

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND**

)		
In re:)	Chapter 11	
)		
UTGR, INC. d/b/a TWIN RIVER, <u>et al.</u> , ¹)	Case No. 09 -12418	
)		
Debtors.)	Jointly Administered	
)		

**INTERIM ORDER (A) AUTHORIZING USE OF CASH COLLATERAL,
(B) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES,
AND (C) SCHEDULING A FINAL HEARING**

Upon the Motion of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) seeking (a) authority to use cash collateral, (b) to grant adequate protection to certain prepetition secured parties for the use of their cash collateral, (c) to prescribe the form and manner of notice and setting the time for the final hearing on the Motion, and (d) to grant related relief (the “Motion”),² wherein the Debtors moved this Court for, among other things, the entry of an interim order authorizing the Debtors’ use of Cash Collateral on an interim basis for ordinary course expenses pursuant to the Budget (as hereinafter defined) (the “Interim Relief”), and after notice and a hearing on the Interim Relief, the Court finds, subject to the terms and conditions hereof, that (i) the Interim Relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; (ii) the Interim Relief requested in the Motion is necessary to avoid immediate irreparable harm to the Debtors and their respective estates and to provide the Debtors with sufficient cash to continue operations and to preserve the going concern value of their businesses; (iii) proper and adequate notice of the Motion and the hearing on the

¹ The Debtors in these chapter 11 cases are: BLB Management Services, Inc., BLB Worldwide Holdings, Inc.; and UTGR, Inc.

² Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Motion.

Interim Relief has been given, and no other or further notice is necessary with respect to the Interim Relief; and (iv) upon the record herein, after due deliberation thereon, good and sufficient cause exists for the granting of the Interim Relief as set forth herein. Therefore,

THE COURT HEREBY FINDS AND CONCLUDES THAT:

Background

A. On June 23, 2009 (the "Petition Date"), the Debtors commenced these chapter 11 cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code in this Court.

B. The Debtors have continued in the management and operation of their businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Cases.

C. No request has been made for the appointment of a trustee or an examiner and no statutory committee (a "Committee") has yet been appointed in the Cases.

D. This Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over these Cases, and over the persons and property affected hereby. Consideration of the Motion constitutes a core proceeding as defined in 28 U.S.C. § 157(b)(2). The statutory predicates for the relief sought herein are sections 105, 361, 363, and 507 of the Bankruptcy Code and Rules 4001(b) and (d) of the Federal Rules of Bankruptcy Procedure. Venue of the Cases in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

Prepetition Capital Structure and Cash Collateral

E. On August 23, 2005, BLB Management Services, Inc. ("BLB Management Services" or "Borrower"), BLB Worldwide Holdings, Inc. ("BLB Worldwide"), and UTGR, Inc. ("UTGR" and together with BLB Worldwide, the "Guarantors") restated and amended their existing first lien credit facility and existing second lien credit facility by entering into a

\$370 million first lien credit facility (the “First Lien Facility”) via that certain first priority Credit Agreement (the “First Lien Credit Agreement”), and a \$125 million second lien credit facility (the “Second Lien Facility” and together with the First Lien Facility, the “Prepetition Facilities”) via that certain Second Priority Credit Agreement (the “Second Lien Credit Agreement” and together with the First lien Credit Agreement, the “Credit Agreements”), both with Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”), as joint lead arranger and book runner, Merrill Lynch Capital Corporation, as administrative agent (the “Administrative Agent” or “First Lien Agent”), Deutsche Bank Securities Inc. (“DBSI”), as joint lead arranger and book runner and as syndication agent, J.P. Morgan Securities Inc., as joint lead arranger and book runner, and JPMorgan Chase Bank, N.A., as documentation agent. The revolver loans and term loans under the First Lien Facility will expire on July 18, 2010 and July 18, 2011, respectively, and the term loans under the Second Lien Facility will expire on July 18, 2012.

F. On August 22, 2006, the parties to the First Lien Credit Agreement executed an amendment to the First Lien Credit Agreement (the “First Lien Amendment”) whereby the Borrower created a new class of additional term loans under the First Lien Facility in an aggregate amount of \$50 million and the parties to the Second Lien Credit Agreement executed an amendment to the Second Lien Credit Agreement (the “Second Lien Amendment”) whereby the Borrower created a new class of additional term loans under the Second Lien Facility in an aggregate amount of \$20 million. The various financial institutions and other entities acting as lenders under the First Lien Credit Agreement (the “First Lien Lenders”), the various financial institutions and other entities acting as lenders under the Second Lien Credit Agreement (the

“Second Lien Lenders”), and the Swap Providers (as defined below) are hereby referred to as the “Lender Parties.”

