

STATE OF MICHIGAN  
MICHIGAN GAMING CONTROL BOARD

In the Matter of:

Case No. CDA-2006-2

THE ACKNOWLEDGMENT OF VIOLATION OF

Greektown Casino, L.L.C.  
555 East Lafayette  
Detroit, MI 48226  
313-223-2999  
License No. CA03

Respondent.

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**FINAL DECISION AND ORDER APPROVING ACKNOWLEDGMENT OF  
VIOLATION AND APPROVING CERTAIN AMENDMENTS  
TO THE DEBT TRANSACTION DOCUMENTS**

The attached Acknowledgment of Violation reflecting Case No. CDA-2006-2, *In the Matter of* the Acknowledgment of Violation of Greektown Casino, L.L.C., was executed by Greektown Casino, L.L.C., and the Executive Director of the Michigan Gaming Control Board (Board) and was presented to the Board by the Executive Director at its June 13, 2006 regular public meeting.

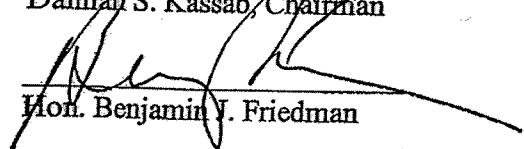
The Board orders as follows:

1. The Acknowledgment of Violation is accepted, adopted, and approved as the Board's Final Decision and Order in this matter as if fully set forth in this Order.
2. The changes to the Debt Transaction Documents that Greektown Casino made without the required approval, as listed in paragraph 10 of the Acknowledgment of Violation, are approved.
3. The condition on page 7 of the November 2005 Order that limits distributions to the Sault Tribe remains effective despite the Board's approval of the change to the Debt Transaction Documents indicated in paragraph 10(h)(xxv) of the Acknowledgment of Violation.


4. The parties to the Debt Transaction Documents may not execute a Control Agreement (defined in the Security Agreement) without prior Board approval.
5. The Board's approval of the Debt Transaction and the Board's approval of the amendments to the Debt Transaction Documents are subject to the conditions stated in the November 2005 Order.

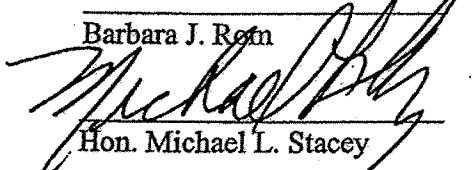
**IT IS SO ORDERED THIS 13th DAY OF JUNE, 2006.**

  
Damian S. Kassab, Chairman

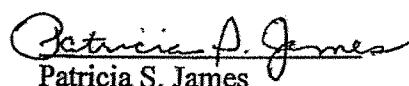
  
Hon. Benjamin V. Friedman

  
Donald L. Robinson

  
Barbara J. Rom

  
Hon. Michael L. Stacey

**Received and Filed:**

  
Patricia S. James  
Board Secretary

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ACKNOWLEDGMENT OF VIOLATION

This Acknowledgment of Violation (Acknowledgment) is entered into by the Michigan Gaming Control Board Staff and Respondent Greektown Casino, L.L.C. (Greektown Casino).

The parties understand that this Acknowledgment and all factual and legal admissions it contains are subject to approval by the Michigan Gaming Control Board (Board) and are not effective until the date that the Board or its designee issues a Final Order based on this Acknowledgment. If the Board does not enter a Final Order based on this Acknowledgment, all admissions made for the purposes of this Acknowledgment are deemed void and may not be used for any purpose by either party in any subsequent proceeding.

RECITALS

Board Staff initiated the above-captioned disciplinary action pursuant to the Michigan Gaming Control and Revenue Act (Act), MCL 432.201 *et seq.*, the Administrative Rules (Rules) that the Board has promulgated pursuant to the Act, R 432.1101 *et seq.*, and the Administrative

Procedures Act (APA), MCL 24.201 *et seq.* The parties mutually desire to resolve this matter and deem it in their best interest, and the best interest of the public, to acknowledge and resolve this matter in its entirety. Thus, subject to Board approval, this Acknowledgement of Violation constitutes a final resolution based upon the following stipulated facts and sanctions.

