceable without further action necessary by the Prepetition Indenture Trustee.
6. All obligations of Debtors pursuant to the Cash Collateral Stipulation and this Order shall constitute obligations that are valid, binding, and enforceable against the Debtors in accordance with their terms.
7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and the 14-day stay of Bankruptcy Rule 6004(h) shall not apply to this Order.

8. This Court retains jurisdiction with respect to all matters arising from or related to the implementation and interpretation of this Order.

SUBMITTED BY:

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**UNITED STATES BANKRUPTCY COURT
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In re:

CIRCUS AND ELDORADO JOINT
VENTURE, *et al.*,

- Affects this Debtor
- Affects all Debtors
- Affects Silver Legacy Capital Corp.

Debtors.

Chapter 11

Case No. BK-12-51156

(Jointly Administered)

**STIPULATION PURSUANT TO 11
U.S.C. §§ 105, 361, 362, 363 AND FED.
R. BANKR. P. 4001(B) AND (D)
BETWEEN BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.,
AS TRUSTEE, AND DEBTORS-IN-
POSSESSION RE (A) USE OF CASH
COLLATERAL AND (B) GRANT OF
ADEQUATE PROTECTION
PURSUANT NUNC PRO TUNC TO
THE PETITION DATE**

1 This stipulation re use of cash collateral ("Stipulation") is entered into by and between
2 Circus and Eldorado Joint Venture, a Nevada general partnership (the "Joint Venture"), Silver
3 Legacy Capital Corp., a Nevada corporation ("SLCC" and, together with the Joint Venture, the
4 "Debtors"), and The Bank of New York Mellon Trust Company, N.A. (the "Prepetition
5 Indenture Trustee") in its capacity as Trustee with respect to that certain Indenture, dated March
6 5, 2002 (as amended, modified, restated or supplemented from time to time the, "Indenture"), for
7 the Debtors' 10 1/8% Mortgage Notes due 2012 (the "Mortgage Notes")¹ and on behalf of the
8 holders of the Mortgage Notes (the "Prepetition Noteholders"; together with the Prepetition
9 Indenture Trustee, the "Prepetition Secured Parties"). The Mortgage Notes are secured by the
10 Prepetition Collateral (as defined below). Capitalized terms used herein but not otherwise
11 defined shall have the meanings given to them in the Indenture. This Stipulation is made with
12 reference to the following facts:

13 RECITALS

14 A. On May 17, 2012 (the "Petition Date"), the Debtors filed voluntary petitions for
15 relief under chapter 11 of the Bankruptcy Code thereby commencing the above-referenced
16 chapter 11 cases (the "Chapter 11 Cases").

17 B. Joint Venture is a general partnership that owns and operates the Silver Legacy
18 Resort Casino ("Silver Legacy"), a premier nineteenth century silver mining themed hotel,
19 casino and entertainment complex in downtown Reno, Nevada. The Debtors' property includes
20 an approximately 87,300 square-foot casino with 1,399 slot machines, 63 table games, including
21 blackjack, craps, roulette, and a race and sports book. Also located on the property are (i) a 37-
22 story hotel tower with 1,711 guest rooms, including many high-end suites, (ii) six dining
23 venues, and (iii) approximately 50,000 square feet of in-house exhibit and convention space.
24 The casino and entertainment areas at Silver Legacy are connected by skyway corridors to the
25 Eldorado Hotel & Casino and the Circus Circus Hotel and Casino, each of which are owned by
26 affiliates of the Debtors. Together, the three properties comprise the heart of the Reno market's
27 prime gaming area and room base.

28 ¹ The Mortgage Notes matured on March 1, 2012.

1 C. SLCC is a wholly-owned subsidiary of the Joint Venture and was created and
2 exists for the sole purpose of serving as a co-issuer of the Mortgage Notes. SLCC has no
3 operations, assets or revenues.

4 **I. THE PREPETITION INDENTURE AND RELATED DOCUMENTS**

5 D. The Debtors, as issuers, and Prepetition Indenture Trustee are party to the
6 Indenture, pursuant to which Debtors originally issued the Mortgage Notes. The Mortgage
7 Notes matured on March 1, 2012.

8 E. Pursuant to that certain Security Agreement, dated March 5, 2002 (as amended,
9 modified, restated or supplemented from time to time prior to the Petition Date, the "Prepetition
10 Security Agreement") between the Debtors, as grantors, and Bank of New York, as trustee, the
11 Debtors granted to the Prepetition Indenture Trustee liens and security interests on substantially
12 all of the Debtors' personal property assets (but subject to applicable restrictions and exclusions
13 under Nevada gaming law and as otherwise provided in the Prepetition Security Agreement), as
14 collateral to secure the Debtors' obligations under and in respect of the Indenture and the
15 Mortgage Notes as described more fully in the Indenture and Prepetition Security Documents
16 (defined below).

17 F. The Debtors and the Partners (defined below) also entered into certain other
18 security agreements with the Prepetition Indenture Trustee, as described below, in connection
19 with the issuance of the Mortgage Notes, including:

20 (i) that certain Deed of Trust, Fixture Filing and Security
21 Agreement with Assignment of Rents (the "Prepetition Deed of
22 Trust"), dated as of February 26, 2002, pursuant to which the Joint
23 Venture granted the Prepetition Indenture Trustee (i) liens on the
24 land upon which the Debtors' casino is located (the "Land"), the
25 improvements on the Land, the various fixtures located on the
26 Land, and (ii) an assignment of the rents, issues and profits from
27 the Land and the improvements thereon;

28 (ii) that certain Assignment of Rents and Revenues (as amended,
modified, restated or supplemented from time to time prior to the
Petition Date, the "Prepetition Assignment of Rents"), dated as of
February 26, 2002, pursuant to which the Joint Venture granted
and assigned to the Prepetition Indenture Trustee all of the Joint
Venture's right, title and interest in the rents and revenues

1 generated or derived from the Land, the improvements thereon and
2 the operation of the Debtors' casino and hotel business; and

3 (iii) that certain letter form account control agreement (as
4 amended, modified, restated or supplemented from time to time
5 prior to the Petition Date, the "Prepetition DACA"), dated March
6 5, 2002, by and between the Debtors, the Prepetition Indenture
7 Trustee and Bank of America, pursuant to which the Joint Venture
8 granted the Prepetition Indenture Trustee control over certain of
9 the Joint Venture's deposit accounts maintained with Bank of
10 America; and

11 (v) that certain Pledge Agreement (the "Prepetition Pledge
12 Agreement"), dated as of September 4, 2002, made by Galleon,
13 Inc., a Nevada corporation, and Eldorado Limited Liability
14 Company, a Nevada limited liability company (each, a "Partner";
15 and collectively the "Partners"), pursuant to which the Partners
16 granted to the Prepetition Indenture Trustee, a lien on and security
17 interest in each Partner's respective partnership interests in the
18 Joint Venture.

19 The Prepetition Security Agreement, together with the Prepetition Deed of Trust, the Prepetition
20 Assignment of Rents, the Prepetition DACA and the Prepetition Pledge Agreement, and each
21 other agreement or undertaking of the Debtors and the Prepetition Indenture Trustee pursuant to
22 which a lien or security interest securing the obligations under the Prepetition Indenture and the
23 Mortgage notes is granted, each as amended, modified, restated or supplemented from time to
24 time prior to the Petition Date, are collectively referred to as the "Prepetition Security
25 Documents."

26 G. The various collateral pledged by the Debtors and/or upon which the Debtors
27 granted a lien or security interest, in each case to the Prepetition Indenture Trustee under the
28 various Prepetition Security Documents is referred to herein as the "Prepetition Collateral". For
the avoidance of doubt, notwithstanding that the Partners' respective partnership interests are
collateral under the Prepetition Security Documents, for the purposes of this Stipulation and
these Chapter 11 Cases, the Prepetition Collateral does not include the Partners' respective
partnership interests in the Joint Venture. The Partners are not guarantors of the Mortgage
Notes and are not liable under the Indenture. The Prepetition Indenture Trustee reserves all
rights with respect to the pledge of the partnership interests in the Joint Venture pursuant to the

1 Prepetition Security Documents, including the Pledge Agreement.

2 H. [Intentionally Omitted].

3 I. Subject in each case to paragraph 12 hereto, the Debtors admit, stipulate and
4 agree that:

5 (i) As of the Petition Date, Debtors were indebted and liable to
6 the Prepetition Secured Parties without objection, defense,
7 counterclaim or offset of any kind under the Indenture, and the
8 Prepetition Security Documents, specifically, (a) under the
9 Indenture, in the aggregate principal amount of not less than
10 \$142,800,000 with respect to the Mortgage Notes, and unpaid
11 interest thereon in the amount of \$10,281,600 and (b) all other
12 reasonable fees, costs and additional charges due under the
13 Indenture and the Prepetition Security Documents, including but
14 not limited to the Prepetition Indenture Trustee's costs and
15 reasonable attorneys' fees, including any attorneys', accountants',
16 consultants', appraisers', financial advisors' and other
17 professionals' fees incurred by the Prepetition Indenture Trustee
18 that are chargeable or reimbursable under the Prepetition Security
19 Documents, as the case may be, but excluding the fees, costs and
20 expenses of individual holders of the Mortgage Notes (clauses (a)
21 and (b), collectively, the "Prepetition Obligations").

22 (ii) The Prepetition Obligations constitute the legal, valid,
23 binding and enforceable obligations of the Debtors, enforceable
24 against the Debtors in accordance with the terms of the Indenture
25 and Prepetition Security Documents, as the case may be (other
26 than in respect of the stay of enforcement arising from section 362
27 of, or avoidance of unperfected liens on money under, the
28 Bankruptcy Code with respect to the Debtors).

29 (iii) The Prepetition Indenture Trustee, acting for the benefit of
30 itself and the Prepetition Secured Parties, holds legal, valid,
31 binding, and enforceable liens on and security interests in (subject
32 to limitations and exclusions under Nevada Gaming Regulations
33 and as specified in the Prepetition Security Documents),
34 substantially all of the Prepetition Collateral (the "Prepetition
35 Liens"). Except to the extent that senior liens are permitted under
36 the Prepetition Indenture, the Prepetition Liens are first priority
37 liens. To the extent perfected on the Petition Date, the Prepetition
38 Liens are unavoidable. The respective Prepetition Liens were
39 granted by the Debtors to the Prepetition Secured Parties for fair
40 consideration and reasonably equivalent value. The Prepetition
41 Collateral includes (subject to limitations and exclusions under
42 Nevada Gaming Regulations and as specified in the Prepetition
43 Security Documents) funds of the Debtors (including any funds

1 subject to a right of setoff and funds in deposit accounts subject to
2 the Prepetition DACA Agreement), all cash proceeds of the
3 Prepetition Collateral, wherever located, in each case existing on
4 the Petition Date and subject on that date to a perfected Prepetition
5 Lien; which items constitute cash collateral of the Prepetition
6 Secured Parties within the meaning of section 363(a) of the
7 Bankruptcy Code (the "Cash Collateral").

8 (iv) No offsets, challenges, objections, defenses, claims or
9 counterclaims of any kind or nature to any of the Prepetition
10 Obligations or the Prepetition Liens exist, and no portion of the
11 Prepetition Obligations or the Prepetition Liens is subject to any
12 contest, attack, obligation, recoupment, defense, counterclaim,
13 offset, subordination, recharacterization, avoidance or any other
14 claim, cause of action or other challenge of any nature under the
15 Bankruptcy Code, under applicable non-bankruptcy law or
16 otherwise, provided that the Prepetition Liens are subject to
17 limitations and exclusions under Nevada Gaming Regulations and
18 as specified in the Prepetition Security Documents and the
19 Prepetition Liens on money were only perfected on the Petition
20 Date to the extent such money was the identifiable proceeds of
21 other Prepetition Collateral or deposited in a deposit account that
22 was subject to the Prepetition DACA.

23 (v) The Debtors do not have any claims (including, without
24 limitation, claims for subordination, recharacterization, avoidance
25 or other similar claims, except with respect to avoidance of liens
26 on money that is not subject to a perfected Prepetition Lien on the
27 Petition Date), counterclaims, causes of action, defenses or setoff
28 rights relating to the Prepetition Obligations, whether arising under
the Bankruptcy Code, under applicable non-bankruptcy law or
otherwise, against the Prepetition Indenture Trustee and its
respective affiliates, subsidiaries, agents, officers, directors,
employees and attorneys.

21 J. By virtue of Prepetition Indenture Trustee's security interest in the Prepetition
22 Collateral as set forth above, the Prepetition Indenture Trustee has an interest in the Cash
23 Collateral within the meaning of Section 363(a) of the Bankruptcy Code. In this regard, the
24 Debtors acknowledge and agree, except as may be limited by Nevada Gaming Regulations, that
25 any Cash Collateral as of the Petition Date and cash or cash equivalents received by Debtors
26 after the Petition Date that constitute proceeds of the Prepetition Collateral are part of the
27 Prepetition Indenture Trustee's Cash Collateral within the meaning of Section 363(a) of the
28 Code to the extent Prepetition Indenture Trustee has a perfected security interest in such

1 Prepetition Collateral prior to the Petition Date.

2 K. The availability to the Debtors of sufficient working capital, liquidity and other
3 financial accommodations are vital to their ability to continue operations and work towards a
4 viable reorganization plan. The Debtors require use of cash (which is generated primarily from
5 operations), including all Cash Collateral, to carry on the operation of their businesses and to
6 administer and preserve the value of their assets, including the Prepetition Collateral.

7 L. The preservation and maintenance of the Debtors' businesses and assets is
8 necessary to maximize returns for all creditors, and is significant and necessary to a successful
9 reorganization of the Debtors under Chapter 11 of the Bankruptcy Code. Absent the Debtors'
10 ability to use Cash Collateral in accordance with the terms hereof, the continued operation of
11 Debtors' business would not be possible, and irreparable harm to the Debtors, their estates, and
12 their creditors and equity holders would occur. Authorization to use Cash Collateral, subject to
13 the terms and conditions set forth herein, is thus (i) critical to the Debtors' ability to maximize
14 the value of their assets, (ii) in the best interests of the Debtors and their estates, and (iii)
15 necessary to avoid immediate and irreparable harm to the Debtors, their creditors, and their
16 assets, businesses, goodwill, reputation and employees.

17 M. The Debtors' use of the Cash Collateral under the terms set forth herein are in the
18 best interests of the Debtors, their creditors and their estates, and was negotiated at arms-length,
19 in good faith and pursuant to the Debtors' sound business judgment.

20 N. The Prepetition Secured Parties are willing to permit Debtors to use the Cash
21 Collateral, subject to the terms of this Stipulation. As such, the Prepetition Secured Parties are
22 entitled, pursuant to sections 361, 362 and 363 of the Bankruptcy Code, to adequate protection
23 of their interests in the Prepetition Collateral, including the Cash Collateral, for and to the extent
24 of any diminution in value of the Prepetition Collateral, resulting from, without limitation, the
25 use of the Cash Collateral, the use, sale or lease of the Prepetition Collateral (other than the
26 Cash Collateral) and the imposition of the automatic stay.

27 O. US Foods, Inc. ("US Foods") is a trade creditor of the Debtors who has a properly
28 perfected and unavoidable lien in all assets of the Debtors. The Debtors acknowledge the

1 secured, properly perfected and unavoidable lien of US Foods in all assets of the Debtors,
2 subject to a reservation of rights by the Prepetition Indenture Trustee and the Prepetition
3 Noteholders. The Debtors further acknowledge the validity, enforceability and priority of such
4 lien and hereby waive all rights to challenge the extent, validity, priority, perfection and
5 avoidability of such lien. The Prepetition Indenture Trustee and the Prepetition Noteholders
6 reserve all of their rights with respect to any such asserted lien, including the priority, validity or
7 extent of such asserted lien.

8
9 **NOW, THEREFORE**, for this and other consideration, Debtors and the Prepetition
10 Indenture Trustee hereby stipulate and agree to the limited use of the Prepetition Indenture
11 Trustee's Cash Collateral, subject to Bankruptcy Court approval pursuant to an interim order
12 ("Interim Order") and a final order ("Final Order"), each in form and substance reasonably
13 acceptable to the Prepetition Indenture Trustee, as follows:

14 1. Subject to the terms and conditions of this Stipulation, the Debtors may use Cash
15 Collateral, commencing from the Petition Date through and including (but not beyond) the date
16 of termination of the use of Cash Collateral under paragraph 13 herein.

