

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

GREEKTOWN HOLDINGS, L.L.C., et al.<sup>1</sup>

Debtors.

Case No. 08-53104

In Proceedings Under  
Chapter 11  
Jointly Administered

Hon. Walter Shapero

**DEBTORS' MOTION FOR IMMEDIATE ENTRY OF AN ORDER  
AUTHORIZING ASSUMPTION OF EXECUTORY CONTRACT**

The above-captioned debtors (collectively, the "Debtors") hereby move for entry of the order attached as Exhibit 1 authorizing assumption of the Revised Development Agreement (the "Development Agreement") among Greektown Casino, L.L.C. ("Greektown Casino"), the City of Detroit (the "City"), and the Economic Development Corporation of the City of Detroit (the "EDC") pursuant to the terms and conditions as set forth in such order, stating as follows:

**Introduction**

1. Greektown Casino entered into a Development Agreement in 2002<sup>2</sup> with the City and the EDC setting forth the parties' rights and responsibilities regarding the construction and operation of the Greektown Casino. Among other things, the Development Agreement required

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<sup>1</sup> The Debtors' bankruptcy cases are jointly administered as follows: Greektown Holdings, L.L.C. ("Holdings") Case No. 08-53104, Greektown Casino, L.L.C. ("Greektown Casino") Case No. 08-53106; Kewadin Greektown Casino, L.L.C. ("Kewadin") Case No. 08-53105; Monroe Partners, L.L.C. ("Monroe") Case No. 08-53107; Greektown Holdings II, Inc. ("Holdings II") Case No. 08-53108; Contract Builders Corporation ("Builders") Case No. 08-53110; Realty Equity Company Inc. ("Realty") Case No. 08-53112; and Trappers GC Partner, LLC ("Trappers") Case No. 08-53111.

<sup>2</sup> Greektown Casino is one of three casinos authorized to operate in the City of Detroit. All three casinos entered into "original" development agreements with the City of Detroit in March 1998. Revised Development Agreements were subsequently negotiated, replacing in their entirety the original development agreements on August 2, 2002.

Greektown Casino to build a 400-room hotel and certain other amenities. The hotel opened on February 15, 2009 and the Greektown Casino entertainment complex is fully operational and in compliance with the Development Agreement (except to the extent performance is excused by the Bankruptcy Code). These events trigger a right for Greektown Casino to receive a 5% rollback of the wagering tax rate under Michigan law, from 24% of adjusted gross receipts to 19% of adjusted gross receipts.

2. This tax rollback is worth an estimated *\$15 million dollars annually* to Greektown Casino. Greektown Casino is actively soliciting bids to sell its casino business. With the assistance of its investment banking firm, Moelis & Company, Greektown Casino has obtained initial expressions of interest from a number of potential bidders and is working with them to satisfy their various due diligence requests in order for the potential bidders to provide definitive indications of interest by the middle of March. Moreover, both of Greektown Casino's local competitors, the MGM Grand and Motor City casinos, have already received their 5% tax rollback with the support of the City of Detroit.

3. Casinos are generally valued on the basis of a multiple of cash flow, and therefore the tax rollback, which increases annual cash flow by approximately \$15 million, would greatly increase the going concern value of the business.

4. Without the tax rollback, Greektown Casino pays higher gaming taxes than its competitors, placing Greektown Casino at a severe, competitive disadvantage. This, in turn, reduces the going concern value of its business to the prejudice of the estate and its creditors.

5. The Michigan Gaming Control Board ("MGCB") is charged by statute with certifying a casino for the tax rollback once it determines that the casino is eligible, meaning that 400 hotel rooms are open to the public and the Casino is otherwise in compliance with its

development agreement for 30 days. The MGCB is authorized by statute to make this determination on its own but has chosen to rely on the City for confirmation that the casino is in compliance with its development agreement. The City, however, has not cooperated in this regard. Instead, the City, through its outside counsel, authored a letter to the Debtors, copying the MGCB, claiming that Greektown Casino is “out of compliance” with the Development Agreement for five specified reasons, none of which have any merit. For example, the City begins by claiming that Greektown Casino breached the Development Agreement by filing a bankruptcy petition in violation of an *ipso facto* clause in that agreement. Under well-settled principles of bankruptcy law, this is not a permitted basis for asserting a default or lack of “compliance.” The remainder of the City’s listed reasons why Greektown Casino is not entitled to the tax rollback are likewise without merit.