G. The obligations under the First Lien Facility (the “First Lien Facility Obligations”) are secured by perfected and enforceable first priority liens on substantially all of the Debtors’ assets (collectively, the “Existing Collateral”). In addition, the First Lien Facility Obligations include the Debtors’ obligations under certain interest rate protection agreements (the “First Lien Swaps”) the Debtors entered into with certain lenders under the First Lien Facility or their affiliates (the “First Lien Swap Providers”), which obligations are asserted to be secured by perfected and enforceable first priority liens on the Existing Collateral.

H. The obligations under the Second Lien Facility (the “Second Lien Facility Obligations”) and, together with the First Lien Facility Obligations, the “Facility Obligations”) are secured by second priority liens on the Existing Collateral. In addition, the Second Lien Facility Obligations include the Debtors’ obligations under certain interest rate protection agreements (the “Second Lien Swaps”) the Debtors entered into with certain lenders under the Second Lien Facility or their affiliates (the “Second Lien Swap Providers”) and, together with the First Lien Swap Providers, the “Swap Providers”), which obligations are asserted to be secured by perfected and enforceable second priority liens on the Existing Collateral. The First Lien Agent and the Second Lien Agent (each term as defined below) are parties to that certain Second Amended and Restated Intercreditor Agreement dated as of August 23, 2005, amended as of August 22, 2006 and further amended on March 28, 2008 (as amended, modified, or supplemented from time to time, the “Intercreditor Agreement”), which Intercreditor Agreement has been expressly acknowledged by the Borrower.

I. The Debtors assert that the current outstanding principal balances of the Facility Obligations (exclusive of interest, fees, reimbursable expenses and other charges) are approximately:

Facility	Amount
First Lien Term Loan	\$289,087,916
First Lien Revolver	\$125,690,000
Estimated Liabilities Under the First Lien Swaps	\$20,273,715
Second Lien Term Loan	\$145,000,000
Estimated Liabilities Under the Second Lien Swaps	\$9,030,489

Mechanic’s Lienholders

J. Pursuant to an Amended Consent Order entered by the Rhode Island Superior Court on November 21, 2008, based on a consolidated action brought by a construction company and its subcontractors (the “Contractors” and together with the Lender Parties, the “Adequate Protection Parties”) seeking payment for services provided to the Debtors’ Rhode Island facility, the Contractors have perfected and enforceable mechanic’s liens (the “Mechanic’s Liens”) in certain project property (the “Project Property”) in the amount of \$5,741,151, which amount has subsequently been reduced to \$3,045,000 as a result of interim payments made by the Debtors to the Contractors. Also pursuant to the Amended Consent Order, the Contractors acknowledge their Mechanic’s Liens effectively are third priority liens on the Project Property, subordinate to the First Lien Lenders’ and Second Lien Lenders’ mortgages on the Project Property.

K. The Adequate Protection Parties assert and, subject to the Third Party Challenge (defined herein), the Debtors for themselves and their respective estates (subject to the Third Party Challenge (defined herein)) acknowledge and agree that (i) the Facility Obligations constitute legal, valid, perfected and binding obligations of the Debtors, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising from section

362 of the Bankruptcy Code), (ii) no offsets, defenses or counterclaims exist to the Facility Obligations, and (iii) no portion of the Facility Obligations are subject to avoidance pursuant to the Bankruptcy Code or applicable non-bankruptcy law. The Debtors agree that the Facility Obligations shall not be subject to challenge or avoidance by the Debtors pursuant to the Bankruptcy Code or applicable non-bankruptcy law, provided that such obligations shall be subject to the rights of other parties under the Third Party Challenge (defined herein).

L. The Adequate Protection Parties assert and, subject to Third Party Challenge, the Debtors for themselves and their respective estates stipulate, acknowledge and agree, that the Debtors as of the Petition Date had cash, comprised of cash and Cash Equivalents (as defined in the Credit Agreements), with a value in excess of \$4.5 million in which the First Lien Agent for the benefit of the lenders under the First Lien Facility holds a valid, perfected first priority security interest. The Adequate Protection Parties and the Debtors agree that such cash, along with all of the proceeds of the Existing Collateral, constitutes “cash collateral” under section 363 of the Bankruptcy Code (the “Cash Collateral”).