17 2. The "Budget" shall mean the certified 13-week consolidated cash flow forecast
18 prepared by Debtors and annexed hereto as Exhibit A, as such cash flow forecast may be
19 amended or supplemented in accordance with the terms hereof. Compliance with the Budget,
20 subject to permitted variances set forth below, shall be determined based upon the reporting of
21 the Debtors. The Budget may only be amended or supplemented if the Prepetition Indenture
22 Trustee gives its prior written consent to a revised 13-week consolidated cash flow forecast (in
23 the form of the Budget) proposed by the Debtors. The Debtors shall propose a revised 13-week
24 consolidated cash flow forecast (in the form of the Budget) at least once during the four week
25 period following the Petition Date and, thereafter, at least once during every four week period
26 commencing from the date the Prepetition Indenture Trustee consents in writing to an amended
27 or supplemented Budget; provided that if the Prepetition Indenture Trustee does not consent to
28 any such proposed revised 13-week consolidated cash flow forecast, the Prepetition Indenture

1 Trustee or its financial advisor shall notify Debtors, in writing, of the elements of the rejected
2 proposed revised 13-week consolidated cash flow forecast that were unacceptable to the
3 Prepetition Indenture Trustee and the Budget then in existence (without giving effect to any
4 proposed revisions, amendments or supplements) shall remain in full force and effect and the
5 Debtors may continue to use Cash Collateral in accordance with such Budget until the last date
6 covered thereby, but in no event beyond such date; provided however, that the Debtors may,
7 upon notice, seek non-consensual use of Cash Collateral for ordinary course operations of the
8 Debtors on an emergency basis, and the Prepetition Indenture Trustee hereby reserves all of its
9 rights to contest any such further use of Cash Collateral. The Debtors will provide the
10 Committee with copies of (i) any proposed Budget, (ii) any variance report related to the Budget,
11 and (iii) any communication from the Prepetition Indenture Trustee to the Debtors regarding or
12 relating to the Budget, all of which shall be provided to the Committee at the same time it is
13 distributed to, or received from, the Prepetition Indenture Trustee or as soon thereafter as
14 possible.

15 3. Except as otherwise expressly provided in this Stipulation, Cash Collateral may
16 be used by the Debtors (a) during the term of this Stipulation, (b) for general corporate purposes
17 and working capital requirements of the Debtors subject to and in accordance with the Budget,
18 (c) to pay the costs and expenses of administering the Chapter 11 Cases, including, but not
19 limited, the payment of the allowed fees and expenses of professionals retained at the expense of
20 the Debtors' estates, (d) in respect of each disbursement line item in the Budget, in an amount
21 not to exceed the amount specified for expenditure in such line item; provided, that (i) in any two
22 week period during the term of this Stipulation, (A) for any disbursement line item in the Budget
23 during such week, the Debtors may make disbursements in excess of the amount set forth in the
24 Budget for that particular disbursement line item so long as the percentage deviation for all
25 disbursement line items during such week shall not exceed ten percent (10%), in the aggregate,
26 of the amount set forth in the Budget for all disbursement line items for such week and (B) for
27 each of the "Payroll and Taxes/Benefits" and "Capital Expenditures" disbursement line items in
28 the Budget during such week, the Debtors may make disbursements in excess of the amount set

1 forth in the Budget for that particular disbursement line item so long as the percentage deviation
2 for such disbursement line item during such week shall not exceed fifteen percent (15%) of the
3 amount set forth in the Budget for such disbursement line item for such week; (ii) the
4 “Restructuring Fees/Expenses” disbursement line items shall not be included for the purposes of
5 the variance tests set forth in clause (i) immediately above and the payment of any
6 “Restructuring Fees/Expenses” in excess of such disbursement line items for any period shall not
7 be deemed a failure to comply with the Budget or otherwise deemed an Event of Default
8 hereunder; and (iii) any amount not expended in a line item in any week during the term of this
9 Stipulation may be added to the same line item in the Budget in the next succeeding week during
10 the term of this Stipulation and may continue to be rolled forward indefinitely until such
11 disbursement has been made, (e) to make in accordance with the Budget payments in the
12 ordinary course of business during any cure period provided in paragraph 13 herein, including,
13 without limitation, payments in respect of payroll and employee benefit obligations for the
14 Debtors, and (f) to make adequate protection payments as provided in this Stipulation, all as
15 provided in the Budget.

16 4. The Debtors are authorized to use Cash Collateral and any other cash to pay the
17 following costs, fees and expenses (collectively, the “Carve-Out”): (i) the unpaid fees due and
18 payable to the Clerk of the Court and the Office of the United States Trustee pursuant to 28
19 U.S.C. § 1930; (ii) costs, fees and expenses incurred by professionals retained pursuant to section
20 327 of the Bankruptcy Code by the Debtors, incurred and unpaid after the date of receipt by the
21 Debtors (and any statutory committee of creditors appointed in these cases (a “Committee”)) of
22 written notice from the Prepetition Indenture Trustee of the occurrence of an Event of Default (as
23 defined below) (any such date, the “Carve-Out Trigger Date”), and only for so long as the Event
24 of Default specified in such notice is continuing and only to the extent such costs, fees and
25 expenses are allowed by the Court, in an aggregate amount not to exceed \$750,000, plus (without
26 duplication) all accrued and unpaid allowed costs, fees and expenses incurred by professionals
27 retained by the Debtors on or prior to the Carve-Out Trigger Date that are subsequently allowed
28 by order of the Court; and (iii) costs, fees and expenses incurred by professionals retained

1 pursuant to section 327 of the Bankruptcy Code by the Committee, incurred and unpaid after a
2 Carve-Out Trigger Date, and only for so long as the Event of Default specified in the notice of
3 the Carve-Out Trigger Date is continuing and only to the extent such costs, fees and expenses are
4 allowed by the Court, plus (without duplication) all accrued and unpaid allowed costs, fees and
5 expenses incurred by professionals retained by the Committee on or prior to the Carve-Out
6 Trigger Date that are subsequently allowed by order of the Court. So long as no Event of
7 Default has occurred and is continuing, the Debtors shall be permitted to pay compensation and
8 reimbursement of expenses allowed and payable pursuant to sections 330 and 331 of the
9 Bankruptcy Code, as the same may be due and payable, and the same shall not reduce the Carve-
10 Out. Nothing herein shall be construed to impair the ability of any party to object to the costs,
11 fees or expenses described in the preceding sentence or in clauses (i) and (ii) above.

12 5. The Prepetition Indenture Trustee has negotiated in good faith regarding the
13 Debtors' use of the Prepetition Collateral (including the Cash Collateral) to fund the
14 administration of the Debtors' estate and continued operation of the Debtors' businesses. The
15 Prepetition Indenture Trustee has agreed to permit the Debtors to use the Prepetition Collateral,
16 including the Cash Collateral, during the term of this Stipulation, subject to the terms and
17 conditions set forth herein, including the protections afforded a party acting in "good faith"
18 under section 363(m) of the Bankruptcy Code. Pursuant to, in accordance with, and subject to
19 sections 361, 362 and 363 of the Bankruptcy Code, as adequate protection for the use by the
20 Debtors of Cash Collateral (excluding any amounts used to make Adequate Protection Payments
21 hereunder), to the extent that the stay under section 362 of the Bankruptcy Code, the use of Cash
22 Collateral under section 363 of the Bankruptcy Code, or any grant of a lien under section 364 of
23 the Bankruptcy Code results in a decrease in the value of the Prepetition Indenture Trustee's
24 interest in such property:

- 25
26 a. The Debtors shall pay in cash to the Prepetition Indenture Trustee, for distribution
27 pursuant to and in accordance with the Indenture and the Prepetition Security
28 Documents, all reasonable fees, costs and expenses (including, without limitation,
any reasonable fees of any attorneys and other advisors) of the Prepetition
Indenture Trustee incurred and unpaid as of the Petition Date, with all such
amounts to be paid on or before the tenth (10th) Business Days of the Prepetition

1 Indenture Trustee's delivery of a reasonably detailed invoice, *provided* that no
2 such invoice shall be required to include any privileged or otherwise confidential
3 information, for such fees, costs and expenses (the foregoing collectively, the
4 "Prepetition Payments") (for the avoidance of doubt, the Prepetition Payments
5 shall not include any fees, costs or expenses of individual holders of the Mortgage
6 Notes);

7
8 b. The Debtors shall pay in cash to the Prepetition Indenture Trustee, for distribution
9 pursuant to and in accordance with the Indenture and the Prepetition Security
10 Documents, (i) all reasonable fees, costs and expenses (including, without
11 limitation, any reasonable fees of any attorneys and other advisors) of the
12 Prepetition Indenture Trustee incurred on and after the Petition Date, with all such
13 amounts to be paid on or before the tenth (10th) Business Day after the Prepetition
14 Indenture Trustee's delivery of a reasonably detailed invoice, *provided* that no
15 such invoice shall be required to include any privileged or otherwise confidential
16 information for such fees, costs and expenses (such invoices to be delivered no
17 more frequently than once per calendar month), and (ii) interest on the
18 outstanding principal of the Mortgage Notes in the amount of \$1,204,875
19 each month on the first Business Day of the month starting on June 1, 2012,
20 provided further, that the rights of the Committee to object to the continued
21 payment of interest after the payment (and receipt of same by the Prepetition
22 Indenture Trustee) of interest in September of 2012 are expressly preserved, and,
23 provided further, that the rights any party in interest with respect to any objection
24 made by the Committee are expressly preserved (the payments described in this
25 subparagraph (b), together with the Prepetition Payments, collectively the
26 "Adequate Protection Payments") (for the avoidance of doubt, the Adequate
27 Protection Payments shall not include any fees, costs or expenses of individual
28 holders of the Mortgage Notes).

19 c. To the extent that the use by the Debtors of Cash Collateral results in any
20 diminution in value of the Prepetition Collateral (including Cash Collateral but
21 excluding any amounts used to make Adequate Protection Payments hereunder) in
22 which the Debtors have an interest including, without limitation, resulting from
23 the Carve-Out, the use, sale or lease of any other Prepetition Collateral, and the
24 imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code,
25 the Prepetition Indenture Trustee, for the benefit of the Prepetition Secured
26 Parties, is hereby granted, subject to any restrictions of the Nevada Gaming
27 Regulations and proviso set forth immediately below, valid, binding, enforceable
28 and perfected senior replacement liens on and security interests in (the "Adequate
Protection Liens") all property and assets of any kind and nature in which the
Debtors have an interest, whether real or personal, tangible or intangible,
wherever located, now owned or hereafter acquired or arising and all proceeds,
products, rents and profits thereof, including, without limitation, all cash,
accounts, chattel paper, deposit accounts, documents, equipment, general
intangibles, instruments, investment property, letters of credit rights, vehicles,
goods, accounts receivable, inventory, cash-in-advance deposits, real estate,
machinery, intellectual property (including trademarks and trade names), licenses,

1 causes of action, rights to payment, including tax refund claims, insurance
2 proceeds and tort claims, and the proceeds, products, rents and profits of all of the
3 foregoing (all of the foregoing together with the Prepetition Collateral, the
4 "Postpetition Collateral"); *provided, however*, that the Postpetition Collateral shall
5 not include (x) any cash of the Debtors that was not subject to valid and perfected
6 Prepetition Liens prior to the Petition Date, and (y) any claims or causes of action
7 arising under Chapter 5 of the Bankruptcy Code or any similar state law
8 ("Avoidance Actions"), or the proceeds of Avoidance Actions. The Adequate
9 Protection Liens shall have the following priorities without the Prepetition
10 Indenture Trustee having to take any other action in order to validate and perfect
11 the liens and security interests:

12 (i) First Priority On Unencumbered Property. Pursuant to
13 section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing,
14 enforceable, fully perfected, non-voidable first priority lien on, and security
15 interest in, all Postpetition Collateral, including all tangible and intangible assets
16 of the Debtors and all products and proceeds thereof, whether existing on or as of
17 the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-
18 avoidable and enforceable liens in existence on or as of the Petition Date.

19 (ii) Liens Junior To Certain Existing Liens. Pursuant to section
20 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully
21 perfected non-voidable junior lien on, and security interest in, all Postpetition
22 Collateral, including all tangible and intangible assets of the Debtors and all
23 products and proceeds thereof, whether now existing or hereafter acquired, that is
24 subject to (x) valid, perfected and unavoidable liens that were senior to the
25 Prepetition Liens and that were in existence immediately prior to the Petition Date
26 or (y) valid and unavoidable senior liens in existence immediately prior to the
27 Petition Date that are perfected after the Petition Date as permitted by section
28 546(b) of the Bankruptcy Code, which prepetition security interests and liens are
senior to the Prepetition Liens.

(iii) Liens Senior To Certain Other Liens. The Adequate
Protection Liens shall not be (i) subject or subordinate to (A) any lien or security
interest that is avoided and preserved for the benefit of the Debtors and its estate
under section 551 of the Bankruptcy Code or (B) any liens arising after the
Petition Date, including, without limitation, any liens or security interests granted
in favor of any federal, state, municipal or other governmental unit, commission,
board or court for any liability of the Debtors, or (ii) subordinated to or made *pari*
passu with any other lien or security interest under sections 363 or 364 of the
Bankruptcy Code or otherwise.

- 24
25 d. To the extent that the use by the Debtors of Cash Collateral results in any
26 diminution in value of the Prepetition Collateral (including Cash Collateral but
27 excluding any amounts used to make Adequate Protection Payments hereunder) in
28 which the Debtors have an interest including, without limitation, resulting from
the Carve-Out, the use, sale or lease of any other Prepetition Collateral, and the
imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code,
the Prepetition Indenture Trustee, for the benefit of the Prepetition Secured

1 Parties, is granted allowed superpriority claims pursuant to section 507(b) of the
2 Bankruptcy Code senior to all other administrative expense claims and to all other
3 claims, including administrative claims, arising under sections 105, 326, 328, 330,
4 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code,
5 whether or not such expenses or claims may become secured by a judgment lien
6 or other non-consensual lien, levy or attachment, except as set forth below in the
7 immediately succeeding paragraph (the "Superpriority Claims"), which
8 Superpriority Claims shall be payable from, and have recourse to, all of the
9 Postpetition Collateral and proceeds thereof.

10 e. Subject to any restrictions of the Nevada Gaming Regulations, the Adequate
11 Protection Liens and Superpriority Claims shall, in each case, (i) be senior and
12 prior to, and prime, the Prepetition Liens and the Prepetition Obligations, but
13 junior and subject only to (x) the Carve-Out and (y) all other valid, enforceable,
14 perfected and unavoidable liens on all of the Debtors' assets and property in
15 existence as of the Petition Date, that were senior to the Prepetition Liens and the
16 Prepetition Obligations as of immediately prior to the Petition Date, or that are
17 senior to the Prepetition Liens as a result of their perfection to the extent
18 permitted by section 546(b) of the Bankruptcy Code and (ii) be effective as of the
19 date of the entry of the Interim Order without any further action by the Debtors,
20 the Prepetition Indenture Trustee or the Prepetition Secured Parties and without
21 the necessity of the execution, filing or recordation of any financing statements,
22 security agreements, lien applications or other documents.

23 f. Subject to any restrictions of the Nevada Gaming Regulations, all of the
24 Prepetition Secured Parties' Cash Collateral shall be deposited and maintained at
25 all times in an account in the name of the Joint Venture which is subject to the
26 "control" of the Prepetition Indenture Trustee within the meaning of Section 9-
27 104(1) or (2) of the Uniform Commercial Code, and not commingled with any
28 funds upon which the Prepetition Indenture Trustee does not have control, until
disbursed in accordance with the Budget and this Stipulation, provided, however,
that Cash Collateral arising from or generated as a result of the sale of any of the
Prepetition or Postpetition Collateral may be deposited in a separate "controlled"
deposit account subject to terms and conditions as agreed in writing by the
Prepetition Indenture Trustee. Subject to the Court's approval of the Debtors'
first-day "cash management motion", the Debtors shall continue to use the cash
management system that existed prior to the Petition Date. The Prepetition
Indenture Trustee hereby acknowledges and agrees that the Debtors' existing cash
management and the Debtors' continued use of the existing cash management
system is acceptable to the Prepetition Indenture Trustee.

g. US Foods is granted a replacement lien in all property of the Debtors in which it
had a lien prepetition, to the same extent, validity and priority of any such lien
that existed prepetition, and is granted an allowed superpriority administrative
expense claim, to the extent of any diminution in value of its collateral by virtue
of the use of Cash Collateral approved herein; provided however that such

1 superpriority administrative expense claim is junior to the Superpriority Claims
2 granted to the Prepetition Indenture Trustee and the Carve-Out.