6. Because the City claims that Greektown Casino is out of compliance with the Development Agreement, and since the deprivation of the tax rollback will cause daily prejudice to the estate, Greektown Casino files this motion to assume the Development Agreement. Greektown Casino meets all the requirements for assumption of the Development Agreement.

7. Greektown Casino has already provided enormous benefits to the City under the Development Agreement. For example, Greektown Casino has:

- Built a \$342 million dollar first class casino and hotel entertainment complex in the City;
- Employed thousands of people to work in the City as employees and vendors supplying a broad range of goods and services;
- Paid into the City’s coffers over \$260 million dollars in gaming taxes;
- Paid \$60 million dollars in various City fees;
- Paid \$17 million dollars in real estate taxes;

- Paid \$10 million dollars in contributions to the City's Minority Business Development Fund;
- Paid \$4.5 million dollars in parking revenues;
- Improved stability and business activity in the surrounding Greektown neighborhood; and
- Created excitement and progress towards the continued renaissance of the City.

The City has benefitted handsomely from these activities, and is not permitted to deprive Greektown Casino of its gaming tax rollback. Therefore, Greektown files this Motion to Assume the Development Agreement.

### **Jurisdiction**

8. The Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 157 and 1334.

9. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).

10. Venue of this proceeding and the instant motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

11. On May 29, 2008 (the "Petition Date"), each of the Debtors commenced a case under chapter 11 of the United States Bankruptcy Code (the "Code"). The Debtors are operating their businesses and managing their assets as Debtors-in-Possession.

### **The Development Agreement**

12. A copy of the Development Agreement among Debtor Greektown Casino, the City of Detroit, and the EDC is attached as Exhibit 2. The Development Agreement was entered into in August 2002.

13. The Michigan Gaming Control and Revenue Act, MCL § 432.201 et seq. (the "Gaming Act"), authorizes casino gaming in Michigan and permits up to three casino licensees

to operate within the City of Detroit. The Gaming Act requires each gaming licensee to have a development agreement with the City. See MCL § 432.206(1)(b). Accordingly, each of the three Detroit casinos – MGM Grand, Motor City, and Greektown Casino (the “Casinos”) – is party to a development agreement with the City.

### **The Wagering Tax**

14. The Gaming Act provides for a wagering tax to be paid by each of the Casinos, calculated as a percentage of adjusted gross receipts. The basic wagering tax rate for the Casinos is 24%. This is an aggregate rate comprised of an 18% component under MCL § 432.212(1) and an additional 6% component under MCL § 432.212(5).

### **The Tax Rollback**

15. The Gaming Act provides for a 5% rollback of the aggregate wagering tax rate, from 24% to 19% (the “Tax Rollback”), if the MGCB determines that two conditions are met: (i) the Casino is fully operational, and (ii) the Casino has been in compliance with its development agreement for at least 30 consecutive days. See MCL § 432.212(7).<sup>3</sup> “Fully operational” means “that a certificate of occupancy has been issued to the casino licensee for the operation of a hotel with not fewer than 400 guest rooms and, after issuance of the certificate of occupancy, the casino licensee’s casino, casino enterprise, and 400-guest-room hotel have been opened and made available for public use at their permanent location and maintained in that status.” MCL § 432.212(15)(a).

16. Greektown Casino is “fully operational” within the meaning of the Gaming Act. There is no dispute that Greektown Casino was issued a certificate of occupancy for its hotel and that the hotel was opened for public use on February 15, 2009 with at least 400 guest rooms.