M. An immediate need exists for the Debtors to have continued access to the Cash Collateral in order to continue their operations, meet their payroll and other necessary, ordinary course business expenditures, acquire goods and services, and administer and preserve the value of their estates, and maintain adequate access to cash in amounts customary and necessary for companies of this size in this industry to maintain customer and vendor confidence. The ability of the Debtors to finance their operations by way of working capital requires their access to their cash resources, the absence of which would immediately and irreparably harm the Debtors, their estates, and their creditors. The Debtors require the use of Cash Collateral pursuant to the

Budget to operate their businesses, to preserve the confidences of vendors, suppliers and customers, and to preserve the going concern value of their businesses.

N. The Interim Relief requested in the Motion is, subject to the terms and conditions hereof, necessary, essential, and appropriate for the continued operation of the Debtors' businesses and the preservation of their estates and of going concern values.

O. It is in the best interest of the Debtors' estates to grant the Debtors immediate access to Cash Collateral and to provide the Adequate Protection Parties with the adequate protection set forth pursuant to the terms and conditions of this Interim Cash Collateral Order.

P. The Debtors have requested that the Adequate Protection Parties consent to the Debtors' use of the Cash Collateral pursuant to a budget that has been provided by the Debtors to the First Lien Agent, a copy of which is attached hereto as **Exhibit 1** and made a part hereof (the "Initial Budget") and, together with any subsequent budgets provided by the Debtors to the First Lien Agent in these cases, the "Budget"), and the terms and conditions of this Interim Cash Collateral Order during the Cash Collateral Period (as defined below). Subject to any Third Party Challenge, the Debtors for themselves and their respective estates stipulate, acknowledge and agree that the Adequate Protection Parties are entitled to adequate protection pursuant to sections 361 and 363(e) of the Bankruptcy Code with respect to the Existing Collateral. The Debtors will promptly provide detailed back up to the Budget to the Office of the United States Trustee for the District of Rhode Island (the "U.S. Trustee") and the Committee, when formed.

Q. Subject to the entry of and continued effectiveness and the terms and conditions of this Interim Cash Collateral Order and the Debtors' strict compliance therewith during the Cash Collateral Period, the Adequate Protection Parties have consented to the Debtors' use of the Existing Collateral pursuant to the Budget, including the Cash Collateral, during the Cash

Collateral Period so long as the Debtors remain in strict compliance with the terms and conditions of this Interim Cash Collateral Order during the Cash Collateral Period. The Debtors may seek to modify the Budget, subject to the approval of the First Lien Agent, which approval shall not be withheld unreasonably. If the parties cannot reach agreement on any such modification, the First Lien Agent shall provide the Debtors five business days notice before declaring the occurrence of a Termination Event (defined below).

R. Prior notice of the hearing (the "Hearing") and for the entry of the Interim Cash Collateral Order and the Interim Relief requested in the Motion, pursuant to Bankruptcy Rule 4001 and Local Bankruptcy Rule 4001-2, was given by telecopy, electronic mail, overnight delivery service, hand delivery or regular mail to (i) the U.S. Trustee (ii) counsel to the Administrative Agents for the First and Second Lien Lenders, (iii) counsel to those certain contractors who have asserted mechanics' liens against the Debtors, (iv) counsel to the Committee, when formed, and (v) any persons who have filed a request for notice in these Cases pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

S. The Debtors have requested immediate entry of an Interim Cash Collateral Order of this Court approving the Interim Relief (the "Interim Cash Collateral Order") pursuant to Bankruptcy Rule 4001(b) and the Adequate Protection Parties have consented to such relief. Good and sufficient cause has been shown for the entry of this Interim Cash Collateral Order. Among other things, the entry of this Interim Cash Collateral Order is in the best interests of the Debtors, their creditors, and their estates because it will enable the Debtors to: (i) continue the orderly operation of their businesses and avoid an immediate shutdown of operations; (ii) meet their obligations for payroll, necessary ordinary course expenditures, and other operating expenses; (iii) pay necessary fees and professional expenses under the Bankruptcy Code and

make payments authorized under other Orders entered by this Court; (iv) obtain needed goods and services; (v) retain customer, supplier, and employer confidence by demonstrating that they have the financial ability to maintain normal operations; and (vi) maintain adequate cash resources customary and necessary for companies of this size and in the industries in which they operate to maintain customer confidence, each in accordance with the Budget, thereby avoiding immediate and irreparable harm to the Debtors' estates.

