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1 GORDON SILVER  
 2 GERALD M. GORDON, ESQ., Nevada Bar No. 229  
 3 E-mail: ggordon@gordonsilver.com  
 4 THOMAS H. FELL, ESQ., Nevada Bar No. 3717  
 5 E-mail: tfell@gordonsilver.com  
 6 MATTHEW C. ZIRZOW, ESQ., Nevada Bar No. 7222  
 7 E-mail: mzirzow@gordonsilver.com  
 8 3960 Howard Hughes Pkwy., 9th Floor  
 9 Las Vegas, Nevada 89169  
 10 Telephone (702) 796-5555  
 11 Facsimile (702) 369-2666  
 12 Attorneys for Debtors

8 **UNITED STATES BANKRUPTCY COURT**  
 9 **FOR THE DISTRICT OF NEVADA**

10 In re:

11 ZANTE, INC.

- 12  Affects this Debtor.
- 13  Affects all Debtors.
- 14  Affects THE SANDS REGENT
- 15  Affects PLANTATION INVESTMENTS, INC.
- 16  Affects LAST CHANCE, INC.
- 17  Affects DAYTON GAMING, INC.
- 18  Affects CALIFORNIA PROSPECTORS, LTD.
- 19  Affects HERBST GAMING, INC.
- 20  Affects FLAMINGO PARADISE GAMING, LLC
- 21  Affects E-T-T, INC.
- 22  Affects MARKET GAMING, INC.
- 23  Affects THE PRIMADONNA COMPANY, LLC
- 24  Affects HGI LAKESIDE, INC.
- 25  Affects HGI ST. JO, INC.
- 26  Affects HGI MARK TWAIN, INC.
- 27  Affects CARDIVAN COMPANY
- 28  Affects CORRAL COIN, INC.
- Affects CORRAL COUNTRY COIN, INC.
- Affects E-T-T ENTERPRISES, LLC

Case No.: BK-N-09-50746-GWZ; Chapter 11  
Jointly Administered with:

- 09-50747 The Sands Regent
- 09-50748 Plantation Investments, Inc.
- 09-50749 Last Chance, Inc.
- 09-50751 Dayton Gaming, Inc.
- 09-50750 California Prospectors, Ltd.
- 09-50752 Herbst Gaming, Inc.
- 09-50753 Flamingo Paradise Gaming, LLC
- 09-50754 E-T-T, Inc.
- 09-50755 Market Gaming, Inc.
- 09-50756 The Primadonna Company, LLC
- 09-50757 HGI Lakeside, Inc.
- 09-50758 HGI St. Jo, Inc.
- 09-50759 HGI Mark Twain, Inc.
- 09-50760 Cardivan Company
- 09-50761 Corral Coin, Inc.
- 09-50762 Corral Country Coin, Inc.
- 09-50763 E-T-T Enterprises, LLC

Date: N/A  
Time: N/A

23 **AMENDED AND RESTATED STIPULATION AUTHORIZING USE OF CASH**  
 24 **COLLATERAL BY DEBTORS AND GRANTING ADEQUATE PROTECTION**

25 Herbst Gaming, Inc., a Nevada corporation ("Borrower"); and its subsidiaries, California  
 26 Prospectors, Ltd., a Nevada limited liability company; Cardivan Company, a Nevada  
 27 corporation; Corral Coin, Inc., a Nevada corporation; Corral Country Coin, Inc., a Nevada  
 28 corporation; Dayton Gaming, Inc., a Nevada corporation; E-T-T, Inc., a Nevada corporation; E-



1 T-T Enterprises, LLC, a Nevada limited liability company; Flamingo Paradise Gaming, LLC, a  
2 Nevada limited liability company; HGI Lakeside, Inc., a Nevada corporation; HGI Mark Twain,  
3 Inc., a Nevada corporation; HGI St. Jo, Inc., a Nevada corporation; Last Chance, Inc., a Nevada  
4 corporation; Market Gaming, Inc., a Nevada corporation; Plantation Investments, Inc., a Nevada  
5 corporation; The Primadonna Company, LLC, a Nevada limited liability company; The Sands  
6 Regent, a Nevada corporation; and Zante, Inc., a Nevada corporation (collectively the  
7 “Subsidiaries,” and together with Borrower, the “Loan Parties” or the “Debtors” and individually  
8 a “Debtor”), by and through their proposed counsel, the law firm of Gordon Silver, and  
9 Wilmington Trust Company, as administrative agent (the “Administrative Agent”) for the  
10 Lenders (both terms as hereinafter defined) (together with the Debtors and the Administrative  
11 Agent, the “Parties”), hereby stipulate and agree to the Debtors’ use of Cash Collateral and  
12 Disputed Cash Collateral (as defined herein) on the terms and subject to the conditions contained  
13 herein.<sup>1</sup> Milbank, Tweed, Hadley & McCloy, LLP (“Milbank”) and Lewis and Roca, LLP  
14 (“L&R”) are counsel to the Administrative Agent. This stipulation (the “Stipulation”) is made  
15 with respect to the following recitals:

16 **RECITALS**

17 A. Petition Date. Debtors filed voluntary petitions under Chapter 11 of title 11 of  
18 the United States Code (the “Bankruptcy Code”) on March 22, 2009 (the “Petition Date”). On  
19 March 23, 2009, the Court entered an Order Directing Joint Administration of the Debtors’  
20 Chapter 11 Cases Pursuant to Federal Rule of Bankruptcy Procedure 1015(b) [Docket No. 34].

21 B. Debtors-in-Possession. Pursuant to Sections 1107 and 1108 of the Bankruptcy  
22 Code, each of the Debtors have retained possession of their assets and are authorized, as debtors  
23 and debtors-in-possession, to continue the operation and management of their businesses.

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

27 <sup>1</sup> Terms not otherwise defined herein are as defined in the Omnibus Declaration of Mary E. Higgins In Support of  
28 Debtors’ First Day Motions [Docket No. 6], as amended by the Supplement to Omnibus Declaration of Mary E.  
Higgins in Support of Debtors’ First Day Motions [Docket No. 85].

1 4001 of the Local Rules of Bankruptcy Practice of the United States District Court for the  
2 District of Nevada.

3 D. Credit Agreement. Borrower entered into a Second Amended and Restated  
4 Credit Agreement (as amended, supplemented and otherwise modified from time to time, the  
5 “Credit Agreement”) dated as of January 3, 2007, with certain lenders party thereto, or who  
6 became a party thereto (collectively, the “Lenders” or individually, a “Lender”); Bank of  
7 America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer; Lehman  
8 Commercial Paper, Inc. and Wachovia Bank, National Association, as Syndication Agents; U.S.  
9 Bank, National Association, as Documentation Agent; and Lehman Brothers Inc. and Wachovia  
10 Capital Markets, LLC, as Joint Lead Arrangers and Joint Book Runners. The Subsidiaries have  
11 each guaranteed the obligations of the Borrower under the Credit Agreement. Wilmington Trust  
12 Company has been appointed as the successor Administrative Agent.

13 E. Security Agreement. The indebtedness under the Credit Agreement is secured in  
14 part by (i) a Second Amended and Restated Security Agreement (the “General Security  
15 Agreement”) dated as of January 3, 2007, and entered into between the Loan Parties and the  
16 Administrative Agent for the benefit of the Administrative Agent and the Lenders, pursuant to  
17 which a first priority security interest is granted to the Administrative Agent and the Lenders in  
18 substantially all of Debtors’ personal property, including: all their present or future accounts;  
19 general intangibles; rents, revenue, hotel room charges, casino revenues, food and beverage  
20 revenues, room service revenues, and restaurant and snack bar revenues; deposit accounts,  
21 including money, cash, and cash equivalents whether or not deposited in a deposit account;  
22 books and records; goods, including inventory, equipment, video lottery terminals, slot machines  
23 and other gaming devices, furniture, fixtures, trade fixtures, motor vehicles, and watercraft;  
24 merchandise; stocks, investment properties, bonds, debentures, and securities; accessions and  
25 improvements; all other tangible and intangible property; all other rights, powers, and privileges;  
26 and any and all proceeds and products of any of the foregoing and any other tangible or  
27 intangible property received upon the sale or disposition of any of the foregoing (collectively,  
28 and together with the additional encumbered personal property listed under the General Security

1 Agreement, the “Encumbered General Personal Property”), (ii) a Second Amended and Restated  
2 Pledge Agreement (the “Pledge Agreement”) dated as of January 3, 2007, and entered into  
3 between the Loan Parties and the Administrative Agent for the benefit of Administrative Agent  
4 and the Lenders, pursuant to which a first priority security interest is granted to the  
5 Administrative Agent and the Lenders in the Debtors’ personal property described therein,  
6 including: shares of capital stock or member or other equity interests in all of its subsidiaries,  
7 any certificates or other written evidences representing such equity interests and any interest in  
8 the entries on the books of any securities intermediary or financial intermediary pertaining  
9 thereto; any intercompany promissory notes; all proceeds and products of any of the foregoing,  
10 and any and all collections, distributions, interest or premiums with respect to any of the  
11 foregoing (collectively, and together with the additional pledged personal property listed under  
12 the Pledge Agreement, the “Pledged Personal Property”), and (iii) a Trademark Security  
13 Agreement (the “Trademark Security Agreement” and, together with the General Security  
14 Agreement, the Pledge Agreement and the Deeds of Trust referred to below, the “Security  
15 Agreement”) dated as of January 3, 2007 and entered into between the Loan Parties and the  
16 Administrative Agent for the benefit of Administrative Agent and the Lenders, pursuant to which  
17 a first priority security interest is granted to the Administrative Agent and the Lenders in the  
18 Debtors’ personal property described therein, including: the trademarks of the Debtors together  
19 with the goodwill of the business symbolized by the trademarks, and all proceeds of the  
20 foregoing (collectively, and together with the additional encumbered personal property listed  
21 under the Trademark Agreement, the “Encumbered Trademark Property” and, together with the  
22 Encumbered General Personal Property and the Pledged Personal Property, the “Encumbered  
23 Personal Property”).