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<sup>3</sup> The Tax Rollback is accomplished by reducing the 6% component of the wagering tax to 1%, so the aggregate wagering tax rate becomes 18% under MCL § 432.212(1) plus 1% under MCL § 432.212(5) = 19%.

Furthermore, the Greektown Casino and its “casino enterprise”<sup>4</sup> are open to the public. The first and primary condition for the Tax Rollback has been met.

17. Greektown Casino is also in full compliance with the Development Agreement, which requires the construction and opening of 400 hotel rooms, consistent with the Tax Rollback statute. Thirty days from February 15, 2009 (*i.e.* March 17, 2009), the second condition for the Tax Rollback will be met and Greektown Casino will be eligible to receive the Tax Rollback retroactive to February 15, 2009.

18. Although the Gaming Act empowers the MGCB to determine whether Greektown Casino is fully operational and in compliance with the Development Agreement, the MGCB has chosen to ask the City to opine on the second requirement – that Greektown Casino is in compliance with the Development Agreement. However, the City has refused to acknowledge that Greektown Casino is in compliance with the Development Agreement and instead sent a letter to Greektown Casino, with copies to MGCB representatives, claiming that Greektown Casino is “out of compliance” with the Development Agreement for five specified reasons.<sup>5</sup>

19. As discussed further below, the City’s claims of non-compliance with the Development Agreement are meritless. An order from this Court authorizing Greektown Casino to assume the Development Agreement under 11 U.S.C. § 365(a) will establish compliance with the Development Agreement and enable Greektown Casino to obtain the Tax Rollback.

### **The Tax Rollback Has an Enormous Impact on the Debtors’ Estates**

20. The estimated annual impact of the Tax Rollback on Greektown Casino’s bottom line is ***\$15 million dollars***. See Declaration of Charles Moore, Exhibit 3.

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<sup>4</sup> “Casino enterprise” simply means “the buildings, facilities, or rooms functionally or physically connected to a casino, including but not limited to any bar, restaurant, hotel, cocktail lounge, retail establishment, or arena or any other facility located in a city under the control of a casino licensee or affiliated company.” MCL § 432.202(h).

<sup>5</sup> The Development Agreement, which predates the 2004 amendments to the Gaming Act that added the Tax Rollback provisions, does not address the Tax Rollback in any respect.

21. As the Court is aware, Greektown Casino is actively soliciting bids to sell its casino and hotel business. A casino as a going concern is generally valued according to some multiple of cash flow. See Declaration of Thane Carlston, Exhibit 4. With the Tax Rollback, annual cash flow will immediately increase by \$15 million dollars, thereby greatly increasing the going concern value of the Debtors. *Id.* Without the Tax Rollback, the value of the Greektown Casino<sup>6</sup> will be depressed by approximately the present value of the \$15 million dollars valued in perpetuity. *Id.* Furthermore, many of the potential bidders have expressed that without receiving the entire gaming tax rollback they may (i) consider withdrawing their bid or (ii) to the extent a definitive indication is submitted, there may be negative value implications. *Id.*

22. Moreover, both of Greektown Casino's local competitors, the MGM Grand and Motor City casinos, have already been granted their Tax Rollback with the support of the City. Until Greektown Casino receives its Tax Rollback, it is left to compete under a permanent, built-in disadvantage of 5% of adjusted gross receipts.<sup>7</sup> It is imperative that Greektown Casino receive its Tax Rollback without delay in order to give it a fair chance to compete on a level playing field.

23. The Tax Rollback critically impacts Greektown Casino's going concern value, profitability and competitive ability and has enormous consequences to how much money creditors and parties in interest will receive in these Chapter 11 cases.

**Assumption of an Executory Contract  
Under 11 U.S.C. § 365: the "Best Business Judgment" Test**

24. Under section 365 of the Code, Greektown Casino is permitted to assume an

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<sup>6</sup> The Debtors reserve any and all claims for damages, and in this motion address only Greektown Casino's right to assume the Development Agreement, which includes a determination that Greektown Casino is in compliance with the Development Agreement. See 11 U.S.C. § 365(b).