NOW, based upon the Motion of the Debtors and the record before this Court with respect to the Motion made by the Debtors at the Hearing, and good cause appearing therefor,

IT IS ORDERED, ADJUDGED AND DECREED that:

1. The Motion is GRANTED with respect to the requested Interim Relief. All objections to the Interim Relief or the entry of this Interim Cash Collateral Order not withdrawn or settled are overruled on their merits.

Period of Interim Relief

2. Notwithstanding any provision of the Bankruptcy Code or the Bankruptcy Rules to the contrary, this Interim Cash Collateral Order shall take effect immediately upon entry nunc pro tunc to the Petition Date and shall remain in effect until the expiration of the period set forth in the Initial Budget and any periods set forth in subsequent budgets agreed to between the Debtors and the First Lien Agent, subject to the termination of this Interim Cash Collateral Order and any subsequent orders authorizing the Debtors' use of Cash Collateral, upon the occurrence of a Termination Event (as defined below) (such period being referred to as the "Cash Collateral Period"). The Adequate Protection Parties have not consented to and expressly reserve all rights to object to any use of Cash Collateral from and after the expiration of the Cash Collateral Period. The Debtors expressly reserve their rights to seek continued use of Cash Collateral after the expiration of the Cash Collateral Period on the terms set forth herein or on modified terms,

and the Adequate Protection Parties reserve all rights to object to the Debtors' request for such relief.

Good Faith

3. The Debtors, the Adequate Protection Parties, and their respective agents and employees have acted in good faith in negotiating, consenting, and agreeing to the Debtors' use of the Cash Collateral as contemplated and provided by this Interim Cash Collateral Order. The negotiation of the terms and provisions of this Interim Cash Collateral Order have been conducted at arms' length, and the Debtors believe such terms and provisions are fair and reasonable under the circumstances and reflect the Debtors' exercise of reasonable business judgment consistent with the Debtors' fiduciary duties.

4. If any of the provisions of this Interim Cash Collateral Order are hereafter modified, vacated, or stayed by an order of this Court or another court, such stay, modification, or vacation shall not affect the validity, perfection, and enforceability of any lien, security interest, priority, or protection authorized for the benefit of any of the Adequate Protection Parties hereunder that is granted or attaches prior to the effective date of such stay, modification or vacation, and any use of the Cash Collateral by the Debtors pursuant to this Interim Cash Collateral Order prior to the effective date of such modification, stay, or vacation shall be governed in all respects by the original provisions of this Interim Cash Collateral Order.

5. This Interim Cash Collateral Order is without prejudice to (i) the rights of the Adequate Protection Parties to seek a modification of this Interim Cash Collateral Order, including a request for additional adequate protection or the termination of the Debtors' right to use Cash Collateral, after notice and hearing, including a hearing noticed on an emergency basis; and (ii) the rights of the Debtors to seek modification and/or extension of the Interim Cash

Collateral Order, including an increased use of Cash Collateral, after notice and hearing, including a hearing noticed on an emergency basis.

Authorized Use of Cash Collateral

6. The Debtors are hereby authorized to use Cash Collateral pursuant to the Budget during the Cash Collateral Period, subject to the conditions and limitations set forth below.

Adequate Protection to First Lien Lenders for Debtors' Use of Cash Collateral

7. In each case as adequate protection for, and to the extent of the diminution in value of, the First Lien Lenders' first priority interests in prepetition collateral resulting from the Debtors' use of Cash Collateral and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code during the Cash Collateral Period:

- (a) The Debtors shall pay to the First Lien Agent, for the benefit of the First Lien Lenders, amounts equal to all current interest accruing under the First Lien Facility, at the non-default interest rate, which shall become due or accrue during the Cash Collateral Period (the "Adequate Protection Payments"); provided, however, that the Debtors will make such payments only to the extent the Debtors hold Excess Available Cash (defined below) over and above \$5.75 million (the "Minimum Cash Balance"); provided, however, that any shortfall in such payments will be accrued and funded in subsequent months to the extent there is Excess Available Cash available to pay some or all of the accrued shortfall. "Excess Available Cash" is defined as the ending book cash balance as reported on the last day of each calendar month, less (i) the Minimum Cash Balance, (ii) billed and unpaid professional fees and expenses, and (iii) up to a maximum aggregate amount of \$3,000,000 for (x) incurred