24 F. Perfection of Security Interests in Encumbered Personal Property; Reservation  
25 With Respect to Cash and Cash Equivalents. The Administrative Agent sought to perfect its  
26 security interests in the Encumbered Personal Property by timely filing financing statements with  
27 the applicable authorities, as a result of which the Administrative Agent asserts that the  
28

1 following represents Cash Collateral:<sup>2</sup> Debtors' cash and cash equivalents located on the  
 2 premises of the various Debtors (including cash and cash equivalents in casino cages, premises  
 3 depositories or vaults) and on the premises of Chain Store Routes and Street Routes as of the  
 4 Petition Date (collectively, the "Cash on Hand"), Debtors' bank accounts as of the Petition Date  
 5 (the "Deposit Accounts"), and cash generated or received by the Debtors from and after the  
 6 Petition Date (including from wagers, gaming devices, room, restaurant and bar revenue) (the  
 7 "Post-Petition Cash").

8 The Debtors and Official Committee of Unsecured Creditors (the "Committee") dispute  
 9 the claim of the Administrative Agent to Cash on Hand, the Deposit Accounts and the Post-  
 10 Petition Cash being Cash Collateral other than potentially: (a) Cash proceeds identifiable and  
 11 traceable from the sale of Encumbered Personal Property which existed as of the Petition Date,  
 12 or (b) Cash proceeds identifiable and traceable solely from rents and hotel or recreational vehicle  
 13 revenues of Flamingo which owns and operates Terrible's Las Vegas, ETT which owns and  
 14 operates Terrible's Lakeside Nevada, Lakeside which owns and operates Lakeside Iowa Casino,  
 15 Zante which owns and operates the Sands, Last Chance which owns and operates Gold Ranch,  
 16 and Primadonna which owns and operates Buffalo Bill's, Whiskey Pete's and Primm Valley.

17 G. Real Property Security and Perfection and Reservation With Regard to Cash and  
 18 Cash Equivalents. Additionally, those Debtors with interests in real property and maritime  
 19 vessels entered into leasehold and fee interest deeds of trust (and a ship mortgage) with  
 20 assignments of rents, security agreements, and fixture filings (collectively, the "Deeds of Trust")  
 21 with the Administrative Agent to further secure the indebtedness under the Credit Agreement.  
 22 Like the Security Agreement for personal property, each of the Deeds of Trust executed by a  
 23 given Debtor secures substantially all of that Debtor's real property. The secured real property  
 24 under the Deeds of Trust for each of the Debtors' respective realty interests includes all rights,  
 25 titles, and interests in certain real property described in the Deeds of Trust; buildings, structures,

26  
 27 <sup>2</sup> The term "Cash Collateral" shall mean and include all "cash collateral," as defined by Section 363 of the  
 28 Bankruptcy Code, in which the Administrative Agent has an interest. The term "Disputed Cash Collateral" shall  
 mean and include all "cash collateral," as defined by Section 363 of the Bankruptcy Code thereof, which is in  
 dispute between the Debtors and the Administrative Agent.

1 improvements; appurtenances, privileges, easements; leases, subleases, subtenancies, licenses,  
2 profits; rents, revenue, income, and proceeds from the realty including occupancy charges, hotel  
3 room charges, casino revenues, show ticket revenues, food and beverage revenues, room service  
4 revenues, merchandise sales revenues, and restaurant revenues;<sup>3</sup> goods and fixtures attached or  
5 used in connection with the realty; materials and equipment for improvements; and books and  
6 records related to the realty (collectively, and including the additional secured real property listed  
7 under the Deeds of Trust, the “Encumbered Real Property,” and together with the Encumbered  
8 Personal Property, the “Collateral”). To the extent the Administrative Agent asserts that, under  
9 the Deeds of Trust, the Cash on Hand, Deposit Accounts or Post-Petition Cash is Cash  
10 Collateral, the Debtors dispute these claims of the Administrative Agent on the grounds and to  
11 the same extent as set forth in Section F. above. The disputes as to Cash Collateral set forth in  
12 Sections F and G are hereinafter referred to as the “Disputed Cash Collateral”.