<sup>7</sup> "Adjusted gross receipts" means, in essence, gross receipts from gaming less winnings paid to wagerers. MCL § 432.202(a), (y).

executory contract subject to prompt cure of any existing defaults.

25. The Development Agreement is an executory contract, was in effect as of the Petition Date, and remains in effect today. Despite the City's current claims of non-compliance, discussed below, the City has never provided a notice of default under the Development Agreement or attempted to rescind or terminate the Development Agreement. In fact, the City filed an administrative expense motion in this case on January 5, 2009 (Docket No. 760) (later withdrawn) seeking payment of both past and future Development Process Costs from Debtors under the Development Agreement. In that motion, the City stated that "[t]he Development Agreement remains an effective and enforceable contract between Greektown Casino and the City." *Id.* at ¶ 15.

26. Greektown Casino has performed all of its obligations currently due under the Development Agreement and is in compliance with the Development Agreement.

27. In deciding whether to allow a debtor to assume a contract, a bankruptcy court must examine the contract and the surrounding circumstances and apply the "best business judgment test" to determine whether assumption would be beneficial to the estate. In re Chira, 367 B.R. 888, 898 (S.D. Fla. 2007) (affirming debtor's decision to assume purchase agreement under best business judgment test); In re Orion Pictures Corp., 4 F.3d 1095, 1099 (2d Cir. 1993) ("[A] bankruptcy court reviewing a trustee's or debtor-in-possession's decision to assume or reject an executory contract should examine a contract and the surrounding circumstances and apply its best business judgment' to determine if it would be beneficial or burdensome to the estate to assume it."), *cited by* In re Network Access Solutions Corporation, 330 B.R. 67, 75 (Bankr. D. Del. 2005)

28. Greektown Casino has determined in the exercise of its business judgment that



assumption of the Development Agreement is in the best interest of its bankruptcy estate. Among other things, assumption of the Development Agreement paves the way for obtaining the Tax Rollback, which will greatly enhance the value of Greektown Casino's bankruptcy estate, as well as its profitability and competitive ability.

29. Moreover, absent the assumption of the Development Agreement, it appears that Greektown Casino will be deprived of the important benefits of the Tax Rollback such that the financial consequences to Greektown Casino, the Debtors' estates, and the creditors will be both severe and permanent. Greektown Casino must be allowed to exercise its business judgment and to assume the Development Agreement without delay.

#### **The City's Claims of Non-Compliance**

30. At an MGCB public meeting on February 10, 2009, Greektown Casino representatives discussed the Tax Rollback and reported that the hotel opening -- a key condition for Tax Rollback eligibility -- was imminent. In fact, the Greektown Casino hotel officially opened just five days later, on February 15, 2009. *In the interim, however, the City had already moved to impede the Tax Rollback.* In a letter from its outside counsel, Cezar Froelich, dated February 13, 2009 (the "Froelich Letter"), copied to representatives of the MGCB, the City specifically attacked Greektown Casino's eligibility to receive its Tax Rollback. The Froelich Letter states that it is "not intended, and should not, be construed as a notice of default under the Development Agreement . . .", yet goes on to list the "material reasons" why the City claims Greektown Casino is "not in compliance" with the Development Agreement. See the Froelich Letter, Exhibit 5.

31. The Froelich Letter admits that the five claims of non-compliance specified therein are the only instances of material non-compliance of which the City is currently aware.

Exhibit 5 at p. 2.

32. Each one of the City's claims of non-compliance is bogus. None of the City's claims have any legal or factual basis. The Court should keep in mind that *the City has never provided a notice of default of any kind at any time regarding the Development Agreement*, nor has it even sought stay relief to declare any such default. Greektown addresses each of the City's meritless claims of noncompliance below.

Reason 1: Bankruptcy Filing.

33. The City claims that Greektown Casino is not in compliance with the Development Agreement because its filing of a bankruptcy petition is an event of default under section 6.1(c) of the Development Agreement. However, section 6.1(c) of the Development Agreement is patently unenforceable under Code sections 365(e)(1) and 365(b)(2).