3 6. Nothing contained herein shall prejudice the Prepetition Secured Parties or the
4 Prepetition Indenture Trustee with respect to any matter, including, without limitation, relief
5 from the automatic stay, appointment of a trustee or examiner, sale of any or all of the assets of
6 the Debtors, the assumption or rejection of executory contracts, dismissal or conversion of the
7 Chapter 11 Cases or requests for additional or different adequate protection.

8 7. No proceeds of the Prepetition Collateral, the Postpetition Collateral or the Cash
9 Collateral shall be used for the purpose of: (a) investigating, objecting to, challenging or
10 contesting in any manner, or in raising any defenses to, the amount, validity, extent, perfection,
11 priority or enforceability of the Prepetition Obligations or the Prepetition Liens (but not
12 including any investigation related thereto which shall be subject to the limitations set forth
13 below), or any other rights or interest of the Prepetition Indenture Trustee or the Prepetition
14 Secured Parties, including with respect to the Adequate Protection Liens, or in asserting any
15 claims or causes of action against the Prepetition Indenture Trustee or the Prepetition Secured
16 Parties, including, without limitation, for lender liability or pursuant to section 105, 510, 544,
17 547, 548, 549, 550 or 552 of the Bankruptcy Code, applicable nonbankruptcy law or otherwise;
18 (b) preventing or hindering the Prepetition Indenture Trustee's or the Prepetition Secured Parties'
19 assertion, enforcement or realization on the Prepetition Collateral, Cash Collateral or the
20 Postpetition Collateral; (c) seeking to modify any of the rights granted to the Prepetition
21 Indenture Trustee or the Prepetition Secured Parties hereunder; or (d) paying any amount on
22 account of any claims arising before the Petition Date unless such payments are approved by an
23 order of this Court and are permitted pursuant to the Budget. Notwithstanding the foregoing
24 provisions of this paragraph, up to \$50,000 of Cash Collateral may be used to pay the allowed
25 fees and expenses of professionals retained by a duly appointed creditors committee incurred
26 directly in connection with investigating, but not initiating or prosecuting, any claims or causes
27 of action (a) against the Prepetition Indenture Trustee or the Prepetition Secured Parties and (b)

28

1 with respect to the amount, validity, extent, perfection, priority or enforceability of the
2 Prepetition Liens or the Prepetition Obligations, solely, in each case, with respect to the Debtors.

3 8. Subject to any requirements of the Nevada Gaming Regulations, the Debtors shall
4 not, directly or indirectly, grant any new lien that is otherwise permitted by the Indenture or the
5 other Prepetition Security Documents except in the ordinary course of Debtors' prepetition
6 businesses. Except as provided in the prior sentence, the Debtors shall not be permitted to grant
7 any liens (including, without limitation, liens with a priority to or pari passu with the Prepetition
8 Liens, the Adequate Protection Liens, or any other liens granted to the Prepetition Indenture
9 Trustee (acting for the benefit of the Prepetition Secured Parties) under this Stipulation, the
10 Indenture or any of the Prepetition Security Documents), or to provide any party with an
11 administrative expense claim (including, without limitation, administrative expense claims
12 having a priority to or being pari passu with the Superpriority Claims but excluding
13 administrative expense claims (a) arising by operation of law in connection with ordinary course
14 transactions with postpetition vendors providing unsecured trade credit or (b) for fees, costs and
15 expenses that constitute a part of the Carve-Out; provided further that such administrative
16 expense claims for (x) such postpetition vendors shall be junior to the Superpriority Claims and
17 (y) the fees, costs and expenses that constitute a part of the Carve-Out shall be senior to the
18 Superpriority Claims), without the prior written consent of the Prepetition Indenture Trustee.

19 9. In the event that any or all of the provisions of this Stipulation are hereafter
20 modified, amended or vacated by a subsequent order of this or any other court, no such
21 modification, amendment or vacation shall affect the validity, enforceability, perfection or
22 priority of any lien, claim, right or obligation authorized or created hereby (including, without
23 limitation, the Adequate Protection Payments, the Adequate Protection Liens and the
24 Superpriority Claims. No waiver, modification, or amendment of any of the provisions hereof
25 shall be effective unless it is set forth in writing, signed by the parties hereto and approved by
26 this Court.

27 10. The Prepetition Indenture Trustee and the Prepetition Secured Parties shall,
28 pursuant to Bankruptcy Code sections 105(a), 361, 363(m) and 364(e) be entitled to the full

1 protections thereunder as to the use, sale or lease of Prepetition Collateral, including use of Cash
2 Collateral, permitted in reliance thereon, with respect to the claims and obligations arising under
3 this Stipulation in the event that any order approving this Stipulation or any authorization or
4 provision contained in this Stipulation is stayed, vacated, reversed or modified on appeal or
5 otherwise. Any stay, vacation, reversal or modification of an order approving this Stipulation (or
6 any provision hereof) or the termination of this Stipulation following an Event of Default shall
7 not affect the Adequate Protection Payments, the Adequate Protection Liens or the Superpriority
8 Claims, or the validity of any obligations to, or rights of, the Prepetition Indenture Trustee or the
9 Prepetition Secured Parties incurred or granted pursuant to this Stipulation. Notwithstanding any
10 such termination, stay, vacation, reversal or modification, all uses of Cash Collateral and
11 obligations incurred and rights granted pursuant hereto prior to the effective date of such stay,
12 vacation, reversal or modification shall be governed in all respects by the original provisions
13 hereof and the Prepetition Indenture Trustee and the Prepetition Secured Parties shall be entitled
14 to all the rights, privileges, benefits and remedies, including, without limitation, the security
15 interests and priorities, granted herein with respect to such obligations and use of Cash
16 Collateral.

17 11. The Debtors represent and agree that to their knowledge and belief, no Claims
18 (defined below) exist and no facts exist that could give rise to or support any Claims against the
19 Prepetition Indenture Trustee. Each of the Debtors, by its execution of this Cash Collateral
20 Stipulation and effective upon entry of the Final Order, releases and forever discharges, and will
21 use commercially reasonable efforts to cause each of its agents, employees, directors, officers,
22 attorneys, affiliates, subsidiaries, shareholders, owners, successors and assigns (each of the
23 Debtors and such additional persons, a "Releasing Party") effective upon entry of the Final Order
24 to release and forever discharge, the Prepetition Indenture Trustee and each of its agents, direct
25 and indirect shareholders, employees, directors, officers, attorneys, branches, affiliates,
26 subsidiaries, successors and assigns (each, a "Released Party"), from all damages, losses, claims,
27 demands, liabilities, obligations, actions and causes of action whatsoever (collectively "Claims")
28 that the Releasing Parties or any of them may have or claim to have against any or all of the

1 Released Parties that existed or arose prior to the Petition Date, in each case whether currently
2 known or unknown or with respect to which the facts are known (or should have been known),
3 that could give rise to or support any Claims and of every nature and extent whatsoever on
4 account of or in any way relating to, arising out of or based upon: (i) the Indenture, any of the
5 Prepetition Security Documents, or any amendments or waivers under the Indenture, the
6 Prepetition Security Documents, or the transactions contemplated thereby, or any action or
7 omission in connection with any of the foregoing, including all such losses or damages of any
8 kind sustained prior to the execution of this Cash Collateral Stipulation; or (ii) the respective
9 business relationships among the Debtors and the Prepetition Indenture Trustee. The Debtors
10 hereby covenant and agree, and will use commercially reasonable efforts to cause each other
11 Releasing Party to covenant and agree, that it has not, prior to the Debtors' execution of this
12 Cash Collateral Stipulation, assigned, and will not thereafter sue any Released Party upon, any
13 Claim released or purported to be released hereby, and the Debtors will indemnify and hold
14 harmless, and will use commercially reasonable efforts to cause each other Releasing Party to
15 indemnify and hold harmless, the Released Parties against any loss or liability on account of any
16 actions brought by such Releasing Party or its assigns or prosecuted on behalf of such Releasing
17 Party and relating to any Claim released or purported to be released under this paragraph.

18 12. The stipulations, releases and admissions contained in this Stipulation, including
19 those set forth in recital paragraph I, shall be binding upon the Debtors, any subsidiary or
20 affiliate of the Debtors that may hereafter file for relief under Chapter 11 of the Bankruptcy
21 Code, and their respective successors and assigns (including any Chapter 7 or Chapter 11 trustee
22 hereinafter appointed or elected for any of the estates of the Debtors). The stipulations, releases
23 and admissions contained in recital paragraph I, shall be binding upon all other parties-in-
24 interest, including any Committee, unless any Committee or any other party-in-interest (other
25 than the Debtor), duly commences an adversary proceeding (i) ninety (90) days following the
26 date on which such Committee is first appointed or (ii) if no Committee is appointed within
27 thirty days of the Petition Date, seventy-five (75) days following the Petition Date (collectively,
28 (i) and (ii) shall be referred to as the "Investigation Period"), (x) challenging the validity,

1 enforceability, priority, perfection, characterization or amount of the Prepetition Obligations or
2 Prepetition Liens or (y) asserting any claims or causes of action against any of the Prepetition
3 Indenture Trustee or Prepetition Secured Parties in their capacities as such, provided, however,
4 that (A) nothing herein shall be deemed to grant to the Committee any standing that may be
5 required in order for the Committee to prosecute any such adversary proceeding and (B) the
6 Prepetition Indenture Trustee reserves all of its rights with respect to any request by the
7 Committee to seek such standing. If no such adversary proceeding is duly commenced during
8 the Investigation Period, (i) the claims of the Prepetition Indenture Trustee and Prepetition
9 Secured Parties arising from the Prepetition Obligations and the Prepetition Liens shall constitute
10 allowed claims against each applicable Debtors and shall not be subject to any contest, objection,
11 recoupment, counterclaim, defense, offset, subordination, recharacterization, avoidance, or other
12 claim, challenge, or cause of action under the Bankruptcy Code, applicable non-bankruptcy law,
13 or otherwise and the Prepetition Liens shall be deemed legal, valid, binding, enforceable, duly
14 perfected, not subject to any objection, counterclaim, setoff, offset of any kind, subordination, or
15 defense, and such liens are otherwise unavoidable; and (ii) the Prepetition Indenture Trustee and
16 Prepetition Secured Parties shall not be subject to any other or further claims, counterclaims,
17 causes of action or lawsuits by any party-in-interest or any successor thereto. If any such
18 adversary proceeding is duly commenced during the Investigation Period, the stipulations and
19 admissions set forth in recital paragraph I of this Stipulation shall nevertheless remain binding
20 and preclusive (as provided in the second sentence of this paragraph) on the Committee and on
21 any other Person or entity, except if such stipulation or admission has been expressly challenged
22 in an adversary proceeding duly commenced within the Investigation Period, in which event such
23 exception shall apply only to the extent that a final, non-appealable order finds in favor of the
24 challenging party. The stipulations and admissions contained in this Stipulation, including those
25 set forth in recital paragraph I, shall inure to the benefit of the Prepetition Indenture Trustee, the
26 Prepetition Secured Parties, the Debtors and their respective successors and assigns.
27 Notwithstanding anything herein to the contrary, the Prepetition Indenture Trustee, in its sole
28

1 discretion, may extend the Investigation Period from time to time without further order of this
2 Court.

3 13. The occurrence of any of the following shall constitute an event of default (each,
4 an "Event of Default");

5
6 a. An order of this Court shall be entered dismissing any of the Chapter 11 Cases,
7 converting any of the Debtors' Chapter 11 Cases to one under Chapter 7 of the
8 Bankruptcy Code, appointing a Chapter 11 trustee in any of the Chapter 11 Cases, or the
9 Debtors shall file a motion or other pleading seeking the dismissal of any of the Chapter
10 11 Cases under section 1112 of the Bankruptcy Code or otherwise, or an order of this
11 Court shall be entered appointing an examiner with expanded powers;

12
13 b. An order of this Court shall be entered granting relief from the automatic stay
14 under section 362 of the Bankruptcy Code that would permit a party in interest other than
15 the Prepetition Indenture Trustee to immediately exercise any rights or remedies or
16 consummate a foreclosure or foreclosures upon any material asset or upon all or any
17 material portion of the Prepetition Collateral or Postpetition Collateral; provided further
18 that the entry of an order of this Court granting relief from the automatic stay, or the
19 Debtors' stipulation to relief from the automatic stay, with respect to matters that are not
20 material to or will not have a material effect on the Debtors' business operations shall not
21 constitute an Event of Default;

22
23 c. An order of this Court or any other court having jurisdiction to do so shall be
24 entered amending, supplementing, staying, vacating, reversing, revoking, rescinding or
25 otherwise modifying this Stipulation (or any of the provisions thereof), without the
26 express written consent of the Prepetition Indenture Trustee;

27
28 d. An order of this Court (or any other court having jurisdiction to do so) shall be
entered (x) granting any lien on or security interest on property of the Debtors or their
estates in favor of any party other than the Prepetition Indenture Trustee (acting for the
benefit of the Prepetition Secured Parties) except as permitted under the terms of the
Indenture, the Prepetition Security Documents and/or this Stipulation, or (y) granting a
Bankruptcy Code section 364 superpriority administrative claim against the Debtors to
any party in interest other than the Prepetition Indenture Trustee, in each case without the
express written consent of the Prepetition Indenture Trustee, except as permitted under
the terms of the Indenture, the Prepetition Security Documents and/or this Stipulation;

e. An order of this Court or any other court having jurisdiction to do so shall be
entered that approves any claims for recovery of amounts under section 506(c) of the
Bankruptcy Code or otherwise arising from the preservation or disposition of any
Prepetition Collateral or Postpetition Collateral, provided that (i) payments and deposits
for the preservation of Prepetition Collateral or Postpetition Collateral made pursuant to
customary first day motions concerning employee payroll and benefits, critical vendors,

1 utilities and the like and (ii) payments and deposits made in respect of postpetition
2 preservation of the Prepetition Collateral or Postpetition Collateral made in accordance
3 with the Budget shall not result in the occurrence of an Event of Default hereunder;

4 f. The Interim Order shall cease to be in full force and effect and the Final Order
5 shall not have been entered, be in full force and effect and not subject to any stay on or
6 before the thirty-fifth (35th) day following the date of entry of the Interim Order, or the
7 Final Order shall cease to be in full force and effect and unstayed;

8 g. The Debtors shall make any payment (including “adequate protection” payments)
9 on or in respect of any prepetition indebtedness or prepetition obligations other than (i) to
10 the Prepetition Indenture Trustee on account of the Prepetition Obligations under the
11 Indenture or the other Prepetition Security Documents, or (ii) as permitted under this
12 Stipulation, the Interim Order, orders of this Court approving other “first day motions”
13 and “second day motions” or the Final Order;

14 h. Five (5) Business Days following delivery to counsel to the Debtors, any
15 Committee and the United States Trustee of written notice from the Prepetition Indenture
16 Trustee of the Debtors’ failure to comply with any term or terms of this Stipulation, the
17 Interim Order or the Final Order; provided that the failure of Debtors to make any
18 payment to the Prepetition Indenture Trustee due under this Stipulation within three (3)
19 Business Days of the date when due shall be an immediate Event of Default; provided
20 further that if the Debtors cure the defaults referenced in this subparagraph (h) on or
21 before the dates set forth in this subparagraph (h), as applicable, then no Event of Default
22 shall be deemed to have occurred;

23 i. The cash expenditures of the Debtors exceed those permitted by the Budget
24 (subject to the permitted expenditure variances) or this Stipulation without prior written
25 consent of the Prepetition Indenture Trustee or there shall at any time be no approved
26 Budget in full force and effect;

27 j. The Debtors shall seek to, or shall support (in any such case by way of, inter alia,
28 any motion or other pleading filed with this Court or any other writing to another party in
interest executed by or on behalf of the Debtors) any other person’s motion to disallow or
subordinate in whole or in part the Prepetition Indenture Trustee’s or any Prepetition
Secured Party’s claim in respect of the Prepetition Obligations or Superpriority Claims,
or to challenge the validity, enforceability, perfection or priority of the liens in favor of
the Prepetition Indenture Trustee or the Prepetition Secured Parties (including, without
limitation, any Prepetition Liens);

k. The Court shall enter an order permitting the Debtors to obtain credit from any
party other than the Prepetition Indenture Trustee and the Prepetition Secured Parties
unless, in connection therewith, (i) the Prepetition Indenture Trustee has consented in
writing to such relief or (ii) the Debtors reasonably expect that all of the Prepetition
Obligations and the Superpriority Claims shall be paid indefeasibly in full in cash from
the proceeds of such alternative financing;

l. [INTENTIONALLY OMITTED];

m. The board of directors of the Debtors authorizes a liquidation of the Debtors’
business that is not reasonably expected to result in the payment in full of all of the

1 Prepetition Obligations and the Superpriority Claims or that the Prepetition Indenture
2 Trustee and Prepetition Secured Parties have not provided advance consent to such
liquidation;

3 n. The Debtors shall file any pleading seeking, or otherwise consenting to, or shall
4 otherwise affirmatively act in support of, or affirmatively take any action to acquiesce in,
any other person's motion as to, any of the matters set forth in this paragraph 13; or

5 o. The Debtors shall not have satisfied the Prepetition Obligations and any
6 obligations outstanding pursuant to this Stipulation, including any Superpriority Claims
7 on or before the earlier of (i) the effective date of a plan and (ii) the date that is 18 months
after the Petition Date, provided that such dates may be extended in the sole discretion of
8 the Prepetition Indenture Trustee.