### **RESOLUTION**

Subject to Board approval, the parties agree that the execution and filing of this Acknowledgment constitutes the resolution of all matters described in this Acknowledgment related to Greektown Casino's violation of the Order Approving Debt Transaction, Supplier-Licensing Exemption Requests, and Eligibility, Suitability, and Qualification of Certain Key Persons of Greektown Casino, L.L.C., issued November 15, 2005 (the November 2005 Order), Exhibit 1; by amending the Debt Transaction Documents without required approval after November 15, 2005, and before December 9, 2005. The parties agree that this resolution is in accordance with the terms and conditions of this Acknowledgment and in lieu of a Compliance Conference and the filing of a formal complaint against Greektown Casino and proceeding with a contested case hearing.

### **STIPULATED FACTS**

Greektown Casino acknowledges that it violated the November 2005 Order by amending the Debt Transaction Documents without required approval, contrary to a condition on the Board's approval of the Debt Transaction stated in that Order.

Greektown Casino and Board Staff, after careful consideration, have stipulated to the following facts that establish this violation.

1. The Board has the authority to, among other things, suspend or revoke casino licenses and impose civil penalties of up to an amount equal to the daily gross receipts against a casino licensee for each violation of an order of the Board. MCL 432.204a(1)(m).

2. As a condition on the approval of the Debt Transaction contemplated in the November 2005 Order, the Board prohibited the parties to the Debt Transaction, including Greektown Casino, from modifying the Debt Transaction Documents (as defined in the November 2005 Order) without prior approval:

The parties to the Debt Transaction Documents must not amend or modify any portion of the Debt Transaction Documents, regardless whether such action is contractually permissible, without first obtaining Board approval. If parties to the Debt Transaction Documents request approval to modify or amend any portion of the Debt Transaction Documents, each request must clearly identify each modification or amendment requested and must provide the rationale for making each modification or amendment. [November 2005 Order, p 5, condition a.]

3. In the November 2005 Order, the Board delegated authority to the Executive Director to approve certain requests to amend the Debt Transaction Documents. Specifically, the Board delegated to the Executive Director "the ability to decide any request for Board approval that is . . . contemplated [in the November 2005 Order], except for any request to modify the Debt Transaction Documents that changes the information described in R 432.1509(3)(a-f) and any request to approve the plans for the permanent casino." November 2005 Order, p 10, paragraph 4.

4. The information described in R 432.1509(3)(a)-(f) consists of:

- (a) The names and addresses of all parties to the debt transaction.
- (b) The amount of the funds involved.
- (c) The type of debt transaction.
- (d) The source of the monies obtained by the person requesting approval of the debt transaction.
- (e) All sources of collateral.
- (f) The purpose of the debt transaction. [R 432.1509(3)(a)-(f).]

5. At 3:43 p.m. on December 1, 2005, Greektown Casino submitted a request for approval of certain revisions to the Debt Transaction Documents in anticipation of closing on the Debt Transaction on the morning of December 2, 2005.

6. The Executive Director granted Greektown Casino approval to make the revisions requested.

7. The parties to the Debt Transaction closed on the Debt Transaction on December 2, 2005.

8. During the days following the closing, the Board, through its Staff, requested that Greektown Casino submit documents detailing all the revisions to the Debt Transaction Documents that had been made after the date of the November 2005 Order.

9. Greektown Casino submitted documents in response to that request.

10. Further review reflected that Greektown Casino did not obtain the required approval to make the following changes to the Debt Transaction Documents before making the changes, in violation of the November 2005 Order:

- a. Adding Wachovia Capital Markets, L.L.C., and NatCity Investments, Inc., as initial purchasers of the Senior Notes;
- b. Changing the Indenture applicable to the Senior Notes by:

i) Eliminating former section 4.4 that required maintaining property in certain condition; adding to section 4.19 (now 4.18) a prohibition on Greektown Holdings, L.L.C., engaging in any business other than owning Greektown Casino, L.L.C.; eliminating former section 4.20 that required maintenance of gaming licenses; adding language to section 6.4 to permit holders of a majority of the aggregate principal amount of the Notes to rescind an acceleration and its consequences; adding language to section 7.2 to restrict the Trustee's permitted scope of investigation; adding language to sections 7.3 and 7.5 to define deadlines for certain events; adding language to section 7.7 (formerly 7.8) to permit the Issuers to remove the Trustee if an order of relief is entered with respect to the Trustee under any Bankruptcy Law; eliminating language from section 8.1 that permitted certain changes to the Indenture and Notes without consent of the holders; changing, in sections 9.1 and 9.3, which obligations of the Issuers survive the satisfaction and discharge of the Indenture or the release of obligations under sections 9.2 or 9.3; adding an exception to the conditions stated in section 9.4; adding references to sections 9.2 and 9.3 in section 9.6; reducing, in section 9.8 the time before which funds unclaimed by a holder must be repaid to the Issuer;

ii) Adding a provision contemplating a future increase in the revolving credit facility to \$125 million if approved by the Board;

iii) Making numerous miscellaneous changes to the Indenture to reflect changes that had previously been made in the Offering Memorandum;

iv) Making organizational changes to the document.

c. Changing the Purchase Agreement applicable to the Senior Notes by:

i) Adding an exception to section 1(a)(xiv) (formerly section 1(a)(xii)); adding, in section 1(a)(xix) (formerly section 1(a)(xvii)), a limitation to the statement of compliance with the Gaming Control and Revenue Act and related rules, resolutions, interpretations, and orders of the Board and its Executive Director; adding language to qualify the statement on the existence of certain circumstances related to environmental laws in section 1(a)(xxiii) (formerly section 1(a)(xxi)); modifying the Issuers' obligation to notify the Initial Purchasers of certain notices received from the Board, its Executive Director, or its staff in section 3(b); adding a requirement that a request to an indemnified party be in writing and lengthening time periods stated in section 7(d);

ii) Adding a requirement that an opinion of counsel be provided by Wolf, Block, Schoor and Solis-Cohen L.L.P.;

d. Changing the Security Agreement by:

- i) Inserting a definition of "Control Agreement";
- ii) Limiting the definition of "Related Contracts" that are included in the Collateral;
- iii) Adding cash and Deposit Accounts to the definition of Collateral;
- iv) Adding representations and warranties of the grantors concerning the deposit accounts added as collateral and granting a security interest in the deposit accounts;
- v) Requiring the grantors to submit a copyright security agreement after coming into possession of copyright collateral;
- vi) Adding an acknowledgement on behalf of the administrative agent that all of its rights and privileges under the security agreement are subject to Michigan Gaming Laws and any required Board approvals;
- vii) Adding Trappers GC Partner, L.L.C., a wholly owned subsidiary of the Operating Company, as a grantor;
- viii) Adding trademark information to Schedule II, adding a UCC Financing Statement and a Trademark Security Agreement to the list of filings in Schedule VI, adding a Schedule VII containing a listing of accounts;
- e. Changing the Greektown Holdings, L.L.C., Pledge Agreement and the Greektown Casino, L.L.C., Pledge Agreement by inserting the names of the Syndication Agent and Documentation Agents;
- f. Changing the Subsidiary Guaranty by:
  - i) Inserting language reflecting the need for certain Board approval;
  - ii) Qualifying certain environmental statements made by the guarantors;
  - iii) Eliminating certain notice requirements;
  - iv) Limiting the inspection rights of the administrative agent to make them subject to Michigan Gaming Laws;
  - v) Changing language concerning the use of Credit Extensions and certain notice requirements to make them consistent with the Credit Agreement;