and unbilled professional fees and expenses and (y) any earned but unpaid court-approved employee incentive plans. Excess Available Cash payments are not to exceed the non-default interest payable to the First Lien Lenders for the relevant period. All such Adequate Protection Payments accruing or paid during the Cash Collateral Period shall be calculated at the non-default interest rate. The Debtors shall pay to the First Lien Agent, for the benefit of the First Lien Lenders, those Adequate Protection Payments due and payable as of June 30, 2009 on July 15, 2009, and beginning with the calendar month ending July 31, 2009, all Adequate Protection Payments and fees and charges accruing under the First Lien Facility during the Cash Collateral Period shall be due and payable (i) 15 days after the end of each calendar month or (ii) the first business day thereafter, whichever is later. The application of any payments pursuant to this section shall be subject to any Third Party Challenge. Each of the Debtors, the First Lien Agent, and the Committee reserves all respective rights to argue whether Adequate Protection Payments made pursuant to this Order should be applied to reduce the principal amount of the First Lien Facility Obligations pursuant to section 506(b) of the Bankruptcy Code.

- (b) In the event that, as a result of the Debtors' use of Cash Collateral as granted herein, or the imposition of the stay pursuant to section 362 of the Bankruptcy Code, and, if, notwithstanding the Adequate Protection Liens or other adequate protection granted herein, the collateral (including the

Existing Collateral, any replacements thereof, and Cash Collateral) proves insufficient to repay the First Lien Facility Obligations in full, the First Lien Lenders shall have an administrative expense claim to the extent provided by section 507(b) of the Bankruptcy Code with priority over all other administrative expense claims (the “Superpriority Claim”), subject to the Carve-Out (defined below).

- (c) The Debtors hereby grant, assign, and pledge to the First Lien Agent, for the ratable benefit of the First Lien Lenders, valid, perfected, and enforceable liens and security interests (the “Adequate Protection Liens”) in all prepetition and postpetition assets of the Debtors’ estates of any kind or nature whatsoever, including, without limitation, all real and personal property, intellectual property, contract rights, claims, and causes of action (including claims and causes of action under Chapter 5 of the Bankruptcy Code; provided, however, the First Lien Agent shall not be provided an Adequate Protection Lien on any claims and causes of action under Chapter 5 of the Bankruptcy Code unless granted at the final hearing on this Order), and all products and proceeds thereof (the “Adequate Protection Collateral”).
- (d) During the Cash Collateral Period, the Debtors shall pay monthly, promptly upon submission of invoices and related documentation, all reasonable fees, charges, expenses (including attorneys’ fees and other professional expenses), and other amounts incurred or accrued by any of the First Lien Lenders (in their capacities as First Lien Lenders), as the

case may be, in connection with the Cases or the First Lien Facility, including without limitation, (i) the reasonable attorneys' fees and expenses of Cadwalader, Wickersham & Taft, LLP, as counsel to the First Lien Agent; (ii) the reasonable fees and expenses of Capstone Advisory Group, LLC, the financial advisor retained by the First Lien Agent at the direction of and for the benefit of the First Lien Lenders; and (iii) the reasonable attorneys' fees and expenses of Edwards Angell Palmer & Dodge LLP, as local counsel to the First Lien Agent. The Debtors' obligations to make such payments shall include, in each instance, any of such fees, charges, expenses and other amounts which were incurred or accrued but unpaid as of the date hereof. Copies of any such invoices shall be provided to the United States Trustee and counsel to any Official Committee.

- (e) The First Lien Lenders will provide copies of their invoices to the U.S. Trustee, the Committee, and the Debtors. Any disputes regarding such fees shall be resolved by the Court.
- (f) The Debtors shall timely comply with various the reporting requirements under the First Lien Credit Agreement and Security Agreements and such other reasonable reporting and information requests made from time to time by the First Lien Agent or the First Lien Lenders or their respective advisors, including requests for periodic meetings with management.

Adequate Protection to Second Lien Lenders for Debtors' Use of Cash Collateral

8. Subject to the entry of the Final Cash Collateral Order providing for same, the Second Lien Lenders shall have silent Superpriority Claims and Adequate Protection Liens, in

each case subordinate to the Superpriority Claims and Adequate Protection Liens provided to the First Lien Lenders, subject to the consent of the First Lien Lenders.

Adequate Protection to Contractors for Debtors' Use of Cash Collateral

9. Subject to the entry of the Final Cash Collateral Order providing for same, the Contractors shall have silent Superpriority Claims and Adequate Protection Liens, in each case subordinate to the Superpriority Claims and Adequate Protection Liens provided to the First Lien Lenders and to the Second Lien Lenders.