9 Upon the occurrence of an Event of Default and three (3) Business Days written notice to
10 Debtors and Debtors' counsel thereof, and at all times thereafter, as long as the Debtors have not
11 prior to the expiration of such three (3)-Business Day Period either cured the Event of Default or
12 commenced taking actions that reasonably could be expected to result in the cure of such Event
13 of Default within a reasonable period of time, the Prepetition Indenture Trustee and the
14 Prepetition Secured Parties may, in their absolute and sole discretion, immediately exercise all
15 rights and remedies and take all or any actions under the Indenture, Prepetition Security
16 Documents and/or this Stipulation (including, without limitation, the immediate termination of
17 the Debtors' right to use Cash Collateral) (provided that nothing herein shall limit or expand the
18 Prepetition Indenture Trustee's and Prepetition Secured Parties' rights under the Prepetition
19 Pledge Agreement), provided, however that the Prepetition Indenture Trustee and the Prepetition
20 Secured Parties, as applicable, shall not be permitted to exercise any such rights and remedies or
21 take any actions as set forth herein unless and until, the Prepetition Indenture Trustee or the
22 Prepetition Secured Parties, as applicable, have obtained relief from the automatic stay imposed
23 by section 362 of the Bankruptcy Code, which relief the Prepetition Indenture Trustee or the
24 Prepetition Secured Parties, as applicable, may seek on an emergency basis with notice to the
25 Debtors, any Committee, the United States Trustee, and Black Diamond Capital Management;
26 provided, further that upon the occurrence of an Event of Default or notice thereof from the
27 Prepetition Indenture Trustee, the Debtors may seek emergency relief to continue using
28 Prepetition Collateral, Postpetition Collateral and Cash Collateral on a nonconsensual basis.

1 Termination of the use of the Prepetition Collateral, including Cash Collateral, authorized herein
2 shall not impair the continuing effectiveness and enforceability of any other provisions in this
3 Stipulation. The Prepetition Indenture Trustee may make payments and other distributions to the
4 Prepetition Secured Parties in connection with and as otherwise allowed by this Stipulation, and
5 all of the indemnifications and similar provisions in favor of the Prepetition Indenture Trustee set
6 forth in the Indenture and Prepetition Security Documents shall continue in full force and effect
7 in respect of any actions taken by the Prepetition Indenture Trustee in connection with or as
8 otherwise allowed by this Stipulation. In no event shall any such action taken by the Prepetition
9 Indenture Trustee be deemed gross negligence or willful misconduct.

10 14. The Prepetition Indenture Trustee is hereby authorized, but not required, to file or
11 record financing statements, trademark filings, copyright filings, mortgages, notices of lien, or
12 similar instruments in any jurisdiction, or take possession of or control over, or take any other
13 action in order to validate and perfect the liens and security interests granted to it hereunder.

14 Whether the Prepetition Indenture Trustee shall, in its sole discretion, choose to file such
15 financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar
16 instruments, or take possession of or control over, or otherwise confirm perfection of the liens
17 and security interests granted to it hereunder, such liens and security interests shall be deemed
18 valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge dispute or
19 subordination, at the time and on the date of entry of the Interim Order. A certified copy of the
20 Interim Order and/or Final Order may, in the discretion of the Prepetition Indenture Trustee, be
21 filed with or recorded in filing or recording offices in addition to or in lieu of such financing
22 statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby
23 authorized to accept such certified copy of the Interim Order and/or Final Order for filing and
24 recording.

25 15. Subject to and effective upon entry of a Final Order, (i) no expenses of
26 administration (whether incurred during the Chapter 11 Case or any subsequent case) incurred
27 for the preservation, protection, disposition or enhancement of, or realization by any party in
28 interest on, the Prepetition Collateral or the Postpetition Collateral incurred while the Debtors are

1 authorized to use such collateral under the Final Order shall be charged against or recovered
2 from of the Prepetition Collateral or the Postpetition Collateral pursuant to Bankruptcy Code
3 section 506(c) or any similar principal of law or equity without the express prior written consent
4 of the Prepetition Indenture Trustee and (ii) the Debtors hereby waive any right to assert a claim
5 under section 506(c) of the Bankruptcy Code for any costs and expenses incurred in connection
6 with the preservation, protection, disposition or enhancement of, or realization by any party in
7 interest on, the Prepetition Collateral or the Postpetition Collateral.

8 16. Nothing contained in this Stipulation shall be deemed to terminate, modify or
9 release any obligations of any non-debtor third party liable to the Prepetition Indenture Trustee
10 and/or the Prepetition Secured Parties with respect to any Prepetition Obligations or otherwise.

11 17. [Intentionally omitted].

12 18. Except as expressly set forth herein, no rights are intended to be created hereunder
13 for the benefit of any third party or creditor or any direct or indirect incidental beneficiary.

14 19. If any party in interest objects to this Stipulation and such objection is sustained,
15 or if Bankruptcy Court does not approve this Stipulation, the Prepetition Indenture Trustee shall
16 be fully protected to the extent of Debtor's actual use of the Prepetition Indenture Trustee's Cash
17 Collateral prior to entry of a Court Order curtailing or otherwise modifying the provisions of this
18 Stipulation.

19 20. Nothing contained in this Stipulation shall limit, impair or in any way affect
20 (i) the Prepetition Indenture Trustee's right at any time to seek relief from the automatic stay to
21 enforce any of its remedies under the Indenture, the Prepetition Security Documents or
22 applicable law and (ii) Debtors' right to seek additional use of cash collateral.

23 21. Unless otherwise agreed herein, all of the rights, remedies, benefits and
24 protections provided to the Prepetition Indenture Trustee and Debtors under this Stipulation shall
25 survive the Termination Date.

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1 22. During the term of this Stipulation, Debtors shall provide to the Prepetition
2 Indenture Trustee, on a monthly basis, with copies of Debtors' operating reports filed with the
3 Office of the United States Trustee. Subject to any restrictions of the Nevada Gaming
4 Regulations, the Debtors shall (a) cooperate reasonably with the Prepetition Indenture Trustee,
5 and, (b) upon two (2) Business Days' notice from the Prepetition Indenture Trustee, provide the
6 Prepetition Indenture Trustee with reasonable access, during the hours of 9:00 a.m. and 5:00 p.m.
7 prevailing Pacific time on a Business Day, to representatives of the Debtors and to all of
8 Debtors' places of business and operations including, but not limited to, any and all locations
9 where Debtors' books, records and inventory are kept, so that the Prepetition Indenture Trustee
10 may monitor the Prepetition Collateral, and otherwise protect its interests. The Debtors' officers
11 and employees shall cooperate reasonably with the Prepetition Indenture Trustee in all
12 reasonable respects regarding any inquiry by the Prepetition Indenture Trustee into transactions
13 occurring at any time.

14 23. On behalf of their Estates, the Debtors hereby waive any right to seek or require
15 application of the equitable doctrine of "marshaling" or any other similar doctrine with respect to
16 any of the Prepetition Collateral or the Prepetition Indenture Trustee, provided, further, that all
17 rights of the Prepetition Indenture Trustee and all rights of US Foods with respect to any other
18 party seeking to apply such doctrine are hereby reserved.

19 24. This Bankruptcy Court shall retain exclusive jurisdiction over the subject matter
20 of this Stipulation in order to resolve any dispute in connection with the rights and duties
21 specified hereunder and all parties reserve their respective rights.

22 25. All notices required to or permitted to be given to the Prepetition Indenture
23 Trustee under this Stipulation shall be addressed as follows:

24 The Bank of New York Mellon Trust Company, N. A
25 Global Corporate Trust
26 601 Travis, 16th Floor
27 Houston, Texas 77002
28 Attn: J. Chris Matthews
 j.chris.matthews@bnymellon.com

1 With a copy to: Katten Muchin Rosenman LLP
2 650 Town Center Drive, Suite 700
3 Costa Mesa, CA 92626-7122
4 Attn: Craig A. Barbarosh
5 Craig.barbarosh@kattenlaw.com

6 And Katten Muchin Rosenman LLP
7 575 Madison Avenue
8 New York, NY 10022
9 Attn: Karen B. Dine
10 Karen.dine@kattenlaw.com

11 All notices required to or permitted to be given to Debtor under this Stipulation shall be
12 addressed as follows:

13 To: Silver Legacy Resort Casino
14 407 North Virginia Street
15 Reno, NV 89501
16 Attn: Stephanie Lepori, CFO

17 With a copy to: Milbank, Tweed, Hadley & McCloy LLP
18 601 South Figueroa Street
19 30th Floor
20 Los Angeles, CA 90017
21 Attn: Paul S. Aronzon
22 Thomas R. Kreller
23 PAronzon@milbank.com
24 Tkreller@milbank.com

25 All notices required to or permitted to be given to the Committee under this Stipulation
26 shall be addressed as follows:

27 To: Stutman, Treister & Glatt, P.C.
28 1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Attn: Eve H. Karasik
Christine M. Pajak
Danielle A. Pham
ekarasik@stutman.com
cpajak@stutman.com
dpham@stutman.com

The above addresses may be changed effective upon receipt of a new address. Any notice required herein or permitted to be given shall be in writing and be personally served or sent by facsimile (upon confirmation of receipt) or United States mail and shall be deemed given when sent or, if mailed, when deposited in the United States mail so long as it is properly addressed.

1 26. This Stipulation may be executed in original or facsimile signature and in
2 counterpart copies, and this Stipulation shall be deemed fully executed and effective when all
3 parties have executed and possess a counterpart, even if no single counterpart contains all
4 signatures.

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1 **WHEREFORE**, the parties hereto request that this Court issue an Order approving this
2 Stipulation.

3 Dated: June ____, 2012

4

5 THE BANK OF NEW YORK MELLON
6 TRUST COMPANY, N.A.,
as Prepetition Indenture Trustee

7

8 By: _____

9 Name:

10 Title:

11

12 CIRCUS AND ELDORADO JOINT VENTURE,
13 a Nevada general partnership

14

By: _____

15 Name:

16 Title:

17

18

19 SILVER LEGACY CAPITAL CORP.,
a Nevada corporation

20

By: _____

21 Name:

22 Title:

23

24

25

26

27

28

EXHIBIT 2

EXHIBIT 2

Paul S. Aronzon (CA State Bar No. 88781)
Thomas R. Kreller (CA State Bar No. 161922)
Haig M. Maghakian (CA State Bar No. 221954)
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Debtors and Debtors in Possession

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Email: sarmstrong@downeybrand.com

Proposed Local Reorganization Counsel for
Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

CIRCUS AND ELDORADO JOINT
VENTURE, *et al.*,

- Affects this Debtor
- Affects all Debtors
- Affects Silver Legacy Capital Corp.

Debtors.

CHAPTER 11

CASE NO. BK-12-51156

(JOINTLY ADMINISTERED)

**FINAL ORDER PURSUANT TO 11
U.S.C. §§ 105, 361, 362, AND 363 AND
FED. R. BANKR. P. 4001(B) AND (D):
(I) AUTHORIZING USE OF CASH
COLLATERAL; (II) GRANTING
ADEQUATE PROTECTION TO
PREPETITION SECURED PARTIES;
AND (III) GRANTING RELATED
RELIEF NUNC PRO TUNC TO THE
PETITION DATE**

Hearing Date: June 25, 2012
Hearing Time: 2:00 p.m.
Place: 300 Booth Street
Reno, NV 89509

Upon consideration of the motion (the “Motion”)[†] of the Debtors for entry of interim and final orders pursuant to Sections 105(a), 361, 362, and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b) and (d): (i) authorizing the Debtors to use cash collateral in accordance with and pursuant to that certain stipulation between the Debtors and the Prepetition Indenture Trustee (as amended, modified, restated or supplemented from time to time, the “Cash Collateral Stipulation”), a true and correct copy of which is attached hereto as Exhibit 1, (ii) granting adequate protection as described herein and in the Cash Collateral Stipulation to the Debtors’ principal secured creditors, and (iii) granting certain related relief as described herein and in the Cash Collateral Stipulation, and (iv) scheduling a final hearing to consider entry of a final order approving the Cash Collateral Stipulation; notice of the Motion having been given to the 20 largest unsecured creditors of the Debtor, the United States Trustee, the Prepetition Indenture Trustee, ~~and all other parties asserting a lien in the Debtors’ assets~~; and the Court having conducted a hearing to consider the relief requested in the Motion on May 18, 2012 (the “Preliminary Hearing”); the Court previously having entered its interim order approving [REDACTED] [Docket No. 49]; the Court having considered all pleadings filed in connection with the Motion and the Cash Collateral Stipulation, including, but not limited to, the Committee’s Reservation of Rights re Interim Cash Collateral Order [Docket No. 197]; and the Court having conducted a further hearing to consider the relief requested in the Motion on June 25, 2012 (the “Final Hearing” and together with the Preliminary Hearing, the “Hearings”), and upon the Declaration of Stephanie D. Lepori in Support of First Day Motions, dated May 17, 2012 (the “Lepori Declaration”) and upon the entire record of the Preliminary Hearing, Hearings, including any evidence presented or statements of counsel at the Hearings and after due deliberation thereon; and any and all objections to the Motion, the Cash Collateral Stipulation or any of the relief requested therein having been withdrawn, settled or overruled; and good and sufficient cause appearing for interim relief therefore;

THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:

[†] Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in [REDACTED].

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and over the persons and property affected thereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2).

B. Under the circumstances, the Court concludes that the notice of the Motion given by the Debtors constitutes due, sufficient and appropriate (i) notice of the Motion and (ii) opportunity for a hearing on the Motion, and the notice requirements of Bankruptcy Rules 2002 and 6004 are deemed ~~sufficient for interim relief~~ satisfied.

C. Approval of the Cash Collateral Stipulation is necessary to allow the Debtors to continue to operate their businesses and to facilitate the sale and/or reorganization of the Debtors' business, and thereby maximize creditor recoveries.

D. The Cash Collateral Stipulation has been negotiated at arms² length and in good faith among the Prepetition Indenture Trustee, the Official Committee of Unsecured Creditors and the Debtors.

E. The immediate entry of this Order pursuant to Bankruptcy Rule 4001(b) and (c) is necessary to avoid immediate and irreparable harm to the Debtor.