13 H. Reservation of Rights. The Parties and the Committee reserve any and all rights  
14 and remedies with respect to the Disputed Cash Collateral and nothing contained herein shall  
15 prejudice the rights of the Parties and the Committee in the event this Stipulation is terminated  
16 for any reason whatsoever.

17 I. Prenegotiated Restructuring. On March 9, 2009, a Lockup Agreement (the  
18 “Lockup”) was entered into by the (i) Debtors, (ii) Edward Herbst, Timothy Herbst and Troy  
19 Herbst, who collectively through their individual trusts, are the holders of 100% of the issued  
20 and outstanding equity interests in Borrower, Terrible Herbst, Inc. and persons or entities  
21 affiliated with Terrible Herbst, Inc. (identified in the Lockup as collectively, the “THI Parties”),  
22 and (iii) Lenders holding more than 68% of the outstanding Claims due under the Credit  
23 Agreement (the “Consenting Lenders”). The Lockup provides for a restructuring of the Debtors  
24 to be effectuated pursuant to a plan of reorganization (the “Plan”) which, together with the  
25 Proposed Disclosure Statement to Accompany Plan of Reorganization (the “Disclosure  
26 Statement”) will be filed in these Chapter 11 Cases.

27 \_\_\_\_\_  
28 <sup>3</sup> The term “licenses” does not include the gaming licenses granted to the Debtors in Missouri, which the Debtors  
assert are not Encumbered Personal Property.

1 J. On March 24, 2009, the Court entered an Order Granting Emergency Motion for  
2 Interim Approval of Stipulation Authorizing Use of Cash Collateral by Debtors and Granting  
3 Adequate Protection; and Scheduling a Final Hearing [Docket No. 43] (the “Interim Order”),  
4 thereby granting interim approval of the Stipulation Authorizing Use of Cash Collateral by  
5 Debtors and Granting Adequate Protection (the “Interim Cash Collateral Stipulation”), attached  
6 thereto as Exhibit “A.”

7 K. Debtors’ Acknowledgment and Agreements. After consultation with its  
8 attorneys and financial advisors, but without prejudice to other parties in interest (including but  
9 not limited to the rights of the Committee under Section 9 hereof), the Debtors admit, stipulate,  
10 acknowledge and agree (collectively, the “Debtors’ Stipulations”) as follows:

11 (1) that the Administrative Agent and the Lenders have a valid, binding,  
12 enforceable, unavoidable, and perfected first priority security interest in and liens on the  
13 Collateral; *provided, however*, that Debtors do not admit that the Administrative Agent  
14 has a perfected security interest in Debtors’ Cash on Hand, Deposit Accounts or Post-  
15 Petition Cash as described in Sections F and G above;

16 (2) the Administrative Agent’s liens are not subject to avoidance, re-  
17 characterization, or subordination pursuant to the Bankruptcy Code or applicable non-  
18 bankruptcy law;

19 (3) the obligations under the Credit Agreement and the other Loan  
20 Documents referred therein constitute legal, valid, binding, and non-avoidable  
21 obligations of the Debtors that, except for the stay of enforcement arising from Section  
22 362 of the Bankruptcy Code, are enforceable in accordance with the terms of the Credit  
23 Agreement and such other Loan Documents; and

24 (4) except as otherwise provided herein, the Debtors and their Estates have  
25 no offsets, defenses, claims, objections, challenges, and/or causes of action, including,  
26 without limitation, claims under Chapter 5 of the Bankruptcy Code to any of the  
27 Obligations or against the Administrative Agent.

28 L. Debtors’ Need for Use of Cash on Hand, Deposit Accounts and Post-Petition

1 Cash. The Debtors cannot meet their ongoing postpetition obligations unless they use Cash on  
2 Hand, the Deposit Accounts and Post-Petition Cash. The ability of the Debtors to finance their  
3 operations requires the immediate use of Cash on Hand, the Deposit Accounts and Post-Petition  
4 Cash. In the absence of such use, immediate and irreparable harm will result to the Debtors,  
5 their Estates and their creditors, and the inability to use such Cash on Hand, the Deposit  
6 Accounts and Post-Petition Cash will render impossible an effective and orderly reorganization  
7 of the Debtors' businesses. In the absence of access to Cash on Hand, the Deposit Accounts and  
8 Post-Petition Cash, the continued operation of the Debtors' businesses would not be possible. As  
9 such, subject to the terms of this Stipulation and the entry of an order approving this Stipulation,  
10 the Administrative Agent consents to the use of both the Disputed Cash Collateral and the Cash  
11 Collateral. The relief requested in the Stipulation is therefore necessary, essential, and  
12 appropriate for the continued operation of the Debtors' businesses and the preservation of their  
13 Estates.