Reason 2: Out of Compliance with a Prepetition Financial Covenant.

34. The City next claims that Greektown Casino is not in compliance with section 2.5 of the Development Agreement, requiring compliance with all Governmental Requirements, because "upon information and belief, the City understands" that Greektown Casino is not in compliance with a November 15, 2005 MGCB Order approving Greektown Casino's debt financing transaction. That MGCB Order contains certain financial condition covenants by Greektown Casino and the City now claims that Greektown Casino is out of compliance with those financial condition covenants.

35. First and foremost, under section 365(b)(2)(A) of the Code, as a matter of law, such conditions cannot impair Greektown Casino's ability to assume the Development Agreement. Section 365(b)(1) generally requires that an existing default in an executory contract must be cured in order for the Debtor to assume the contract. Section 365(b)(2)(A), however,

states that 365(b)(1) requirements do not apply to a default that is a breach of a provision relating to “the insolvency or financial condition of the debtor at any time before closing of the case.” Therefore, Greektown Casino can assume the Development Agreement regardless of whether it is, or is not, currently in compliance with the financial covenants in the MGCB Order.

36. Furthermore, any claimed non-compliance is hardly relevant to the Development Agreement at this time since the MGCB itself has not sought remedies against Greektown Casino regarding the financial condition covenants in the MGCB Order. The City has not been harmed by such non-compliance with such covenants and has no standing here to make this argument.

Reason Three: Failure to Complete a Public Offering of Ownership Interests in 2002-2003

37. The City now complains that Greektown Casino did not complete a public offering of 10% of the ownership interest in Greektown Casino to Detroit area residents which, under section 3.17 of the Development Agreement, was to take place about 7 years ago, during 2002 – 2003 (the “Offering”). However, the City waived enforcement of the Offering provision by, among other things, executing an Acknowledgement of Compliance in favor of Greektown Casino on September 11, 2007, four years after the Offering was to occur. The Acknowledgement of Compliance specifically states that, in addition to having satisfied a certain disputed obligation to the City, Greektown Casino ***“is otherwise in compliance with the Revised Development Agreement.”*** Exhibit 6 (emphasis added). Greektown Casino specifically bargained for that comprehensive compliance acknowledgment and the City willingly gave it in exchange for the payment of the disputed obligation.

38. Furthermore, compliance with the Offering provision would have been, and to this day remains, futile. The Offering terms would have provided that Greektown Casino would

offer a total of 10% of its ownership interest to Detroit area residents commencing November 8, 2002 and continuing for not less than 9 months, with the interests to be sold “at fair market value, *but not for less than \$66,250,000...*” Exhibit 2 at section 3.17, pages 19-20 (emphasis added). Greektown Casino contacted the City during the appropriate time frame to initiate the Offering process, but the City did not respond. The reason for the City’s inattention to the Offering is no mystery, as the City acknowledged the futility of attempting to sell 10% of Greektown Casino to City residents for more than \$66 million dollars. After completely ignoring the Offering provision for years and then waiving any claims thereunder it in a signed writing, the City cannot now attempt to resurrect that old argument as a basis for now contesting Greektown Casino’s eligibility for the Tax Rollback.

39. Finally, even if the City had not waived the Offering provision, the City still has no remedy under the Development Agreement for an alleged default of that provision. A written notice of default would be required under section 6.1(a) of the Development Agreement, which would then trigger Greektown Casino’s right to cure. To this day, the City has never issued a notice of default. Not even the City suggests that the Offering should actually take place. This is because Greektown Casino’s obligations under the Offering Provision were simply to *present* the offering, hold it open for nine months, and not sell a 10% share for less than \$66,250,000.00. Undertaking these actions today, with court approval, would be a waste of money and an exercise in futility.