F. This Court concludes that entry of this Order is in the best interests of the Debtors' estates and creditors and its implementation will, among other things, provide the Debtors with the necessary liquidity to sustain the operation of the Debtors' businesses and enhance the Debtors' prospects for successfully reorganizing and thereby maximizing creditor recoveries.

G. Based on the foregoing and upon the record made before this Court at the ~~Preliminary Hearing~~ Hearings on the Motion, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT

1. The Court's consideration of the Stipulation is a core proceeding as defined in 28 U.S.C. § 157(b)(2)(A) and (M). The statutory predicates for the relief sought herein are Sections 361, 362 and 363 of the Bankruptcy Code, Bankruptcy Rule 4001(b), and Rule 4001 of the Local

Rules of Bankruptcy Practice of the United States District Court for the District of Nevada.

2. The Motion is GRANTED on an ~~Interim~~ Final basis.

3. All of the terms and conditions of the Cash Collateral Stipulation are approved in their entirety ~~on an interim basis~~.

4. ~~The Debtors are authorized to enter~~ entry into the Cash Collateral Stipulation is approved on a final basis, and the Debtors are authorized to perform and do all acts that are required or contemplated by or in connection with this Order and the Cash Collateral Stipulation.

5. The Adequate Protection Liens granted pursuant to the Cash Collateral Stipulation shall be deemed perfected, valid and enforceable without further action necessary by the Prepetition Indenture Trustee.

6. All obligations of Debtors pursuant to the Cash Collateral Stipulation and this Order shall constitute obligations that are valid, binding, and enforceable against the Debtors in accordance with their terms.

~~7. All further objections or responses with respect to the Motion and entry of the Final Order, if any, shall be filed in writing and in accordance with the Local Rules, with the Clerk of the United States Bankruptcy Court for the District of Nevada. All such objections or responses shall be filed on or before _____, 2012, __:__.m. prevailing Pacific Time, and served on or before such date on (i) counsel to the Debtors, (ii) counsel to the Prepetition Indenture Trustee, (iii) the Office of the United States and (iv) any official committee of creditors appointed in these cases, or, if no such committee has been appointed, the creditors holding the twenty largest unsecured claims against the Debtors.~~

~~8. The Final Hearing on the Motion will be held on June 12, 2012 at 2:30 p.m. prevailing Pacific Time in the United States Bankruptcy Court, Las Vegas, Nevada.~~

~~7.~~ 9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and the 14-day stay of Bankruptcy Rule 6004(h) shall not apply to this Order.

8. ~~10.~~ This Court retains jurisdiction with respect to all matters arising from or related to the implementation and interpretation of this Order.

SUBMITTED BY:

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Thomas R. Kreller (CA State Bar No. 161922)
MILBANK, TWEED, HADLEY & McCLOY LLP
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5
6 Proposed Reorganization Counsel for
Debtors and Debtors in Possession

Proposed Local Reorganization Counsel for
Debtors and Debtors in Possession

7
8 **UNITED STATES BANKRUPTCY COURT**
DISTRICT OF NEVADA

9 In re:

10 CIRCUS AND ELDORADO JOINT
11 VENTURE, et al.,

12 Circus and Eldorado Joint Venture Affects
this Debtor

13 Affects all Debtors

14 Affects Silver Legacy Capital Corp.

15
16 Debtors.

Chapter 11

Case No. BK-12-51156

~~Joint Administration Requested~~
~~(Jointly Administered)~~

**STIPULATION PURSUANT TO 11
U.S.C. §§ 105, 361, 362, 363 AND FED.
R. BANKR. P. 4001(B) AND (D)
BETWEEN BANK OF NEW YORK
MELLON TRUST COMPANY, N.A.,
AS TRUSTEE, AND DEBTORS-IN-
POSSESSION RE (A) USE OF CASH
COLLATERAL AND (B) GRANT OF
ADEQUATE PROTECTION
PURSUANT NUNC PRO TUNC TO
THE PETITION DATE**

1 This stipulation re use of cash collateral ("Stipulation") is entered into by and
2 between Circus and Eldorado Joint Venture, a Nevada general partnership (the "Joint
3 Venture"), Silver Legacy Capital Corp., a Nevada corporation ("SLCC" and, together with
4 the Joint Venture, the "Debtors"), and The Bank of New York Mellon Trust Company,
5 N.A. (the "Prepetition Indenture Trustee") in its capacity as Trustee with respect to that
6 certain Indenture, dated March 5, 2002 (as amended, modified, restated or supplemented
7 from time to time the, "Indenture"), for the Debtors' 10 1/8% Mortgage Notes due 2012
8 (the "Mortgage Notes")¹ and on behalf of the holders of the Mortgage Notes (the "Prepetition
9 Noteholders"; together with the Prepetition Indenture Trustee, the "Prepetition Secured
10 Parties"). The Mortgage Notes are secured by the Prepetition Collateral (as defined below).
11 Capitalized terms used herein but not otherwise defined shall have the meanings given to them in
12 the Indenture. This Stipulation is made with reference to the following facts:

RECITALS

14 A. On May 17, 2012 (the "Petition Date"), the Debtors filed voluntary petitions for
15 relief under chapter 11 of the Bankruptcy Code thereby commencing the above-referenced
16 chapter 11 cases (the "Chapter 11 Cases").

17 B. Joint Venture is a general partnership that owns and operates the Silver Legacy
18 Resort Casino ("Silver Legacy"), a premier nineteenth century silver mining themed hotel,
19 casino and entertainment complex in downtown Reno, Nevada. The Debtors' property includes
20 an approximately 87,300 square-foot casino with 1,399 slot machines, 63 table games, including
21 blackjack, craps, roulette, and a race and sports book. Also located on the property are (i) a 37-
22 story hotel tower with 1,711 guest rooms, including many high-end suites, (ii) six dining
23 venues, and (iii) approximately 50,000 square feet of in-house exhibit and convention space.

24 The casino and entertainment areas at Silver Legacy are connected by skyway corridors to the
25 Eldorado Hotel & Casino and the Circus Circus Hotel and Casino, each of which are owned by
26
27

28 ¹ The Mortgage Notes matured on March 1, 2012.

1 affiliates of the Debtors. Together, the three properties comprise the heart of the Reno market's
2 prime gaming area and room base.

3 C. SLCC is a wholly-owned subsidiary of the Joint Venture and was created and
4 exists for the sole purpose of serving as a co-issuer of the Mortgage Notes. SLCC has no
5 operations, assets or revenues.

6 **I. THE PREPETITION INDENTURE AND RELATED DOCUMENTS**

7 D. The Debtors, as issuers, and Prepetition Indenture Trustee are party to the
8 Indenture, pursuant to which Debtors originally issued the Mortgage Notes. The Mortgage
9 Notes matured on March 1, 2012.

10 E. Pursuant to that certain Security Agreement, dated March 5, 2002 (as amended,
11 modified, restated or supplemented from time to time prior to the Petition Date, the "Prepetition
12 Security Agreement") between the Debtors, as grantors, and Bank of New York, as trustee, the
13 Debtors granted to the Prepetition Indenture Trustee liens and security interests on substantially
14 all of the Debtors' personal property assets (but subject to applicable restrictions and exclusions
15 under Nevada gaming law and as otherwise provided in the Prepetition Security Agreement), as
16 collateral to secure the Debtors' obligations under and in respect of the Indenture and the
17 Mortgage Notes as described more fully in the Indenture and Prepetition Security Documents
18 (defined below).

19 F. The Debtors and the Partners (defined below) also entered into certain other
20 security agreements with the Prepetition Indenture Trustee, as described below, in connection
21 with the issuance of the Mortgage Notes, including:

22 (i) that certain Deed of Trust, Fixture Filing and Security
23 Agreement with Assignment of Rents (the "Prepetition Deed of
24 Trust"), dated as of February 26, 2002, pursuant to which the Joint
25 Venture granted the Prepetition Indenture Trustee (i) liens on the
26 land upon which the Debtors' casino is located (the "Land"), the
improvements on the Land, the various fixtures located on the
Land, and (ii) an assignment of the rents, issues and profits from
the Land and the improvements thereon;

27 (ii) that certain Assignment of Rents and Revenues (as amended,
28 modified, restated or supplemented from time to time prior to the

1 Petition Date, the “Prepetition Assignment of Rents”), dated as of
2 February 26, 2002, pursuant to which the Joint Venture granted
3 and assigned to the Prepetition Indenture Trustee all of the Joint
4 Venture’s right, title and interest in the rents and revenues
5 generated or derived from the Land, the improvements thereon and
6 the operation of the Debtors’ casino and hotel business; and

7 (iii) that certain letter form account control agreement (as
8 amended, modified, restated or supplemented from time to time
9 prior to the Petition Date, the “Prepetition DACA”), dated March
10 5, 2002, by and between the Debtors, the Prepetition Indenture
11 Trustee and Bank of America, pursuant to which the Joint Venture
12 granted the Prepetition Indenture Trustee control over certain of
13 the Joint Venture’s deposit accounts maintained with Bank of
14 America; and

15 (v) that certain Pledge Agreement (the “Prepetition Pledge
16 Agreement”), dated as of September 4, 2002, made by Galleon,
17 Inc., a Nevada corporation, and Eldorado Limited Liability
18 Company, a Nevada limited liability company (each, a “Partner”;
19 and collectively the “Partners”), pursuant to which the Partners
20 granted to the Prepetition Indenture Trustee, a lien on and security
21 interest in each Partner’s respective partnership interests in the
22 Joint Venture.

23 The Prepetition Security Agreement, together with the Prepetition Deed of Trust, the Prepetition
24 Assignment of Rents, the Prepetition DACA and the Prepetition Pledge Agreement, and each
25 other agreement or undertaking of the Debtors and the Prepetition Indenture Trustee pursuant to
26 which a lien or security interest securing the obligations under the Prepetition Indenture and the
27 Mortgage notes is granted, each as amended, modified, restated or supplemented from time to
28 time prior to the Petition Date, are collectively referred to as the “Prepetition Security
29 Documents.”

30 G. The various collateral pledged by the Debtors and/or upon which the Debtors
31 granted a lien or security interest, in each case to the Prepetition Indenture Trustee under the
32 various Prepetition Security Documents is referred to herein as the “Prepetition Collateral”. For
33 the avoidance of doubt, notwithstanding that the Partners’ respective partnership interests are
34 collateral under the Prepetition Security Documents, for the purposes of this Stipulation and
35 these Chapter 11 Cases, the Prepetition Collateral does not include the Partners’ respective

1 partnership interests in the Joint Venture. The Partners are not guarantors of the Mortgage
2 Notes and are not liable under the Indenture. The Prepetition Indenture Trustee reserves all
3 rights with respect to the pledge of the partnership interests in the Joint Venture pursuant to the
4 Prepetition Security Documents, including the Pledge Agreement.

5 H. [Intentionally Omitted].

6 I. Subject in each case to paragraph 12 hereto, the Debtors admit, stipulate and
7 agree that:

8 (i) As of the Petition Date, Debtors were indebted and liable to
9 the Prepetition Secured Parties without objection, defense,
10 counterclaim or offset of any kind under the Indenture, and the
11 Prepetition Security Documents, specifically, (a) under the
12 Indenture, in the aggregate principal amount of not less than
13 \$142,800,000 with respect to the Mortgage Notes, and unpaid
14 interest thereon in the amount of \$10,281,600 and (b) all other
15 reasonable fees, costs and additional charges due under the
16 Indenture and the Prepetition Security Documents, including but
17 not limited to the Prepetition Indenture Trustee's costs and
18 reasonable attorneys' fees, including any attorneys', accountants',
19 consultants', appraisers', financial advisors' and other
20 professionals' fees incurred by the Prepetition Indenture Trustee
21 that are chargeable or reimbursable under the Prepetition Security
22 Documents, as the case may be, but excluding the fees, costs and
23 expenses of individual holders of the Mortgage Notes (clauses (a)
24 and (b), collectively, the "Prepetition Obligations").

18 (ii) The Prepetition Obligations constitute the legal, valid,
19 binding and enforceable obligations of the Debtors, enforceable
20 against the Debtors in accordance with the terms of the Indenture
21 and Prepetition Security Documents, as the case may be (other
22 than in respect of the stay of enforcement arising from section 362
23 of, or avoidance of unperfected liens on money under, the
24 Bankruptcy Code with respect to the Debtors).

23 (iii) The Prepetition Indenture Trustee, acting for the benefit of
24 itself and the Prepetition Secured Parties, holds legal, valid,
25 binding, and enforceable liens on and security interests in (subject
26 to limitations and exclusions under Nevada Gaming Regulations
27 and as specified in the Prepetition Security Documents),
28 substantially all of the Prepetition Collateral (the "Prepetition
Liens"). Except to the extent that senior liens are permitted under
the Prepetition Indenture, the Prepetition Liens are first priority
liens. To the extent perfected on the Petition Date, the Prepetition
Liens are unavoidable. The respective Prepetition Liens were

1 granted by the Debtors to the Prepetition Secured Parties for fair
2 consideration and reasonably equivalent value. The Prepetition
3 Collateral includes (subject to limitations and exclusions under
4 Nevada Gaming Regulations and as specified in the Prepetition
5 Security Documents) funds of the Debtors (including any funds
6 subject to a right of setoff and funds in deposit accounts subject to
7 the Prepetition DACA Agreement), all cash proceeds of the
8 Prepetition Collateral, wherever located, in each case existing on
9 the Petition Date and subject on that date to a perfected Prepetition
10 Lien, which items constitute cash collateral of the Prepetition
11 Secured Parties within the meaning of section 363(a) of the
12 Bankruptcy Code (the "Cash Collateral").

13 (iv) No offsets, challenges, objections, defenses, claims or
14 counterclaims of any kind or nature to any of the Prepetition
15 Obligations or the Prepetition Liens exist, and no portion of the
16 Prepetition Obligations or the Prepetition Liens is subject to any
17 contest, attack, obligation, recoupment, defense, counterclaim,
18 offset, subordination, recharacterization, avoidance or any other
19 claim, cause of action or other challenge of any nature under the
20 Bankruptcy Code, under applicable non-bankruptcy law or
21 otherwise, provided that the Prepetition Liens are subject to
22 limitations and exclusions under Nevada Gaming Regulations and
23 as specified in the Prepetition Security Documents and the
24 Prepetition Liens on money were only perfected on the Petition
25 Date to the extent such money was the identifiable proceeds of
26 other Prepetition Collateral or deposited in a deposit account that
27 was subject to the Prepetition DACA.

28 (v) The Debtors do not have any claims (including, without
limitation, claims for subordination, recharacterization, avoidance
or other similar claims, except with respect to avoidance of liens
on money that is not subject to a perfected Prepetition Lien on the
Petition Date), counterclaims, causes of action, defenses or setoff
rights relating to the Prepetition Obligations, whether arising under
the Bankruptcy Code, under applicable non-bankruptcy law or
otherwise, against the Prepetition Indenture Trustee and its
respective affiliates, subsidiaries, agents, officers, directors,
employees and attorneys.

J. By virtue of Prepetition Indenture Trustee's security interest in the Prepetition Collateral as set forth above, the Prepetition Indenture Trustee has an interest in the Cash Collateral within the meaning of Section 363(a) of the Bankruptcy Code. In this regard, the Debtors acknowledge and agree, except as may be limited by Nevada Gaming Regulations, that any Cash Collateral as of the Petition Date and cash or cash equivalents received by Debtors

1 after the Petition Date that constitute proceeds of the Prepetition Collateral are part of the
2 Prepetition Indenture Trustee's Cash Collateral within the meaning of Section 363(a) of the
3 Code to the extent Prepetition Indenture Trustee has a perfected security interest in such
4 Prepetition Collateral prior to the Petition Date.

5 K. The availability to the Debtors of sufficient working capital, liquidity and other
6 financial accommodations are vital to their ability to continue operations and work towards a
7 viable reorganization plan. The Debtors require use of cash (which is generated primarily from
8 operations), including all Cash Collateral, to carry on the operation of their businesses and to
9 administer and preserve the value of their assets, including the Prepetition Collateral.