14 M. Community Bank of Nevada Account Proceeds. In accordance with Paragraph  
15 11.(e) of the Lockup, the Debtors are required, on or before the date that is ten (10) days after the  
16 effective date of the Lockup, to transfer all of their Cash in Community Bank of Nevada to the  
17 Debtors' account at U.S. Bank, National Association ("U.S. Bank"); *provided, however*, that as a  
18 condition to such transfer the Administrative Agent is to enter into a forbearance agreement  
19 acceptable to both the Administrative Agent and the Debtors. It is agreed by the Administrative  
20 Agent and the Debtors that in place and stead of the requirement of an acceptable forbearance  
21 agreement and the transfer of the Cash within ten (10) days after the effective date of the  
22 Lockup, the Debtors shall transfer the Cash to the Debtors account at U.S. Bank within three (3)  
23 business days of the entry of the order approving this Stipulation (the "Cash Transfer"), which  
24 Cash shall then be available for use by the Debtors in accordance with this Stipulation and  
25 considered Disputed Cash Collateral.

26 N. Adequate Protection. As a result of the use of the Cash Collateral and the  
27 Disputed Cash Collateral, the use, sale, or lease of other Prepetition Collateral consented to  
28 herein, and/or the imposition of the automatic stay, the Administrative Agent asserts, and the



1 Debtors agree pursuant to the terms and conditions set forth herein, that the Administrative  
2 Agent is entitled to receive adequate protection pursuant to Sections 361 and 363 of the  
3 Bankruptcy Code, including but not limited to the extent of any diminution in the value of their  
4 interests in the Prepetition Collateral (including the Cash Collateral and the Disputed Cash  
5 Collateral) resulting from the Debtors' use, sale, or lease thereof during these Chapter 11 Cases  
6 and/or the imposition of the automatic stay.

7 O. Notice. Notice of hearing to consider the relief requested in this Stipulation and  
8 the actual relief requested in this Stipulation has been provided by the Debtors to certain parties  
9 in interest, including the following: (1) the Office of the United States Trustee; (2) the Securities  
10 and Exchange Commission; (3) the Internal Revenue Service; (4) the Nevada, California, Iowa  
11 and Missouri Attorney Generals' Offices; (5) the Nevada Gaming Control Board, the Missouri  
12 Gaming Commission, the Iowa Racing and Gaming Commission, and the California State  
13 Lottery Commission; (6) Milbank and L&R; (7) the official committee of unsecured creditors;  
14 and (8) any entity which files and serves on the Debtors a request for special notice (collectively,  
15 the "Noticed Parties") prior to the hearing for entry of an order approving this Stipulation.  
16 Under the circumstances, such notice of the hearing and the relief requested in the Stipulation  
17 constitutes due and sufficient notice and complies with Section 102(1) of the Bankruptcy Code  
18 and Bankruptcy Rules 2002 and 4001(b).

19 **STIPULATION**

20 NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises  
21 herein contained, the Parties hereby stipulate and agree as follows:

22 1. Consent to Use of Cash Collateral and Disputed Cash Collateral. Upon entry of  
23 an order (whether interim or final) approving this Stipulation, provided that such order is not  
24 thereafter vacated, reversed or withdrawn, the Administrative Agent hereby consents to the  
25 Debtors' use of the Cash Collateral and Disputed Cash Collateral, from the date of the entry of  
26 such order approving the terms of this Stipulation, on the terms and conditions set forth in this  
27 Stipulation, to and through the date that is five (5) business days following notice to the Debtors  
28 that an Event of Default (as defined below) has occurred and is otherwise continuing or

1 otherwise unresolved or the Effective Date of the Plan, whichever occurs first. Subsequent to the  
2 Effective Date of the Plan, the operations of the Debtors' businesses and use of Cash will be in  
3 accordance with the Plan and the Confirmation Order pending the Substantial Consummation  
4 Date.

5 2. Ordinary Disbursements. The use of Cash Collateral and Disputed Cash  
6 Collateral authorized hereby during the term of this Stipulation shall be limited to payment of the  
7 ordinary, reasonable and necessary expenses actually paid by the Debtors in connection with the  
8 operation of the Debtors' businesses, including but not limited to wages and related expenses and  
9 benefits, utility charges, trade payables, insurance, governmental fees and taxes including  
10 gaming taxes and fees, maintenance capital expenditures, other budgeted capital expenditures,  
11 contract extension/renewal payments and Chapter 11 administrative and other related costs, fees,  
12 and expenses attendant thereto in substantial conformance with the Budget (as defined below)  
13 (the "Ordinary Operating Disbursements"). For the avoidance of any doubt, the purchase or  
14 capital lease of gaming equipment or the financing of insurance premiums and the granting of a  
15 purchase money security interest or lien related thereto shall be deemed in the ordinary course of  
16 Debtors' businesses.