- vi) Eliminating language concerning the application of insurance and condemnation proceeds;
  - vii) Excluding the Trappers Alley Mortgage from the list of Subsidiary Guaranty Documents covered by Section 4.1(m) (formerly Section 4.1(o));
  - viii) Adding the Permanent Casino Complex and the Development Parcels to the list of permitted business activities in Section 4.2(a);
  - ix) Limiting the Administrative Agent's actions permitted in Section 5.7 to comply with Legal Requirements;
  - x) Limiting the rights and privileges of the administrative agent to make them subject to Michigan Gaming Laws and any required Board approval;
  - xi) Adding Trappers GC Partner, L.L.C., as a guarantor;
  - xii) Eliminating certain schedules;
- g. Changing the Realty Equity Company Mortgage, the Contract Builders Corporation Mortgage, and the Greektown Casino, L.L.C., Mortgage by naming the Co-Documentation Agents and amending the form and substance of each mortgage to comply with the Future Advance Mortgage Act, MCL 565.901 *et seq.*, the Michigan Uniform Commercial Code, MCL 440.1101 *et seq.*, and requirements for recording with the Register of Deeds, MCL 565.201 *et seq.*; and
- h. Changing the Credit Agreement by:
- i) Listing KeyBank as the existing issuer of the Letter of Credit and National City Bank of the Midwest as the Replacement Issuer, amending certain provisions to address the these entities and their roles, and adding the co-documentation agents;
  - ii) Adding Trappers GC Partner, L.L.C., as a guarantor;
  - iii) Eliminating the definition of Assignment of Contracts and the corresponding provision requiring delivery of such a document to the Administrative Agent;
  - iv) Adding the failure of Trappers GC Partner, L.L.C., to own the Trappers Alley Parcel and to be the lessor under the Trappers Alley Lease to the list of events constituting a Change of Control and adding the Trappers Alley Parcel to the list of parcels covered by the Title Policy addressed in Section 5.1.12;

- v) Inserting definitions of Control Agreement and Deposit Agreement that refer to the definitions in the Security Agreement;
- vi) Inserting a definition of Eligible Assignee, which definition provides in part that "Greektown Holdings, its Subsidiaries, Monroe, Kewadin, the Authority, the Tribe or any of their Affiliates shall be an Eligible Assignee."
- vii) Eliminating the definitions of Environmental Consultant and Ground Lease Non-Disturbance Agreement;
- viii) Amending the definition of Indebtedness to include the Senior Notes and the Delayed Draw Notes and the definition of Total Senior Debt to include the Loans, the Incremental Loans, and the Delayed Draw Notes;
- ix) Inserting a definition of Revolving Loan Commitment Termination Date;
- x) Revising the amount of the Senior Notes to \$185,000,000;
- xi) Inserting definitions of Tax Exempt Trust Indenture and Taxable Trust Indenture and changing the definition of Trust Indenture;
- xii) Inserting a definition of TGCP [Trappers GC Partners L.L.C.] Mortgage and amending various provisions to address that mortgage in a manner similar to other mortgages cited in the document;
- xiii) Inserting a definition of Total Net Senior Debt to Consolidated EBITDA Ratio;
- xiv) Amending Sections 2.1.3 and 7.1.8 to permit the Borrowers to use revolving loans for certain Capital Expenditures;
- xv) Amending Section 3.1.1(c) to exclude certain Equity Interests to be used to satisfy Gatzaros obligations from those required to be used for mandatory prepayments;
- xvi) Amending Section 3.1.1(e) to require a 1% prepayment premium to accompany a Change of Control that occurs on or after the date on which either of the notices described in paragraph 1 of the November 2005 Order (describing the Sale Transaction process) is given;
- xvii) Eliminating the Incremental Facility Commitment Fee;

- xviii) Eliminating certain confirmations regarding payments to the Papases and Gatzaroses from those listed in Section 5.1.25;
- xix) Eliminating former section 5.2.14, Form of Lease;
- xx) Providing an exception for Surplus Parcels and Development Parcels in Section 7.1;
- xxi) Adding certain information to that required to be included in the Compliance Certificate addressed in Section 7.1.1(d) and establishing certain consequences for failing to deliver a required Compliance Certificate;
- xxii) Amending Section 7.1.15 to require all Loss Proceeds to be paid and disbursed according to the Mortgage;
- xxiii) Adding indebtedness related to the acquisition of Real Property for a parking garage to the list of permitted indebtedness in Section 7.2.2;
- xxiv) Establishing the Total Net Senior Debt to Consolidated EBITDA Ratio to be maintained;
- xxv) Increasing the amount of Restricted Payments permitted to be made by Greektown Holdings and its Subsidiaries to its equity holders;
- xxvi) Permitting Greektown Holdings to distribute the net proceeds of the Senior Notes to Kewadin and Monroe;
- xxvii) Amending Section 7.2.7 to increase the amount of funds permitted to be used for Capital Expenditures and to permit certain Capital Expenditures after an Event of Loss;
- xxviii) Amending Section 7.2.13 to limit the extent of required lender consent for modification of project documents;
- xxix) Amending Section 7.2.22 to limit the instances in which consent of the Administrative Agent is required for modification of the November 2005 Order;
- xxx) Amending Section 8.1.18 to limit the instances in which consent of the Administrative Agent is required for modification of the Papas and Gatzaros Agreements;
- xxxi) Amending the portion of Section 10.11.1 that addresses fees paid for assignment processing fees.