10 L. The preservation and maintenance of the Debtors' businesses and assets is
11 necessary to maximize returns for all creditors, and is significant and necessary to a successful
12 reorganization of the Debtors under Chapter 11 of the Bankruptcy Code. Absent the Debtors'
13 ability to use Cash Collateral in accordance with the terms hereof, the continued operation of
14 Debtors' business would not be possible, and irreparable harm to the Debtors, their estates, and
15 their creditors and equity holders would occur. Authorization to use Cash Collateral, subject to
16 the terms and conditions set forth herein, is thus (i) critical to the Debtors' ability to maximize
17 the value of their assets, (ii) in the best interests of the Debtors and their estates, and (iii)
18 necessary to avoid immediate and irreparable harm to the Debtors, their creditors, and their
19 assets, businesses, goodwill, reputation and employees.

20 M. The Debtors' use of the Cash Collateral under the terms set forth herein are in the
21 best interests of the Debtors, their creditors and their estates, and was negotiated at arms-length,
22 in good faith and pursuant to the Debtors' sound business judgment.

23 N. The Prepetition Secured Parties are willing to permit Debtors to use the Cash
24 Collateral, subject to the terms of this Stipulation. As such, the Prepetition Secured Parties are
25 entitled, pursuant to sections 361, 362 and 363 of the Bankruptcy Code, to adequate protection
26 of their interests in the Prepetition Collateral, including the Cash Collateral, for and to the extent
27 of any diminution in value of the Prepetition Collateral, resulting from, without limitation, the
28

1 use of the Cash Collateral, the use, sale or lease of the Prepetition Collateral (other than the
2 Cash Collateral) and the imposition of the automatic stay.

3 O. US Foods, Inc. ("US Foods") is a trade creditor of the Debtors who has a properly
4 perfected and unavoidable lien in all assets of the Debtors. The Debtors acknowledge the
5 secured, properly perfected and unavoidable lien of US Foods in all assets of the Debtors,
6 subject to a reservation of rights by the Prepetition Indenture Trustee and the Prepetition
7 Noteholders. The Debtors further acknowledge the validity, enforceability and priority of such
8 lien and hereby waive all rights to challenge the extent, validity, priority, perfection and
9 avoidability of such lien. The Prepetition Indenture Trustee ~~reserves~~ and the Prepetition
10 Noteholders reserve all of ~~its~~ their rights with respect to any such asserted lien, including the
11 priority, validity or extent of such asserted lien.

12
13 **NOW, THEREFORE**, for this and other consideration, Debtors and the Prepetition
14 Indenture Trustee hereby stipulate and agree to the limited use of the Prepetition Indenture
15 Trustee's Cash Collateral, subject to Bankruptcy Court approval pursuant to an interim order
16 ("Interim Order") and a final order ("Final Order"), each in form and substance reasonably
17 acceptable to the Prepetition Indenture Trustee, as follows:

18 1. Subject to the terms and conditions of this Stipulation, the Debtors may use Cash
19 Collateral, commencing from the Petition Date through and including (but not beyond) the date
20 of termination of the use of Cash Collateral under paragraph 13 herein.

21 2. The "Budget" shall mean the certified 13-week consolidated cash flow forecast
22 prepared by Debtors and annexed hereto as Exhibit A, as such cash flow forecast may be
23 amended or supplemented in accordance with the terms hereof. Compliance with the Budget,
24 subject to permitted variances set forth below, shall be determined based upon the reporting of
25 the Debtors. The Budget may only be amended or supplemented if the Prepetition Indenture
26 Trustee gives its prior written consent to a revised 13-week consolidated cash flow forecast (in
27 the form of the Budget) proposed by the Debtors. The Debtors shall propose a revised 13-week
28 consolidated cash flow forecast (in the form of the Budget) at least once during the four week

1 period following the Petition Date and, thereafter, at least once during every four week period
2 commencing from the date the Prepetition Indenture Trustee consents in writing to an amended
3 or supplemented Budget; provided that if the Prepetition Indenture Trustee does not consent to
4 any such proposed revised 13-week consolidated cash flow forecast, the Prepetition Indenture
5 Trustee or its financial advisor shall notify Debtors, in writing, of the elements of the rejected
6 proposed revised 13-week consolidated cash flow forecast that were unacceptable to the
7 Prepetition Indenture Trustee and the Budget then in existence (without giving effect to any
8 proposed revisions, amendments or supplements) shall remain in full force and effect and the
9 Debtors may continue to use Cash Collateral in accordance with such Budget until the last date
10 covered thereby, but in no event beyond such date; provided however, that the Debtors may,
11 upon notice, seek non-consensual use of Cash Collateral for ordinary course operations of the
12 Debtors on an emergency basis, and the Prepetition Indenture Trustee hereby reserves all of its
13 rights to contest any such further use of Cash Collateral. The Debtors will provide the
14 Committee with copies of (i) any proposed Budget, (ii) any variance report related to the Budget,
15 and (iii) any communication from the Prepetition Indenture Trustee to the Debtors regarding or
16 relating to the Budget, all of which shall be provided to the Committee at the same time it is
17 distributed to, or received from, the Prepetition Indenture Trustee or as soon thereafter as
18 possible.

19 3. Except as otherwise expressly provided in this Stipulation, Cash Collateral may
20 be used by the Debtors (a) during the term of this Stipulation, (b) for general corporate purposes
21 and working capital requirements of the Debtors subject to and in accordance with the Budget,
22 (c) to pay the costs and expenses of administering the Chapter 11 Cases, including, but not
23 limited, the payment of the allowed fees and expenses of professionals retained at the expense of
24 the Debtors' estates, (d) in respect of each disbursement line item in the Budget, in an amount
25 not to exceed the amount specified for expenditure in such line item; provided, that (i) in any two
26 week period during the term of this Stipulation, (A) for any disbursement line item in the Budget
27 during such week, the Debtors may make disbursements in excess of the amount set forth in the
28 Budget for that particular disbursement line item so long as the percentage deviation for all

1 disbursement line items during such week shall not exceed ten percent (10%), in the aggregate,
2 of the amount set forth in the Budget for all disbursement line items for such week and (B) for
3 each of the "Payroll and Taxes/Benefits" and "Capital Expenditures" disbursement line items in
4 the Budget during such week, the Debtors may make disbursements in excess of the amount set
5 forth in the Budget for that particular disbursement line item so long as the percentage deviation
6 for such disbursement line item during such week shall not exceed fifteen percent (15%) of the
7 amount set forth in the Budget for such disbursement line item for such week; (ii) the
8 "Restructuring Fees/Expenses" disbursement line items shall not be included for the purposes of
9 the variance tests set forth in clause (i) immediately above and the payment of any
10 "Restructuring Fees/Expenses" in excess of such disbursement line items for any period shall not
11 be deemed a failure to comply with the Budget or otherwise deemed an Event of Default
12 hereunder; and (iii) any amount not expended in a line item in any week during the term of this
13 Stipulation may be added to the same line item in the Budget in the next succeeding week during
14 the term of this Stipulation and may continue to be rolled forward indefinitely until such
15 disbursement has been made, (e) to make in accordance with the Budget payments in the
16 ordinary course of business during any cure period provided in paragraph 13 herein, including,
17 without limitation, payments in respect of payroll and employee benefit obligations for the
18 Debtors, and (f) to make adequate protection payments as provided in this Stipulation, all as
19 provided in the Budget.

20 4. The Debtors are authorized to use Cash Collateral and any other cash to pay the
21 following costs, fees and expenses (collectively, the "Carve-Out"): (i) the unpaid fees due and
22 payable to the Clerk of the Court and the Office of the United States Trustee pursuant to 28
23 U.S.C. § 1930; (ii) costs, fees and expenses incurred by professionals retained pursuant to section
24 327 of the Bankruptcy Code by the Debtors, incurred and unpaid after the date of receipt by the
25 Debtors (and any statutory committee of creditors appointed in these cases (a "Committee")) of
26 written notice from the Prepetition Indenture Trustee of the occurrence of an Event of Default (as
27 defined below) (any such date, the "Carve-Out Trigger Date"), and only for so long as the Event
28 of Default specified in such notice is continuing and only to the extent such costs, fees and

1 expenses are allowed by the Court, in an aggregate amount not to exceed \$750,000, plus (without
2 duplication) all accrued and unpaid allowed costs, fees and expenses incurred by professionals
3 retained by the Debtors on or prior to the Carve-Out Trigger Date that are subsequently allowed
4 by order of the Court; and (iii) costs, fees and expenses incurred by professionals retained
5 pursuant to section 327 of the Bankruptcy Code by the Committee, incurred and unpaid after a
6 Carve-Out Trigger Date, and only for so long as the Event of Default specified in the notice of
7 the Carve-Out Trigger Date is continuing and only to the extent such costs, fees and expenses are
8 allowed by the Court, ~~in an aggregate amount not to exceed \$50,000,~~ plus (without duplication)
9 all accrued and unpaid allowed costs, fees and expenses incurred by professionals retained by
10 the Committee on or prior to the Carve-Out Trigger Date that ~~were provided for in the Budget~~
11 ~~and~~ are subsequently allowed by order of the Court. So long as no Event of Default has occurred
12 and is continuing, the Debtors shall be permitted to pay compensation and reimbursement of
13 expenses allowed and payable pursuant to sections 330 and 331 of the Bankruptcy Code, as the
14 same may be due and payable, and the same shall not reduce the Carve-Out. Nothing herein shall
15 be construed to impair the ability of any party to object to the costs, fees or expenses described in
16 the preceding sentence or in clauses (i) and (ii) above.

17 5. The Prepetition Indenture Trustee has negotiated in good faith regarding the
18 Debtors' use of the Prepetition Collateral (including the Cash Collateral) to fund the
19 administration of the Debtors' estate and continued operation of the Debtors' businesses. The
20 Prepetition Indenture Trustee has agreed to permit the Debtors to use the Prepetition Collateral,
21 including the Cash Collateral, during the term of this Stipulation, subject to the terms and
22 conditions set forth herein, including the protections afforded a party acting in "good faith"
23 under section 363(m) of the Bankruptcy Code. Pursuant to, in accordance with, and subject to
24 sections 361, 362 and 363 of the Bankruptcy Code, as adequate protection for the use by the
25 Debtors of the ~~Cash Collateral (on a dollar for dollar basis) and any diminution in value of the~~
26 ~~Prepetition Collateral in which the Debtors have an interest, including, without limitation,~~
27 ~~resulting from the Carve-Out, the use, sale or lease of any other Prepetition Collateral, and the~~
28 ~~imposition of the automatic stay pursuant to~~ Cash Collateral (excluding any amounts used to

1 make Adequate Protection Payments hereunder), to the extent that the stay under section 362 of
2 the Bankruptcy Code, the use of Cash Collateral under section 363 of the Bankruptcy Code, or
3 any grant of a lien under section 364 of the Bankruptcy Code results in a decrease in the value of
4 the Prepetition Indenture Trustee's interest in such property:

5
6 a. The Debtors shall pay in cash to the Prepetition Indenture Trustee, for distribution
7 pursuant to and in accordance with the Indenture and the Prepetition Security
8 Documents, all reasonable fees, costs and expenses (including, without limitation,
9 any reasonable fees of any attorneys and other advisors) of the Prepetition
10 Indenture Trustee incurred and unpaid as of the Petition Date, with all such
11 amounts to be paid on or before the tenth (10th) Business Days of the Prepetition
12 Indenture Trustee's delivery of a reasonably detailed invoice, *provided* that no
13 such invoice shall be required to include any privileged or otherwise confidential
14 information, for such fees, costs and expenses (the foregoing collectively, the
15 "Prepetition Payments") (for the avoidance of doubt, the Prepetition Payments
16 shall not include any fees, costs or expenses of individual holders of the Mortgage
17 Notes);

18
19 b. The Debtors shall pay in cash to the Prepetition Indenture Trustee, for distribution
20 pursuant to and in accordance with the Indenture and the Prepetition Security
21 Documents, (i) all reasonable fees, costs and expenses (including, without
22 limitation, any reasonable fees of any attorneys and other advisors) of the
23 Prepetition Indenture Trustee incurred on and after the Petition Date, with all such
24 amounts to be paid on or before the tenth (10th) Business Day after the Prepetition
25 Indenture Trustee's delivery of a reasonably detailed invoice, *provided* that no
26 such invoice shall be required to include any privileged or otherwise confidential
27 information for such fees, costs and expenses (such invoices to be delivered no
28 more frequently than once per calendar month), and (ii) interest on the
outstanding principal of the Mortgage Notes in the amount of \$1,204,875
each month on the first Business Day of the month starting on June 1, ~~2012~~2012,
provided further, that the rights of the Committee to object to the continued
payment of interest after the payment (and receipt of same by the Prepetition
Indenture Trustee) of interest in September of 2012 are expressly preserved, and,
provided further, that the rights any party in interest with respect to any objection
made by the Committee are expressly preserved (the payments described in this
subparagraph (b), together with the Prepetition Payments, collectively the
"Adequate Protection Payments") (for the avoidance of doubt, the Adequate
Protection Payments shall not include any fees, costs or expenses of individual
holders of the Mortgage Notes).

29
30 c. ~~To the extent of any that the use by the Debtors of Cash Collateral (on a dollar for~~
~~dollar basis) and results in any diminution in value of the Prepetition Collateral~~
(including Cash Collateral but excluding any amounts used to make Adequate

1 Protection Payments hereunder) in which the Debtors have an interest, including,
 2 without limitation, ~~diminution in value~~ resulting from the Carve-Out, the use, sale
 3 or lease of any other Prepetition Collateral, and the imposition of the automatic
 4 stay pursuant to section 362 of the Bankruptcy Code, the Prepetition Indenture
 5 Trustee, for the benefit of the Prepetition Secured Parties, is hereby granted,
 6 subject to any restrictions of the Nevada Gaming Regulations and proviso set
 7 forth immediately below, valid, binding, enforceable and perfected senior
 8 replacement liens on and security interests in (the "Adequate Protection Liens")
 9 all property and assets of any kind and nature in which the Debtors have an
 10 interest, whether real or personal, tangible or intangible, wherever located, now
 11 owned or hereafter acquired or arising and all proceeds, products, rents and profits
 12 thereof, including, without limitation, all cash, accounts, chattel paper, deposit
 13 accounts, documents, equipment, general intangibles, instruments, investment
 14 property, letters of credit rights, vehicles, goods, accounts receivable, inventory,
 15 cash-in-advance deposits, real estate, machinery, intellectual property (including
 16 trademarks and trade names), licenses, causes of action, rights to payment,
 17 including tax refund claims, insurance proceeds and tort claims, and the proceeds,
 18 products, rents and profits of all of the foregoing (all of the foregoing together
 19 with the Prepetition Collateral, the "Postpetition Collateral"); *provided, however,*
 20 that the Postpetition Collateral shall not include (x) any cash of the Debtors that
 21 was not subject to valid and perfected Prepetition Liens prior to the Petition Date,
 22 and (y) any claims or causes of action arising under Chapter 5 of the Bankruptcy
 23 Code or any similar state law ("Avoidance Actions"), or, ~~until entry of a Final~~
 24 ~~Order~~, the proceeds of Avoidance Actions. The Adequate Protection Liens shall
 25 have the following priorities without the Prepetition Indenture Trustee having to
 26 take any other action in order to validate and perfect the liens and security
 27 interests:

17 (i) First Priority On Unencumbered Property. Pursuant to
 18 section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing,
 19 enforceable, fully perfected, non-voidable first priority lien on, and security
 20 interest in, all Postpetition Collateral, including all tangible and intangible assets
 21 of the Debtors and all products and proceeds thereof, whether existing on or as of
 22 the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-
 23 avoidable and enforceable liens in existence on or as of the Petition Date.

21 (ii) Liens Junior To Certain Existing Liens. Pursuant to section
 22 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully
 23 perfected non-voidable junior lien on, and security interest in, all Postpetition
 24 Collateral, including all tangible and intangible assets of the Debtors and all
 25 products and proceeds thereof, whether now existing or hereafter acquired, that is
 26 subject to (x) valid, perfected and unavoidable liens that were senior lien to the
 27 Prepetition Liens and that were in existence immediately prior to the Petition Date
 28 or (y) valid and unavoidable senior liens in existence immediately prior to the
 29 Petition Date that are perfected after the Petition Date as permitted by section
 30 546(b) of the Bankruptcy Code, which prepetition security interests and liens ~~in~~
 31 ~~favor of~~ are senior to the Prepetition Indenture Trustee ~~are junior to such valid,~~
 32 ~~perfected and unavoidable liens.~~ Liens.