17 3. Budget. As used herein, the Budget shall mean the itemized cash-based  
18 operating budget for Debtors as attached hereto as Exhibit "1," together with any modifications,  
19 amendments, extensions or supplements as approved by Debtors, following at least five (5)  
20 business days prior written notice to the Committee, and with the consent of the Administrative  
21 Agent and the Required Consenting Lenders under (and as defined in) the Lockup. The Parties  
22 hereby agree that any objections to the Budget, including any modifications, amendments,  
23 extension or supplements thereto, that may be timely raised by the Committee shall be heard on  
24 an expedited basis, subject to the Court's availability.

25 4. Exclusions from Ordinary Operating Disbursements. During the term of this  
26 Stipulation, Ordinary Operating Disbursements that may be paid with Cash Collateral and  
27 Disputed Cash Collateral shall not include the following:

28 (a) Any payment or distribution to any non-Debtor affiliate, equity holder, or

1 insider of any Debtor outside of the ordinary course of business (excluding those  
2 transactions approved by the Court pursuant to orders granting certain relief requested in  
3 connection with the commencement of these Chapter 11 Cases and payments due in the  
4 ordinary course under the Related Party Agreements);

5 (b) Any payment or distribution in the ordinary course of business which is  
6 not made in exchange for a reasonably equivalent value;

7 (c) Except as provided in section 9 hereof, professional fees or costs incurred  
8 by: (i) any of the Debtors and the Committee appointed in the Chapter 11 Cases in  
9 connection with the prosecution (as opposed to investigation) of any claim, cause of  
10 action, or proceeding by any of the Debtors, or support of the prosecution by any affiliate  
11 or creditor of any of the Debtors or the Committee in the Chapter 11 Cases, to the extent  
12 any such claim, cause of action, or proceeding is against the Administrative Agent and/or  
13 a Lender; and (ii) any other party in connection with the investigation or prosecution of  
14 any claim or cause of action, to the extent any such claim or cause of action is against the  
15 Administrative Agent and/or a Lender; and

16 (d) Any expenses incurred after: (i) the conversion of any of the Chapter 11  
17 Cases to cases under Chapter 7 of the Bankruptcy Code, and/or (ii) the appointment of a  
18 trustee or an examiner with (expanded powers), in any of the Chapter 11 Cases; *provided,*  
19 *however,* that it is expressly understood that, following the occurrence of either such  
20 event, Cash Collateral and Disputed Cash Collateral may be used to pay all expenses  
21 which were incurred prior thereto in accordance with the Budget.

22 5. Adequate Protection Liens. As adequate protection of the Administrative Agent  
23 and the Lenders' interests in the Prepetition Collateral (including the Disputed Cash Collateral  
24 and the Cash Collateral) against any diminution in the value of their interests in the Prepetition  
25 Collateral (including the Cash Collateral and Disputed Cash Collateral) as a result of the use, sale  
26 or lease thereof, and/or the imposition of the automatic stay, the Administrative Agent shall  
27 receive adequate protection pursuant to Sections 361, 363(c)(2) and 363(e) of the Bankruptcy  
28 Code, the Administrative Agent is hereby granted additional, replacement, continuing, valid,

1 binding, enforceable, non-avoidable and automatically and properly perfected security interests  
2 in and liens (collectively, the "Replacement Liens") on all Collateral and, except for causes of  
3 action under Chapter 5 of the Bankruptcy Code, the Cash on Hand, Deposit Accounts and Post-  
4 Petition Cash (collectively, the "Postpetition Collateral"). The Replacement Liens shall be  
5 subject to the setoff rights granted to U.S. Bank as Debtors' cash management bank in the  
6 agreements governing the Deposit Accounts, but in all other respects senior and prior to all other  
7 interests or liens whatsoever in or on the Postpetition Collateral. Nothing in the order approving  
8 this Stipulation shall limit the effect of the Order Authorizing Maintenance Of Prepetition Cash  
9 Management System And Maintenance Of Prepetition Bank Accounts (the "Cash Management  
10 Order") [Docket No. 36], or any final order pursuant thereto, or the rights thereunder of any bank  
11 that maintains a Deposit Account (the "Depository Bank").