**STIPULATED SANCTIONS**

11. Greektown Casino must pay a fine in the amount of \$400,000. Payment of \$300,000 of that fine will be held in abeyance so long as Greektown Casino does not again violate a Board order regarding a debt transaction, as defined in R 432.1102(b), within five (5) years of the date of a Board Order adopting or accepting this Acknowledgment. Greektown Casino must pay \$100,000 by cashier's check or money order made payable to the State of Michigan within sixty (60) days of the date that the Board or its representative mails Greektown Casino a copy of the Final Order adopting or accepting this Acknowledgment. "Case No. CDA-2006-2" must be clearly stated on the face of the cashier's check or money order. The cashier's check or money order must be mailed to:

Michigan Gaming Control Board  
Enforcement Division  
1500 Abbott Road, Suite 400  
East Lansing, MI 48823

12. Within its organizational structure, Greektown Casino must establish an employment position with the title of Vice President of Development/Management Board Representative, having the responsibility of monitoring and ensuring compliance with Board orders. This position must be held by an occupational licensee who will serve as a clearinghouse for information between Greektown Casino and the Board and have direct responsibility for these aspects of compliance and communicating with the Board about these matters. Pursuant to R 432.1904, Greektown Casino must submit for Board approval a proposed amendment to its

System of Internal Controls that contains a revised organizational chart and a job description for this position. This proposed amendment and request for approval must be received by the Board before the date that the fine referenced in paragraph 11 of this Acknowledgment is due. The request must identify the occupational licensee who will, upon Board approval of the amended Internal Control provision, assume that employment position. When future vacancies in that position arise, Greektown Casino must provide the Executive Director with written notification of the next occupational licensee to fill the position before that person undertakes the responsibilities of that position.

13. Any future request by Greektown Casino for Board approval to amend the Debt Transaction Documents from the versions approved by the Board in its Order approving this Acknowledgment must be timely submitted to the Board for review and approval. Timely submitted means being submitted at least forty-five (45) days before Greektown Casino needs approval, unless the Executive Director allows less time for good cause shown. Failure to comply with this requirement constitutes violation of a Board order that will cause the portion of the \$400,000 fine currently being held in abeyance to become payable. Failure to comply with this provision may also result in other Board-imposed sanctions for the new violation.

14. Greektown Casino understands and intends that, by signing this Acknowledgment, it is waiving the right to a hearing before an administrative hearing officer, pursuant to the Act, the Rules, and the APA, at which the representatives of the Board would be required to prove averments supporting the facts stipulated above by presenting evidence and legal authority and at which Greektown Casino would be entitled to appear with or without an attorney to cross-

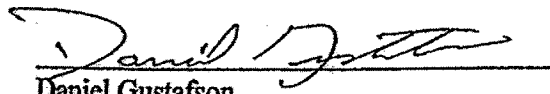
examine all witnesses presented by the representatives of the Board and to present testimony or other evidence or legal authority as a defense to charges based on the facts stipulated above.

Agreed to:



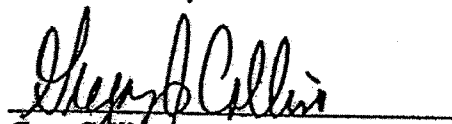
Craig Ghelfi, C.E.O.  
Greektown Casino, L.L.C.  
License No. CA03

Agreed to:



Daniel Gustafson  
Executive Director  
Michigan Gaming Control Board

Date: 6/8/06



Greg Collins  
Vice President of Development/  
Management Board Representative  
Greektown Casino, L.L.C.  
License No. CA03

Date: 6-8-06

Date: 6/8/06