Carve Out

10. Subject to the terms and conditions contained in this paragraph, all liens on and security interests in the Existing Collateral granted prepetition and pursuant to this Interim Cash Collateral Order, including to the Lender Parties and Contractors as adequate protection for their interests in the Existing Collateral, and all superpriority administrative claims granted pursuant to this Interim Cash Collateral Order, including to the Lender Parties and Contractors as adequate protection for the use of Cash Collateral and other diminution in value of their interests in the Existing Collateral, shall be subordinate to the following (collectively, and including the Professional Fee Carve-Out (as defined herein), the "Carve-Out"): (i) unpaid fees of the Clerk of the Bankruptcy Court and the U.S. Trustee pursuant to 28 U.S.C. § 1930(a); (ii) in the event of a conversion of the Cases to cases under chapter 7 of the Bankruptcy Code, fees and expenses incurred by a trustee and any professionals retained by such trustee, in an aggregate amount not exceeding \$50,000; and (iii) upon the delivery of a Carve-Out Trigger Notice (as defined herein), the Debtors shall fund a segregated First Lien Agent collateral account for the professional fees and expenses incurred by the Debtors and the Committee (collectively, the "Professional Fees") subsequent to the delivery of a Carve-Out Trigger Notice (regardless of when such Professional Fees become allowed by order of the Bankruptcy Court), in an aggregate amount under this

subparagraph (a)(iii) of \$2 million plus all unpaid Professional Fees incurred prior to the delivery of Carve-Out Trigger Notice (the provisions of this subparagraph (a)(iii) only, the “Professional Fee Carve-Out”). Amounts on deposit in the segregated account described in the immediately preceding sentence shall be used solely to satisfy the Carve-Out and the balance in such segregated account shall not be available to pay any prepetition or other postpetition obligations until such time as the obligations comprising the Carve-Out shall have been paid in full, notwithstanding any purported or asserted lien, claim or right to such balance. Nothing herein shall constitute a waiver by the Lender Parties of their rights to object to any Professional Fees of any professional retained by the Debtors or the Committee. In the event that at the time of delivery of a Carve-Out Trigger Notice, there are insufficient amounts to fund the Carve-Out, the Carve-Out will be funded with the proceeds of the next disposition of collateral.

11. As used herein, “Carve-Out Trigger Notice” means, upon the occurrence and during the continuation of a Termination Event, a written notice delivered by the First Lien Agent or the Debtors to counsel for the Debtors or the First Lien Agent, as applicable, and lead counsel to the Committee expressly stating that the Professional Fee Carve-Out has been invoked.

12. Any payment or reimbursement made on or after delivery of the Carve-Out Trigger Notice in respect of any allowed Professional Fees shall permanently reduce the Professional Fee Carve-Out on a dollar-for-dollar basis. Any payments or reimbursements made in respect of allowed Professional Fees at any time prior to delivery of the Carve-Out Trigger Notice shall not reduce the Professional Fee Carve-Out.

13. Subject to the Final Cash Collateral Order and subject to any Third Party Challenge, (i) the Facility Obligations shall constitute allowed secured claims of the First Lien

Lenders against the Debtors and shall not be subject to contest, subordination or objection by the Debtors on any basis, including any contest or objection as to validity, enforceability, or priority of, or the extent of the security (including valuation of collateral) for, such claims, (ii) the Debtors shall have no claim for and shall be deemed to have waived and relinquished any claim or action for preferences, fraudulent conveyances, or other avoidance power claims as against the First Lien Lenders with respect to the Facility Obligations, (iii) the liens and security interests of the First Lien Agent for the benefit of the First Lien Lenders shall be determined to be valid, perfected, enforceable and not subject to defense, offset, counterclaim, avoidance, contest, subordination or objection by the Debtors on any basis, including any contest or objection as to the validity, enforceability, perfection or priority thereof and (iv) the Debtors shall be deemed to have no claims or causes of action against any of the First Lien Lenders or the First Lien Agent and its legal and financial advisors, and shall be deemed to have waived and relinquished any such claims or causes of action, for any actions arising under or related to the Credit Agreements or the documents entered into in connection with the Credit Agreements, in each case, which arose prior to the entry of this Interim Cash Collateral Order.

14. Notwithstanding the foregoing, such determination of the priority, extent (including valuation of collateral), validity, perfection, enforceability and unavailability of such liens, security interests and claims and the release of claims is without prejudice to the rights of any authorized party (other than the Debtors) to investigate and challenge any such liens, security interests and/or claims of the First Lien Lenders, or to assert any other claims or causes of action, at law or in equity against any of the First Lien Lenders (a “Third Party Challenge”); provided that any such Third Party Challenge not made by commencement of an adversary proceeding pursuant to Federal Rule of Bankruptcy Procedure 7001 (an “Adversary

Proceeding”) and served no later than 75 days after the Petition Date or 60 days following the formation of the Official Committee, whichever is later, shall be forever barred; provided, further, that the Debtors are not permitted to use Cash Collateral to pay for the investigation or pursuit of a Third Party Challenge, but may use up to \$25,000 of Cash Collateral to fund an investigation (but not pursuit) by the Committee of the potential for a Third Party Challenge.