Reason Four: Obligation to Pay Development Process Costs

40. The City asserts that Greektown Casino has failed to pay certain Development Process Costs required under section 3.4 of the Development Agreement. That section provides, generally, for the three Detroit Casinos to pay shares of the City’s Development Process Costs,

which are defined on page 45 of the Development Agreement to include, with certain exclusions, “costs and expenses in good faith paid, or incurred by, City and/or EDC to third parties in connection with the Detroit Casino Complexes . . .”.

41. Greektown Casino believes that certain components of the Development Process Costs currently claimed by the City, including but not limited to attorney fees, are excessive and do not qualify for reimbursement as Development Process Costs. Greektown Casino has asked the City to provide its billing records for the Development Process Costs it is claiming, but the City has declined to do so. The issue of the *amount* of Development Process Costs to be paid is a separate issue from, and need not hold up, the assumption of the Development Agreement. Greektown Casino will promptly pay reasonable and appropriate Development Process Costs at such time as an appropriate Court order is entered determining the extent of such obligation.<sup>8</sup>

Reason Five: Failure to Complete Construction by the “Completion Date”

42. The Development Agreement provides for an interim “Completion Date” as well a subsequent “Final Completion Date.” Both of these dates are subject to adjustment on grounds of *force majeure* as well as by agreement between the parties. See, e.g., Development Agreement at section 2.5(a), Exhibit 2.

43. At this point, there is little to gain by arguing whether or not the interim “Completion Date” was or was not met. In either event, any claimed failure to meet that date was never alleged by the City as a default under the Development Agreement and the City never sent a notice of default. Even if it had, the cure has already occurred. Whether the interim Completion Date was or was not met is simply moot under the circumstances.

44. The City seems to argue that once performance of an item under the Development

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<sup>8</sup> Many of the City’s Development Process Costs are clearly unreasonable. For example, the City should not be reimbursed for the costs it incurs in opposing this Motion.

Agreement is late, the late-performing party remains in default forever. This argument would lead to absurd results and flies in the face not only of common sense but also of (i) section 365(b) of the Bankruptcy Code, which authorizes cure of any defaults in an executory contract, (ii) section 6.1(a) of the Development Agreement, which expressly provides for a cure period of either 30 days or 180 days, depending upon the circumstances, after receipt of a written notice of default (*which the City never gave*), and (iii) the Gaming Act, which specifically entitles the casino licensee to a rollback long after the Final Completion Date, as long as the licensee has since become eligible. To be awarded the Tax Rollback, the Gaming Act simply requires Greektown Casino to be in compliance with the Development Agreement for 30 consecutive days once the hotel rooms are open, and nowhere requires previous compliance with the Development Agreement at all prior times. See MCL § 432.212(7). Under the City's logic, Greektown Casino would be forever barred from obtaining the Tax Rollback, which is contrary to the Tax Rollback statute's purpose, which was to financially motivate the casinos to complete the hotel rooms, for the benefit of the City.

45. Second, *the City never sought the right to exercise its remedies*. The only remedy available to the City in the event of a default of the Completion Date requirement would be liquidated damages in the amount of \$40,000 per day under section 6.5 of the Development Agreement. See Exhibit 2 at 6.5. However, liquidated damages would only have been permitted during the "Damage Period." Id. The "Damage Period" is defined as the period "[commencing] on the date the City delivers written notice to Developer after such default of its election to receive liquidated damages and shall continue until the date that such default is cured." Id. Thus, the Development Agreement requires not only a written notice of default and opportunity to cure under section 6.1, but also requires delivery of a written notice to Greektown Casino,

*after* such default, of the City's election to receive liquidated damages. The City chose never to provide either of these required written notices. Furthermore, even if the City did so tomorrow, the "Damage Period" equals zero days because the required performance has already been rendered.<sup>9</sup>

46. Furthermore, the purported \$40,000 per day "liquidated damages" provision is an unenforceable penalty and therefore could never be collected by the City in any event. Among other things, 11 U.S.C. § 365(b)(2)(D) provides that a Debtor assuming an executory contract is not required to cure, provide adequate assurance of cure, or provide compensation for a breach of, a "penalty rate or penalty provision relating to a default arising from any failure by the debtor to perform nonmonetary obligations under the executory contract . . . ." Here, the performance of certain development work by the "Completion Date" was clearly a nonmonetary obligation and the \$40,000 per day provision is a "penalty rate or penalty provision" arising from a failure to perform such obligation.