12 6. Adequate Protection Payments. During the period commencing on the Petition  
13 Date and running through the Effective Date of the Plan, adequate protection payments shall be  
14 made to the Administrative Agent on behalf of the Lenders in an amount equal to the Debtors'  
15 cash and cash equivalents (as reflected on the Debtors' balance sheet, and as those terms are  
16 defined by GAAP) in excess of \$100 million to be measured as of the last day of each fiscal  
17 quarter and to be paid on the 30<sup>th</sup> day thereafter.

18 7. Post-Petition Lien Perfection. An Order approving this Stipulation shall be  
19 sufficient and conclusive evidence of the validity, perfection, and first priority of the Adequate  
20 Protection Liens without the necessity of filing or recording any financing statement or other  
21 instrument or document (including, without limitation any mortgages or leasehold mortgages), or  
22 the taking of any other action whatsoever which may otherwise be required under the law of any  
23 jurisdiction to validate or perfect the Adequate Protection Liens or to entitle the Administrative  
24 Agent and the Lenders to the protections and first priorities granted herein. Notwithstanding the  
25 foregoing, the Administrative Agent, the Lenders or representatives, respectively may, in their  
26 sole discretion, file such financing statements, mortgages, leasehold mortgages, notices of liens,  
27 and other similar documents, and are hereby granted relief from the automatic stay of Section  
28 362 of the Bankruptcy Code in order to do so, and all such financing statements, mortgages,

1 leasehold mortgages, notices, and other documents shall be deemed to have been filed or  
2 recorded at the time and on the Petition Date. The Debtors shall execute and deliver to the  
3 Administrative Agent all such financing statements, mortgages, leasehold mortgages, notices,  
4 and other documents as the Administrative Agent may reasonably request to evidence, confirm,  
5 validate or perfect, or to ensure the first priority of, the Adequate Protection Liens granted  
6 pursuant hereto. The Administrative Agent may file a copy of this Stipulation as a financing  
7 statement with any recording officer designated to file financing statements or with any registry  
8 of deeds or similar office in any jurisdiction in which the Debtors have real or personal property,  
9 and in such event, the subject filing or recording officer shall file or record such copy of this  
10 Stipulation.

11 8. Modification of the Automatic Stay. The automatic stay imposed by Bankruptcy  
12 Code Section 362(a) is hereby additionally modified to the extent necessary to permit the  
13 Debtors to grant the Adequate Protection Liens.

14 9. Claims and Defenses; Challenge Period.

15 (a) Notwithstanding anything herein to the contrary, no Postpetition Collateral  
16 or proceeds thereof is authorized hereunder to be used by Debtors, the Committee, or any  
17 other person or entity to prosecute any proceeding to object to or contest in any manner,  
18 or to raise any defenses to, the validity, perfection, priority, or enforceability of the Loan  
19 Documents, or to prosecute any action for preferences, fraudulent transfers, or other  
20 avoidance actions pursuant to Chapter 5 of the Bankruptcy Code, equitable  
21 subordination, or any other claims or causes of action against the Administrative Agent,  
22 the Lenders, and/or their counsel and financial advisor(s) (collectively, the "Claims and  
23 Defenses"); *provided, however*, that reasonable fees and expenses incurred by the  
24 Committee (as expressly determined by the Court), and in no event, in excess of  
25 \$35,000.00, may be incurred and paid in respect of the investigation of any such Claims  
26 and Defenses. Without limitation of the foregoing:

27 (i) the Committee or other party in interest shall have the right to  
28 assert Claims and Defenses: (A) only if it commences an action, files a motion

1 seeking legal standing to commence such an action, or otherwise initiates another  
2 appropriate proceeding in this Court on or before July 20, 2009 (the "Challenge  
3 Period"), or such later date as may be ordered by the Court for good cause shown  
4 on a motion filed within the Challenge Period, and (B) only to the extent that such  
5 other person or entity, as the case may be, would otherwise have legal standing to  
6 assert Claims and Defenses;

7 (ii) if no such action or proceeding is commenced on or before such  
8 dates: (A) the liens pursuant to the Security Agreement shall have been deemed  
9 to have been, as of the Petition Date, legal, valid, binding, perfected, not subject  
10 to recharacterization, and otherwise unavoidable, (B) the prepetition obligations  
11 under the Loan Documents shall be deemed to be allowed in full, and fully  
12 secured claims within the meaning of Section 506 of the Bankruptcy Code for all  
13 purposes in connection with these cases and in any case under Chapter 7 of the  
14 Bankruptcy Code upon conversion of any of these cases or any other action, case  
15 or proceeding related to or arising out of any of the foregoing (collectively, the  
16 "Successor Case"), (C) the Debtors' Stipulations shall be binding on all creditors,  
17 interest holders and parties in interest in the cases or any Successor Case,  
18 including also the Committee, and (D) all Claims and Defenses shall be deemed  
19 to have been forever relinquished and waived as to the Committee and each other  
20 party in interest in these cases; and