1 (iii) Liens Senior To Certain Other Liens. The Adequate
 2 Protection Liens shall not be (i) subject or subordinate to (A) any lien or security
 3 interest that is avoided and preserved for the benefit of the Debtors and its estate
 4 under section 551 of the Bankruptcy Code or (B) any liens arising after the
 5 Petition Date, including, without limitation, any liens or security interests granted
 6 in favor of any federal, state, municipal or other governmental unit, commission,
 7 board or court for any liability of the Debtors, or (ii) subordinated to or made *pari*
 8 *passu* with any other lien or security interest under sections 363 or 364 of the
 9 Bankruptcy Code or otherwise.

10 d. To the extent of ~~any~~ that the use by the Debtors of Cash Collateral (on a dollar-for-
 11 dollar basis) and results in any diminution in value of the Prepetition Collateral
 12 (including Cash Collateral but excluding any amounts used to make Adequate
 13 Protection Payments hereunder) in which the Debtors have an interest, including,
 14 without limitation, ~~diminution in value resulting from the Carve-Out, the~~ use, sale
 15 or lease of any other Prepetition Collateral, and the imposition of the automatic
 16 stay pursuant to section 362 of the Bankruptcy Code, the Prepetition Indenture
 17 Trustee, for the benefit of the Prepetition Secured Parties, is granted allowed
 18 superpriority claims pursuant to section 507(b) of the Bankruptcy Code senior to
 19 all other administrative expense claims and to all other claims, including
 20 administrative claims, arising under sections 105, 326, 328, 330, 331, 503(b),
 21 506(c), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code, whether or not
 22 such expenses or claims may become secured by a judgment lien or other non-
 23 consensual lien, levy or attachment, except as set forth below in the immediately
 24 succeeding paragraph (the "Superpriority Claims"), which Superpriority Claims
 25 shall be payable from, and have recourse to, all of the Postpetition Collateral and
 26 proceeds thereof.

27 e. Subject to any restrictions of the Nevada Gaming Regulations, the Adequate
 28 Protection Liens and Superpriority Claims shall, in each case, (i) be senior and
 prior to, and prime, the Prepetition Liens and the Prepetition Obligations, but
 junior and subject only to (x) the Carve-Out and (y) all other valid, enforceable,
 perfected and unavoidable liens on all of the Debtors' assets and property in
 existence as of the Petition Date, ~~or duly perfected thereafter, under that were~~
senior to the Prepetition Liens and the Prepetition Obligations as of immediately
prior to the Petition Date, or that are senior to the Prepetition Liens as a result of
their perfection to the extent permitted by section 546(b) of the Bankruptcy Code
 and (ii) be effective as of the date of the entry of the Interim Order without any
 further action by the Debtors, the Prepetition Indenture Trustee or the Prepetition
 Secured Parties and without the necessity of the execution, filing or recordation of
 any financing statements, security agreements, lien applications or other
 documents.

f. Subject to any restrictions of the Nevada Gaming Regulations, all of the
 Prepetition Secured Parties' Cash Collateral shall be deposited and maintained at

1 all times in an account in the name of the Joint Venture which is subject to the
2 "control" of the Prepetition Indenture Trustee within the meaning of Section 9-
3 104(1) or (2) of the Uniform Commercial Code, and not commingled with any
4 funds upon which the Prepetition Indenture Trustee does not have control, until
5 disbursed in accordance with the Budget and this Stipulation, provided, however,
6 that Cash Collateral arising from or generated as a result of the sale of any of the
7 Prepetition or Postpetition Collateral may be deposited in a separate "controlled"
8 deposit account subject to terms and conditions as agreed in writing by the
9 Prepetition Indenture Trustee. Subject to the Court's approval of the Debtors'
10 first-day "cash management motion", the Debtors shall continue to use the cash
11 management system that existed prior to the Petition Date. The Prepetition
12 Indenture Trustee hereby acknowledges and agrees that the Debtors' existing cash
13 management and the Debtors' continued use of the existing cash management
14 system is acceptable to the Prepetition Indenture Trustee.

- 15 g. US Foods is granted a replacement lien in all property of the Debtors in which it
16 had a lien prepetition, to the same extent, validity and priority of any such lien
17 that existed prepetition, and is granted an allowed superpriority administrative
18 expense claim, to the extent of any diminution in value of its collateral by virtue
19 of the use of Cash Collateral approved herein; provided however that such
20 superpriority administrative expense claim is junior to the Superpriority Claims
21 granted to the Prepetition Indenture Trustee and the Carve-Out.

22 6. Nothing contained herein shall prejudice the Prepetition Secured Parties or the
23 Prepetition Indenture Trustee with respect to any matter, including, without limitation, relief
24 from the automatic stay, appointment of a trustee or examiner, sale of any or all of the assets of
25 the Debtors, the assumption or rejection of executory contracts, dismissal or conversion of the
26 Chapter 11 Cases or requests for additional or different adequate protection.

27 7. No proceeds of the Prepetition Collateral, the Postpetition Collateral or the Cash
28 Collateral shall be used for the purpose of: (a) investigating, objecting to, challenging or
contesting in any manner, or in raising any defenses to, the amount, validity, extent, perfection,
priority or enforceability of the Prepetition Obligations or the Prepetition Liens (but not
including any investigation related thereto which shall be subject to the limitations set forth
below), or any other rights or interest of the Prepetition Indenture Trustee or the Prepetition
Secured Parties, including with respect to the Adequate Protection Liens, or in asserting any
claims or causes of action against the Prepetition Indenture Trustee or the Prepetition Secured
Parties, including, without limitation, for lender liability or pursuant to section 105, 510, 544,
547, 548, 549, 550 or 552 of the Bankruptcy Code, applicable nonbankruptcy law or otherwise;

1 (b) preventing or hindering the Prepetition Indenture Trustee's or the Prepetition Secured Parties'
2 assertion, enforcement or realization on the Prepetition Collateral, Cash Collateral or the
3 Postpetition Collateral; (c) seeking to modify any of the rights granted to the Prepetition
4 Indenture Trustee or the Prepetition Secured Parties hereunder; or (d) paying any amount on
5 account of any claims arising before the Petition Date unless such payments are approved by an
6 order of this Court and are permitted pursuant to the Budget. Notwithstanding the foregoing
7 provisions of this paragraph, up to ~~\$25,000~~50,000 of Cash Collateral ~~or any other cash~~
8 ~~maintained from time to time at the Debtors~~ may be used to pay the allowed fees and expenses of
9 professionals retained by a duly appointed creditors committee incurred directly in connection
10 with investigating, but not initiating or prosecuting, any claims or causes of action (a) against the
11 Prepetition Indenture Trustee or the Prepetition Secured Parties and (b) with respect to the
12 amount, validity, extent, perfection, priority or enforceability of the Prepetition Liens or the
13 Prepetition Obligations, solely, in each case, with respect to the ~~Debtor~~Debtors.

14 8. Subject to any requirements of the Nevada Gaming Regulations, the Debtors shall
15 not, directly or indirectly, grant any new lien that is otherwise permitted by the Indenture or the
16 other Prepetition Security Documents except in the ordinary course of Debtors' prepetition
17 businesses. Except as provided in the prior sentence, the Debtors shall not be permitted to grant
18 any liens (including, without limitation, liens with a priority to or pari passu with the Prepetition
19 Liens, the Adequate Protection Liens, or any other liens granted to the Prepetition Indenture
20 Trustee (acting for the benefit of the Prepetition Secured Parties) under this Stipulation, the
21 Indenture or any of the Prepetition Security Documents), or to provide any party with an
22 administrative expense claim (including, without limitation, administrative expense claims
23 having a priority to or being pari passu with the Superpriority Claims but excluding
24 administrative expense claims (a) arising by operation of law in connection with ordinary course
25 transactions with postpetition vendors providing unsecured trade credit or (b) for fees, costs and
26 expenses that constitute a part of the Carve-Out; provided further that such administrative
27 expense claims for (x) such postpetition vendors shall be junior to the Superpriority Claims and
28

1 (y) the fees, costs and expenses that constitute a part of the Carve-Out shall be senior to the
2 Superpriority Claims), without the prior written consent of the Prepetition Indenture Trustee.

3 9. In the event that any or all of the provisions of this Stipulation are hereafter
4 modified, amended or vacated by a subsequent order of this or any other court, no such
5 modification, amendment or vacation shall affect the validity, enforceability, perfection or
6 priority of any lien, claim, right or obligation authorized or created hereby (including, without
7 limitation, the Adequate Protection Payments, the Adequate Protection Liens and the
8 Superpriority Claims. No waiver, modification, or amendment of any of the provisions hereof
9 shall be effective unless it is set forth in writing, signed by the parties hereto and approved by
10 this Court.

11 10. The Prepetition Indenture Trustee and the Prepetition Secured Parties shall,
12 pursuant to Bankruptcy Code sections 105(a), 361, 363(m) and 364(e) be entitled to the full
13 protections thereunder as to the use, sale or lease of Prepetition Collateral, including use of Cash
14 Collateral, permitted in reliance thereon, with respect to the claims and obligations arising under
15 this Stipulation in the event that any order approving this Stipulation or any authorization or
16 provision contained in this Stipulation is stayed, vacated, reversed or modified on appeal or
17 otherwise. Any stay, vacation, reversal or modification of an order approving this Stipulation (or
18 any provision hereof) or the termination of this Stipulation following an Event of Default shall
19 not affect the Adequate Protection Payments, the Adequate Protection Liens or the Superpriority
20 Claims, or the validity of any obligations to, or rights of, the Prepetition Indenture Trustee or the
21 Prepetition Secured Parties incurred or granted pursuant to this Stipulation. Notwithstanding any
22 such termination, stay, vacation, reversal or modification, all uses of Cash Collateral and
23 obligations incurred and rights granted pursuant hereto prior to the effective date of such stay,
24 vacation, reversal or modification shall be governed in all respects by the original provisions
25 hereof and the Prepetition Indenture Trustee and the Prepetition Secured Parties shall be entitled
26 to all the rights, privileges, benefits and remedies, including, without limitation, the security
27 interests and priorities, granted herein with respect to such obligations and use of Cash
28 Collateral.

1 11. The Debtors represent and agree that to their knowledge and belief, no Claims
2 (defined below) exist and no facts exist that could give rise to or support any Claims against the
3 Prepetition Indenture Trustee. ~~The~~Each of the Debtors, by its execution of this Cash Collateral
4 Stipulation and effective upon entry of the Final Order, releases and forever discharges, and will
5 use commercially reasonable efforts to cause each of its agents, employees, directors, officers,
6 attorneys, affiliates, subsidiaries, shareholders, owners, successors and assigns (each of the
7 Debtors and such additional persons, a "Releasing Party") effective upon entry of the Final Order
8 to release and forever discharge, the Prepetition Indenture Trustee and each of its agents, direct
9 and indirect shareholders, employees, directors, officers, attorneys, branches, affiliates,
10 subsidiaries, successors and assigns (each, a "Released Party"), from all damages, losses, claims,
11 demands, liabilities, obligations, actions and causes of action whatsoever (collectively "Claims")
12 that the Releasing Parties or any of them may have or claim to have against any or all of the
13 Released Parties that existed or arose prior to the Petition Date, in each case whether currently
14 known or unknown or with respect to which the facts are known (or should have been known),
15 that could give rise to or support any Claims and of every nature and extent whatsoever on
16 account of or in any way relating to, arising out of or based upon: (i) the Indenture, any of the
17 Prepetition Security Documents, or any amendments or waivers under the Indenture, the
18 Prepetition Security Documents, or the transactions contemplated thereby, or any action or
19 omission in connection with any of the foregoing, including all such losses or damages of any
20 kind sustained prior to the execution of this Cash Collateral Stipulation; or (ii) the respective
21 business relationships among the Debtors and the Prepetition Indenture Trustee. The Debtors
22 hereby covenant and agree, and will use commercially reasonable efforts to cause each other
23 Releasing Party to covenant and agree, that it has not, prior to the Debtors' execution of this
24 Cash Collateral Stipulation, assigned, and will not thereafter sue any Released Party upon, any
25 Claim released or purported to be released hereby, and the Debtors will indemnify and hold
26 harmless, and will use commercially reasonable efforts to cause each other Releasing Party to
27 indemnify and hold harmless, the Released Parties against any loss or liability on account of any
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1 actions brought by such Releasing Party or its assigns or prosecuted on behalf of such Releasing
2 Party and relating to any Claim released or purported to be released under this paragraph.

3 12. The stipulations, releases and admissions contained in this Stipulation, including
4 those set forth in recital paragraph I, shall be binding upon the Debtors, any subsidiary or
5 affiliate of the Debtors that may hereafter file for relief under Chapter 11 of the Bankruptcy
6 Code, and their respective successors and assigns (including any Chapter 7 or Chapter 11 trustee
7 hereinafter appointed or elected for any of the estates of the Debtors). The stipulations, releases
8 and admissions contained in recital paragraph I, shall be binding upon all other parties-in-
9 interest, including any Committee, unless any Committee or any other party-in-interest (other
10 than the Debtor), duly commences an adversary proceeding (i) ~~sixty~~ninety (60/90) days following
11 the date on which such Committee is first appointed or (ii) if no Committee is appointed within
12 thirty days of the Petition Date, seventy-five (75) days following the Petition Date (collectively,
13 (i) and (ii) shall be referred to as the "Investigation Period"), (x) challenging the validity,
14 enforceability, priority, perfection, characterization or amount of the Prepetition Obligations or
15 Prepetition Liens or (y) asserting any claims or causes of action against any of the Prepetition
16 Indenture Trustee or Prepetition Secured Parties in their capacities as such, provided, however,
17 that (A) nothing herein shall be deemed to grant to the Committee any standing that may be
18 required in order for the Committee to prosecute any such adversary proceeding and (B) the
19 Prepetition Indenture Trustee reserves all of its rights with respect to any request by the
20 Committee to seek such standing. If no such adversary proceeding is duly commenced during
21 the Investigation Period, (i) the claims of the Prepetition Indenture Trustee and Prepetition
22 Secured Parties arising from the Prepetition Obligations and the Prepetition Liens shall constitute
23 allowed claims against each applicable Debtors and shall not be subject to any contest, objection,
24 recoupment, counterclaim, defense, offset, subordination, recharacterization, avoidance, or other
25 claim, challenge, or cause of action under the Bankruptcy Code, applicable non-bankruptcy law,
26 or otherwise and the Prepetition Liens shall be deemed legal, valid, binding, enforceable, duly
27 perfected, not subject to any objection, counterclaim, setoff, offset of any kind, subordination, or
28 defense, and such liens are otherwise unavoidable; and (ii) the Prepetition Indenture Trustee and

1 Prepetition Secured Parties shall not be subject to any other or further claims, counterclaims,
2 causes of action or lawsuits by any party-in-interest or any successor thereto. If any such
3 adversary proceeding is duly commenced during the Investigation Period, the stipulations and
4 admissions set forth in recital paragraph I of this Stipulation shall nevertheless remain binding
5 and preclusive (as provided in the second sentence of this paragraph) on the Committee and on
6 any other Person or entity, except if such stipulation or admission has been expressly challenged
7 in an adversary proceeding duly commenced within the Investigation Period, in which event such
8 exception shall apply only to the extent that a final, non-appealable order finds in favor of the
9 challenging party. The stipulations and admissions contained in this Stipulation, including those
10 set forth in recital paragraph I, shall inure to the benefit of the Prepetition Indenture Trustee, the
11 Prepetition Secured Parties, the Debtors and their respective successors and assigns.
12 Notwithstanding anything herein to the contrary, the Prepetition Indenture Trustee, in its sole
13 discretion, may extend the Investigation Period from time to time without further order of this
14 Court.