15. Despite the initiation of any such Adversary Proceeding asserting a Third Party Challenge, such liens, security interests, and secured claims shall be presumed to be valid and entitled to the benefit of this Interim Cash Collateral Order pending the entry of a final non-appealable judgment and order in favor of the authorized party with respect to such Third Party Challenge. If no such Adversary Proceeding is properly and timely filed and served by such date, (i) the Facility Obligations (as applicable) shall not be subject to any other or further claim, challenge, counterclaim, defense, offset, subordination, or avoidance by any party in interest, including without limitation any subsequently appointed trustee in these chapter 11 cases or in any chapter 7 case or subsequent case or proceeding involving any Debtor, and (ii) the liens and security interests of the First Lien Agent or any other collateral agent, for the benefit of the First Lien Lenders, shall not be subject to any other or further Third Party Challenge and shall be determined to have been, as of the Petition Date, valid, binding, perfected, enforceable, unavoidable, and having the priority asserted. The Third Party Challenge Period with respect to the First Lien Lenders may be extended by agreement between the First Lien Agent and the Committee, when formed, without further order of the Court.

Termination of Debtors’ Ability to Use Cash Collateral

16. The Debtors’ ability to use Cash Collateral during the Cash Collateral Period will terminate five business days after the First Lien Agent or the Debtors provide(s) written notice of the occurrence of any event described below (each, a “Termination Event”):

- (a) the expiration of the Cash Collateral Period as provided in Paragraph 2;
- (b) the Debtors' failure to make any Adequate Protection Payment in the total amount of Excess Available Cash then available when such Adequate Protection Payment comes due and payable in accordance with this Interim Cash Collateral Order;
- (c) the Debtors' failure to stay within \$5 million, on a cumulative basis from and after the Petition Date, of the estimated "net operational cash inflow" line item as listed on the Budget;³
- (d) the Debtors fail to comply in any material respect with any of the terms or conditions of this Interim Cash Collateral Order;
- (e) the Debtors seek any modification or extension of this Interim Cash Collateral Order that seeks to limit or reduce the adequate protection granted hereunder or otherwise, in the latter case, without prior consultation with the First Lien Lenders;
- (f) any Order shall be entered granting relief from the stay arising under section 362 of the Bankruptcy Code to the holder or holders of any security interest, lien or right of setoff to permit foreclosure (or the granting of a deed in lieu of foreclosure or similar instrument), possession, set-off, or any similar remedy with respect to any assets of the

³ For the avoidance of any doubt, line items in the Budget shall not serve as a limitation on the fees otherwise to be paid to professionals, including if paid pursuant to the Carve-Out.

Debtors in an amount greater than \$500,000 or which otherwise would have a material adverse effect on the Debtors' businesses or prospects;

- (g) (1) any of the Cases shall be dismissed or converted to a case under chapter 7 of the Bankruptcy Code; or (2) a trustee under chapter 11 of the Bankruptcy Code, a responsible officer or an examiner with enlarged powers relating to the operation of the Debtors' business (powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) under section 1106 of the Bankruptcy Code shall be appointed or elected in any of the Cases; and
- (h) the Debtors shall fail in any material respect to comply with any provisions in the Credit Agreements or Security Agreements (as defined in the Credit Agreements) governing the maintenance of the Debtors' properties or insurance.

17. The Debtors may seek, and the First Lien Lenders' consent to an emergency hearing to occur prior to the expiration of the notice received above to consider contested use of Cash Collateral. The Debtors will immediately notify parties in interest including the Core Notice Group. If the Court cannot accommodate a hearing within such period, the First Lien Lenders consent to the additional use of Cash Collateral for a period of up to an additional five business days to allow for the completion of such hearing.

18. The provisions of this Interim Cash Collateral Order shall be binding upon and inure to the benefit of the Debtors, the Adequate Protection Parties, any Committee, and any trustee subsequently appointed for the estates of any of the Debtors, whether in the chapter 11 cases or in the event of any conversion of any chapter 11 case to a liquidation administered under

chapter 7 of the Bankruptcy Code, or other case or proceeding involving any Debtor. Such binding effect is an integral part of the Interim Cash Collateral Order.