### **Conclusion**

47. The City, which has already collected hundreds of millions of dollars under the Development Agreement - - and never declared a default - - is now inexplicably interfering with Greektown Casino's ability to obtain its Tax Rollback. The City has no meritorious grounds for claiming that Greektown Casino is out of compliance with the Development Agreement and it must not be permitted to block the Tax Rollback for the benefit of the estate and its creditors at this most critical time in the case.

WHEREFORE, the Debtors respectfully request that the Court enter an order,

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<sup>9</sup> Incidentally, the fact that section 6.5 expressly acknowledges that a default in the Completion Date requirement can be "cured" is further proof that the City cannot claim an "incurable" default regarding the Completion Date.

substantially in the form attached as Exhibit 1, providing that (i) the Development Agreement is assumed by Greektown Casino L.L.C., (ii) as of the time of assumption no cure, compensation, or adequate assurance is required of Greektown Casino L.L.C. with respect to the Development Agreement because it is in compliance with all of its enforceable provisions, and (iii) Section 6.1(c) of the Development Agreement is not enforceable under 11 U.S.C. §§ 365(e)(1) and 365(b)(2) and Section 6.5 of the Development Agreement is not enforceable under 11 U.S.C. § 365(b)(2)(D).

Respectfully submitted:

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Dated: March 11, 2009



**EXHIBIT 1**

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION**

In re:

Case No. 08-53104

GREEKTOWN HOLDINGS, L.L.C., et al.<sup>10</sup>

Debtors.

In Proceedings Under  
Chapter 11  
Jointly Administered

Hon. Walter Shapero

**ORDER AUTHORIZING ASSUMPTION OF EXECUTORY CONTRACT**

Upon the motion of the above-captioned debtors (collectively, the “Debtors”) for an order authorizing assumption of the Revised Development Agreement entered into on August 2, 2002 among Greektown Casino, L.L.C., the City of Detroit, and the Economic Development Corporation of the City of Detroit (the “Motion”)<sup>11</sup> which was attached to the Motion as Exhibit 2 (the “Development Agreement”); it appearing that the relief requested is in the best interest of the Debtors’ estates, their creditors and other parties in interest; it appearing that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); it appearing that venue of this proceeding and this Motion in this District are proper pursuant to 28 U.S.C. §§ 1408 and 1409; it appearing that Greektown Casino, L.L.C. is in compliance with all enforceable provisions of the

<sup>10</sup> The Debtors’ bankruptcy cases are jointly administered as follows: Greektown Holdings, L.L.C. (“Holdings”) Case No. 08-53104, Greektown Casino, L.L.C. (“Greektown Casino”) Case No. 08-53106; Kewadin Greektown Casino, L.L.C. (“Kewadin”) Case No. 08-53105; Monroe Partners, L.L.C. (“Monroe”) Case No. 08-53107; Greektown Holdings II, Inc. (“Holdings II”) Case No. 08-53108; Contract Builders Corporation (“Builders”) Case No. 08-53110; Realty Equity Company Inc. (“Realty”) Case No. 08-53112; and Trappers GC Partner, LLC (“Trappers”) Case No. 08-53111.

<sup>11</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

Development Agreement, notice of this Motion and the opportunity for a hearing on this Motion were appropriate under the circumstances and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted in its entirety;
2. The Development Agreement is assumed by Greektown Casino L.L.C. effective immediately and as of the time of assumption, no cure, compensation, or adequate assurance is required of Greektown Casino L.L.C. with respect to the Development Agreement; and
3. Section 6.1(c) of the Development Agreement is not enforceable pursuant to 11 U.S.C. § 365(e)(1) and 365(b)(2) and Section 6.5 of the Development Agreement is not enforceable pursuant to 11 U.S.C. § 365(b)(2)(D).