15 13. The occurrence of any of the following shall constitute an event of default (each,
16 an "Event of Default");

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18 a. An order of this Court shall be entered dismissing any of the Chapter 11 Cases,
19 converting any of the Debtors' Chapter 11 ~~Case~~Cases to one under Chapter 7 of the
20 Bankruptcy Code, appointing a Chapter 11 trustee in any of the Chapter 11 Cases, or the
21 Debtors shall file a motion or other pleading seeking the dismissal of any of the Chapter
22 11 Cases under section 1112 of the Bankruptcy Code or otherwise, or an order of this
23 Court shall be entered appointing an examiner with expanded powers;

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25 b. An order of this Court shall be entered granting relief from the automatic stay
26 under section 362 of the Bankruptcy Code that would permit a party in interest other than
27 the Prepetition Indenture Trustee to immediately exercise any rights or remedies or
28 consummate a foreclosure or foreclosures upon any material asset or upon all or any
material portion of the Prepetition Collateral or Postpetition Collateral; provided further
that the entry of an order of this Court granting relief from the automatic stay, or the
Debtors' stipulation to relief from the automatic stay, with respect to matters that are not
material to or will not have a material effect on the Debtors' business operations shall not
constitute an Event of Default;

1 c. An order of this Court or any other court having jurisdiction to do so shall be
2 entered amending, supplementing, staying, vacating, reversing, revoking, rescinding or
3 otherwise modifying this Stipulation (or any of the provisions thereof), without the
4 express written consent of the Prepetition Indenture Trustee;

5 d. An order of this Court (or any other court having jurisdiction to do so) shall be
6 entered (x) granting any lien on or security interest on property of the Debtors or their
7 estates in favor of any party other than the Prepetition Indenture Trustee (acting for the
8 benefit of the Prepetition Secured Parties) except as permitted under the terms of the
9 Indenture, the Prepetition Security Documents and/or this Stipulation, or (y) granting a
10 Bankruptcy Code section 364 superpriority administrative claim against the Debtors to
11 any party in interest other than the Prepetition Indenture Trustee, in each case without the
12 express written consent of the Prepetition Indenture Trustee, except as permitted under
13 the terms of the Indenture, the Prepetition Security Documents and/or this Stipulation;

14 e. An order of this Court or any other court having jurisdiction to do so shall be
15 entered that approves any claims for recovery of amounts under section 506(c) of the
16 Bankruptcy Code or otherwise arising from the preservation or disposition of any
17 Prepetition Collateral or Postpetition Collateral, provided that (i) payments and deposits
18 for the preservation of Prepetition Collateral or Postpetition Collateral made pursuant to
19 customary first day motions concerning employee payroll and benefits, critical vendors,
20 utilities and the like and (ii) payments and deposits made in respect of postpetition
21 preservation of the Prepetition Collateral or Postpetition Collateral made in accordance
22 with the Budget shall not result in the occurrence of an Event of Default hereunder;

23 f. The Interim Order shall cease to be in full force and effect and the Final Order
24 shall not have been entered, be in full force and effect and not subject to any stay on or
25 before the thirty-fifth (35th) day following the date of entry of the Interim Order, or the
26 Final Order shall cease to be in full force and effect and unstayed;

27 g. The Debtors shall make any payment (including "adequate protection" payments)
28 on or in respect of any prepetition indebtedness or prepetition obligations other than (i) to
the Prepetition Indenture Trustee on account of the Prepetition Obligations under the
Indenture or the other Prepetition Security Documents, or (ii) as permitted under this
Stipulation, the Interim Order, orders of this Court approving other "first day motions"
and "second day motions" or the Final Order;

h. Five (5) Business Days following delivery to counsel to the Debtors, any
Committee and the United States Trustee of written notice from the Prepetition Indenture
Trustee of the Debtors' failure to comply with any term or terms of this Stipulation, the
Interim Order or the Final Order; provided that the failure of Debtors to make any
payment to the Prepetition Indenture Trustee due under this Stipulation within three (3)
Business Days of the date when due shall be an immediate Event of Default; provided
further that if the Debtors cure the defaults referenced in this subparagraph (h) on or
before the dates set forth in this subparagraph (h), as applicable, then no Event of Default
shall be deemed to have occurred;

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i. The cash expenditures of the Debtors exceed those permitted by the Budget (subject to the permitted expenditure variances) or this Stipulation without prior written consent of the Prepetition Indenture Trustee or there shall at any time be no approved Budget in full force and effect;

j. The Debtors shall seek to, or shall support (in any such case by way of, inter alia, any motion or other pleading filed with this Court or any other writing to another party in interest executed by or on behalf of the Debtors) any other person's motion to disallow or subordinate in whole or in part the Prepetition Indenture Trustee's or any Prepetition Secured Party's claim in respect of the Prepetition Obligations or Superpriority Claims, or to challenge the validity, enforceability, perfection or priority of the liens in favor of the Prepetition Indenture Trustee or the Prepetition Secured Parties (including, without limitation, any Prepetition Liens);

k. The Court shall enter an order permitting the Debtors to obtain credit from any party other than the Prepetition Indenture Trustee and the Prepetition Secured Parties unless, in connection therewith, (i) the Prepetition Indenture Trustee has consented in writing to such relief or (ii) the Debtors reasonably expect that all of the Prepetition Obligations and the Superpriority Claims shall be paid indefeasibly in full in cash from the proceeds of such alternative financing;

l. [INTENTIONALLY OMITTED];

m. The board of directors of the Debtors authorizes a liquidation of the Debtors' business that is not reasonably expected to result in the payment in full of all of the Prepetition Obligations and the Superpriority Claims or that the Prepetition Indenture Trustee and Prepetition Secured Parties have not provided advance consent to such liquidation;

n. The Debtors shall file any pleading seeking, or otherwise consenting to, or shall otherwise affirmatively act in support of, or affirmatively take any action to acquiesce in, any other person's motion as to, any of the matters set forth in this paragraph 13; or

o. The Debtors shall not have satisfied the Prepetition Obligations and any obligations outstanding pursuant to this Stipulation, including any Superpriority Claims on or before the earlier of (i) the effective date of a plan and (ii) the date that is 18 months after the Petition Date, provided that such dates may be extended in the sole discretion of the Prepetition Indenture Trustee.

Upon the occurrence of an Event of Default and three (3) Business Days written notice to Debtors and Debtors' counsel thereof, and at all times thereafter, as long as the Debtors have not prior to the expiration of such three (3)-Business Day Period either cured the Event of Default or commenced taking actions that reasonably could be expected to result in the cure of such Event of Default within a reasonable period of time, the Prepetition Indenture Trustee and the Prepetition Secured Parties may, in their absolute and sole discretion, immediately exercise all

1 rights and remedies and take all or any actions under the Indenture, Prepetition Security
2 Documents and/or this Stipulation (including, without limitation, the immediate termination of
3 the Debtors' right to use Cash Collateral) (provided that nothing herein shall limit or expand the
4 Prepetition Indenture Trustee's and Prepetition Secured Parties' rights under the Prepetition
5 Pledge Agreement), provided, however that the Prepetition Indenture Trustee and the Prepetition
6 Secured Parties, as applicable, shall not be permitted to exercise any such rights and remedies or
7 take any actions as set forth herein unless and until, the Prepetition Indenture Trustee or the
8 Prepetition Secured Parties, as applicable, have obtained relief from the automatic stay imposed
9 by section 362 of the Bankruptcy Code, which relief the Prepetition Indenture Trustee or the
10 Prepetition Secured Parties, as applicable, may seek on an emergency basis with notice to the
11 Debtors, any Committee, the United States Trustee, and Black Diamond Capital Management;
12 provided, further that upon the occurrence of an Event of Default or notice thereof from the
13 Prepetition Indenture Trustee, the Debtors may seek emergency relief to continue using
14 Prepetition Collateral, Postpetition Collateral and Cash Collateral on a nonconsensual basis.
15 Termination of the use of the Prepetition Collateral, including Cash Collateral, authorized herein
16 shall not impair the continuing effectiveness and enforceability of any other provisions in this
17 Stipulation. The Prepetition Indenture Trustee may make payments and other distributions to the
18 Prepetition Secured Parties in connection with and as otherwise allowed by this Stipulation, and
19 all of the indemnifications and similar provisions in favor of the Prepetition Indenture Trustee set
20 forth in the Indenture and Prepetition Security Documents shall continue in full force and effect
21 in respect of any actions taken by the Prepetition Indenture Trustee in connection with or as
22 otherwise allowed by this Stipulation. In no event shall any such action taken by the Prepetition
23 Indenture Trustee be deemed gross negligence or willful misconduct.

24 14. The Prepetition Indenture Trustee is hereby authorized, but not required, to file or
25 record financing statements, trademark filings, copyright filings, mortgages, notices of lien, or
26 similar instruments in any jurisdiction, or take possession of or control over, or take any other
27 action in order to validate and perfect the liens and security interests granted to it hereunder.
28 Whether the Prepetition Indenture Trustee shall, in its sole discretion, choose to file such

1 financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar
2 instruments, or take possession of or control over, or otherwise confirm perfection of the liens
3 and security interests granted to it hereunder, such liens and security interests shall be deemed
4 valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge dispute or
5 subordination, at the time and on the date of entry of the Interim Order. A certified copy of the
6 Interim Order and/or Final Order may, in the discretion of the Prepetition Indenture Trustee, be
7 filed with or recorded in filing or recording offices in addition to or in lieu of such financing
8 statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby
9 authorized to accept such certified copy of the Interim Order and/or Final Order for filing and
10 recording.

11 15. Subject to and effective upon entry of a Final Order, (i) no expenses of
12 administration (whether incurred during the Chapter 11 Case or any subsequent case) incurred
13 for the preservation, protection, disposition or enhancement of, or realization by any party in
14 interest on, the Prepetition Collateral or the Postpetition Collateral incurred while the Debtors are
15 authorized to use such collateral under the Final Order shall be charged against or recovered
16 from of the Prepetition Collateral or the Postpetition Collateral pursuant to Bankruptcy Code
17 section 506(c) or any similar principal of law or equity without the express prior written consent
18 of the Prepetition Indenture Trustee and (ii) the Debtors hereby waive any right to assert a claim
19 under section 506(c) of the Bankruptcy Code for any costs and expenses incurred in connection
20 with the preservation, protection, disposition or enhancement of, or realization by any party in
21 interest on, the Prepetition Collateral or the Postpetition Collateral.

22 16. Nothing contained in this Stipulation shall be deemed to terminate, modify or
23 release any obligations of any non-debtor third party liable to the Prepetition Indenture Trustee
24 and/or the Prepetition Secured Parties with respect to any Prepetition Obligations or otherwise.

25 17. [Intentionally omitted].

26 18. ~~No~~Except as expressly set forth herein, no rights are intended to be created
27 hereunder for the benefit of any third party or creditor or any direct or indirect incidental
28 beneficiary ~~except as specifically provided herein.~~

1 19. If any party in interest objects to this Stipulation and such objection is sustained,
2 or if Bankruptcy Court does not approve this Stipulation, the Prepetition Indenture Trustee shall
3 be fully protected to the extent of Debtor's actual use of the Prepetition Indenture Trustee's Cash
4 Collateral prior to entry of a Court Order curtailing or otherwise modifying the provisions of this
5 Stipulation.

6 20. Nothing contained in this Stipulation shall limit, impair or in any way affect (i)
7 the Prepetition Indenture Trustee's right at any time to seek relief from the automatic stay to
8 enforce any of its remedies under the Indenture, the Prepetition Security Documents or
9 applicable law and (ii) Debtors' right to seek additional use of cash collateral.

10 21. Unless otherwise agreed herein, all of the rights, remedies, benefits and
11 protections provided to the Prepetition Indenture Trustee and Debtors under this Stipulation shall
12 survive the Termination Date.

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1 22. During the term of this Stipulation, Debtors shall provide to the Prepetition
2 Indenture Trustee, on a monthly basis, with copies of Debtors' operating reports filed with the
3 Office of the United States Trustee. Subject to any restrictions of the Nevada Gaming
4 Regulations, the Debtors shall (a) cooperate reasonably with the Prepetition Indenture Trustee,
5 and, (b) upon two (2) Business Days' notice from the Prepetition Indenture Trustee, provide the
6 Prepetition Indenture Trustee with reasonable access, during the hours of 9:00 a.m. and 5:00 p.m.
7 prevailing Pacific time on a Business Day, to representatives of the Debtors and to all of
8 Debtors' places of business and operations including, but not limited to, any and all locations
9 where Debtors' books, records and inventory are kept, so that the Prepetition Indenture Trustee
10 may monitor the Prepetition Collateral, and otherwise protect its interests. The Debtors' officers
11 and employees shall cooperate reasonably with the Prepetition Indenture Trustee in all
12 reasonable respects regarding any inquiry by the Prepetition Indenture Trustee into transactions
13 occurring at any time.

14 23. On behalf of their Estates, the Debtors hereby waive any right to seek or require
15 application of the equitable doctrine of "marshaling" or any other similar doctrine with respect to
16 any of the Prepetition Collateral or the Prepetition Indenture Trustee, provided, further, that all
17 rights of the Prepetition Indenture Trustee and all rights of US Foods with respect to any other
18 party seeking to apply such doctrine are hereby reserved.

19 24. ~~23-~~This Bankruptcy Court shall retain exclusive jurisdiction over the subject
20 matter of this Stipulation in order to resolve any dispute in connection with the rights and duties
21 specified hereunder and all parties reserve their respective rights.

22 25. ~~24-~~All notices required to or permitted to be given to the Prepetition Indenture
23 Trustee under this Stipulation shall be addressed as follows:

24 The Bank of New York Mellon Trust Company, N. A
25 Global Corporate Trust
26 601 Travis, 16th Floor
27 Houston, Texas 77002
28 Attn: J. Chris Matthews
 j.chris.matthews@bnymellon.com

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With a copy to: ~~Pillsbury Winthrop Shaw Pittman~~Katten Muchin Rosenman LLP
650 Town Center Drive, Suite 700
Costa Mesa, CA 92626-7122
Attn: Craig A. Barbarosh

~~Craig.barbarosh@pillsburylaw.com~~Craig.barbarosh@kattenlaw.com

And ~~Pillsbury Winthrop Shaw Pittman~~Katten Muchin Rosenman LLP
~~1540 Broadway~~575 Madison Avenue
New York, NY ~~10036~~10022
Attn: Karen B. Dine
~~Karen.dine@pillsburylaw.com~~kattenlaw.com

All notices required to or permitted to be given to Debtor under this Stipulation shall be addressed as follows:

To: Silver Legacy Resort Casino
407 North Virginia Street
Reno, NV 89501
Attn: Stephanie Lepori, CFO

With a copy to: Milbank, Tweed, Hadley & McCloy LLP
601 South Figueroa Street
30th Floor
Los Angeles, CA 90017
Attn: Paul S. Aronzon
Thomas R. Kreller
PAronzon@milbank.com
TKreller@milbank.com

All notices required to or permitted to be given to the Committee under this Stipulation shall be addressed as follows:

To: Stutman, Treister & Glatt, P.C.
1901 Avenue of the Stars, 12th Floor
Los Angeles, California 90067
Attn: Eve H. Karasik
Christine M. Pajak
Danielle A. Pham
ekarasik@stutman.com
cpajak@stutman.com
dpham@stutman.com

The above addresses may be changed effective upon receipt of a new address. Any notice required herein or permitted to be given shall be in writing and be personally served or sent by facsimile (upon confirmation of receipt) or United States mail and shall be deemed given

1 when sent or, if mailed, when deposited in the United States mail so long as it is properly
2 addressed.

3 26. ~~25.~~ This Stipulation may be executed in original or facsimile signature and in
4 counterpart copies, and this Stipulation shall be deemed fully executed and effective when all
5 parties have executed and possess a counterpart, even if no single counterpart contains all
6 signatures.

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1 **WHEREFORE**, the parties hereto request that this Court issue an Order approving this
2 Stipulation.

3 Dated: ~~May 17~~, June _____, 2012

4
5 THE BANK OF NEW YORK MELLON
6 TRUST COMPANY, N.A.,
as Prepetition Indenture Trustee

7
8 By: _____

9 Name:

10 Title:

11

12 CIRCUS AND ELDORADO JOINT VENTURE,
13 a Nevada general partnership

14 By:

15 Name:

16 Title:

17

18 SILVER LEGACY CAPITAL CORP.,
19 a Nevada corporation

20 By:

21 Name:

22 Title:

23

24

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Padding cell	

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