19. Nothing herein shall modify or affect the rights of the State with respect to its allocable share of the Net Terminal Income generated by the facility, and the State shall have all of the rights to exercise dominion and control over the cash generated at the facility, consistent with prepetition practice and applicable law, as more fully described in the Cash Management Motion.

20. This Interim Cash Collateral Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable immediately upon execution hereof. The ten (10) day stay provisions of Bankruptcy Rule 6004(h) are waived and shall not apply to this Interim Cash Collateral Order.

Dated: July 2, 2009
Providence, Rhode Island



Arthur N. Votolato
United States Bankruptcy Judge

Entered on Docket: 7/2/09

Exhibit 1

Budget

UTGR, Inc.

Projected Cash Flow - Cash Collateral Model For the 41 weeks ending April 3, 2010

(\$000's)

Week ending	5 Wks Ending	4 Weeks Ending	5 Weeks Ending	4 Weeks Ending	5 Weeks Ending	4 Weeks Ending	5 Weeks Ending	4 Weeks Ending	5 Weeks Ending	41 weeks Ending
6/27/09	8/1/09	8/29/09	10/3/09	10/31/09	11/28/09	1/2/10	1/30/10	2/27/10	4/3/10	Total
Receipts										
Gaming receipts (net of 10% decline)	1,949	7,431	9,107	7,012	6,857	8,650	7,108	7,258	10,034	75,481
Other revenue	487	2,102	2,683	2,072	2,164	2,604	1,946	2,366	2,706	21,703
Operational receipts	2,436	9,533	11,790	9,083	9,020	11,254	9,054	9,624	12,740	97,184
Disbursements										
Op. Disbursements	(2,473)	(6,120)	(7,663)	(7,135)	(5,904)	(8,061)	(7,459)	(5,846)	(7,713)	(67,134)
Net operational cash inflow	(37)	3,413	4,127	1,948	3,116	3,193	1,595	3,778	5,026	30,050
Other receipts and disbursements										
Restructuring fees	-	(1,524)	(1,831)	(2,340)	(1,879)	(2,051)	(1,699)	(1,725)	(1,811)	(16,461)
Adequate Protection Payment	-	-	-	(1,156)	-	(83)	(1,155)	-	(727)	(4,740)
Other receipts and disbursements	(125)	(375)	(375)	(375)	(375)	(375)	(375)	(375)	(375)	(3,500)
Other inflows / (outflows)	(125)	(1,899)	(2,206)	(3,871)	(2,254)	(2,509)	(3,229)	(2,100)	(2,914)	(24,702)
Net cash inflow / (outflow)	\$(162)	\$ 1,514	\$ 1,921	\$(1,923)	\$ 862	\$ 684	\$(1,634)	\$ 1,678	\$ 2,113	\$ 5,348
Beginning Cash Balances										
Total Beginning Cash	\$ 5,173	\$ 5,011	\$ 5,306	\$ 6,820	\$ 8,741	\$ 7,681	\$ 8,365	\$ 6,731	\$ 8,409	\$ 5,173
Net cash inflow / (outflow)	(162)	1,514	1,921	(1,923)	862	684	(1,634)	1,678	2,113	5,348
Total Ending Cash (excl. cash on floor)	\$ 5,011	\$ 6,820	\$ 8,741	\$ 6,818	\$ 7,681	\$ 8,365	\$ 6,731	\$ 8,409	\$ 10,521	\$ 10,521
EXCESS AVAILABLE CASH CALCULATION TO DETERMINE ADEQUATE PROTECTION PAYMENTS										
Ending Book Cash	\$ 5,306	\$ 6,820	\$ 8,741	\$ 6,818	\$ 7,681	\$ 8,810	\$ 6,731	\$ 8,409	\$ 10,521	
Minimum Cash Balance	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	(5,750)	
Billed and Unpaid Pro Fees	(305)	(406)	(585)	(585)	(431)	(405)	(431)	(431)	(345)	
Incurred and Unbilled	(1,083)	(1,167)	(1,250)	(1,333)	(1,417)	(1,500)	(1,500)	(1,500)	(1,500)	
Initial Adequate Protection Payment	1,619	-	-	-	-	-	-	-	-	
Excess Available Cash	\$ 1,619	\$ -	\$ 1,156	\$ -	\$ 83	\$ 1,155	\$ -	\$ 727	\$ 2,926	\$ 7,667

(1) The adequate protection payment calculated in the week ending 4/3/09 is assumed to be paid on 04/15/10.