21 (iii) if such an action or proceeding is commenced on or before such  
22 dates, all Claims and Defenses shall be deemed to have been forever relinquished  
23 and waived as to the Debtors, the Committee, and any other party in interest,  
24 except with respect to Claims and Defenses that are specifically asserted in such  
25 action or proceeding. The Debtors and their estates shall have no right to assert  
26 any such Claims and Defenses. If an action or proceeding described above is  
27 timely filed during the Challenge Period, the findings contained in any order  
28 approving this Stipulation shall nonetheless be binding and preclusive except to

1 the extent that such findings are successfully challenged in such action or  
2 proceeding by the obtaining by such person bringing such action or proceeding of  
3 a final order rendered by a court of competent jurisdiction.

4 (b) The limitations as to the assertion of Claims and Defenses set forth in  
5 section 9(a) hereof shall each be subject to the following:

6 (i) The limitations in Section 9(a)(i) shall not apply to an action  
7 asserting that Administrative Agent and Lenders did not have a valid, duly  
8 perfected and enforceable lien or security interest in the Disputed Cash, which  
9 may be asserted by the Debtors or the Committee at any time during these Cases.

10 (ii) Nothing contained herein shall limit the remedies that the Court  
11 may order if any such Claim or Defense is sustained by the Court (including, but  
12 not limited to, requiring disgorgement or recharacterization of any amounts paid  
13 to the Administrative Agent or Lenders either prior to or after the Petition Date)  
14 or any defenses which the Administrative Agent or Lenders may have in respect  
15 to any such remedies sought by the Committee.

16 10. Events of Default. The occurrence of any of the following events, unless waived  
17 in writing by the Administrative Agent, shall constitute an "Event of Default" hereunder:

18 (a) the failure by the Debtors, after at least five (5) business days prior  
19 written notice to the Debtors and the Committee specifying such failure, to perform, in  
20 any respect, any of the terms, provisions, conditions, covenants, or obligations under this  
21 Stipulation, including, but not limited to the Cash Transfer within three (3) business days  
22 of entry of the Interim Order;

23 (b) the obtaining of credit or the incurring of indebtedness out of the ordinary  
24 course of business that is: (i) secured by a security interest, mortgage or other lien on all  
25 or any portion of the Postpetition Collateral which is equal or senior to any security  
26 interest, mortgage, or other lien of the Administrative Agent, or (ii) entitled to priority  
27 administrative status which is equal or senior to that granted to the Administrative Agent;  
28 for avoidance of any doubt, the granting of a purchase money security interest or lien

1 related to the purchase or capital lease of gaming equipment or the financing of insurance  
2 premiums shall not be deemed an Event of Default;

3 (c) the institution of any judicial proceeding by the Debtors seeking to  
4 challenge the validity of any portion of the Security Agreement or any Deed of Trust or  
5 the applicability or enforceability of the same or which seeks to void, avoid, limit or  
6 otherwise adversely affect any security interest created by or in relation to the Security  
7 Agreement or any Deed of Trust or any payment pursuant thereto;

8 (d) any lien or security interest purported to be created under the Security  
9 Agreement or any Deed of Trust shall cease to be, or shall be asserted by any Debtor not  
10 to be, a valid and perfect lien on or security interest in any of the Collateral but for the  
11 Disputed Cash Collateral, with the priority required by the Security Agreement and each  
12 Deed of Trust;

13 (e) the entry of an order by the Court granting relief from or modifying the  
14 automatic stay of Section 362 of the Bankruptcy Code: (i) to allow any creditor to  
15 execute upon or enforce a lien on or security interest in any Collateral, or (ii) with respect  
16 to any lien of or granting any lien on any Postpetition Collateral to any state or local  
17 environmental or regulatory agency or authority, which in either case would have  
18 material adverse effect on the business, operations, property, assets, or conditions,  
19 financial or otherwise, of the Debtors;

20 (f) reversal, vacatur or modification (without the express prior written  
21 consent of the Administrative Agent, which consent shall not be implied from any action,  
22 inaction or acquiescence by the Administrative Agent) of this Stipulation or the order  
23 approving this Stipulation;

24 (g) dismissal of the Debtors' Chapter 11 Cases, conversion of the Debtors'  
25 Chapter 11 Cases to Chapter 7 cases, or the appointment of a Chapter 11 trustee or  
26 examiner (with expanded powers) or other responsible person;

27 (h) any material misrepresentation of fact made after the Petition Date by any  
28 of the Debtors or their agents to the Administrative Agent, the Lenders or their



1 representatives about the financial condition of the Debtors, or, the nature, extent,  
2 location or quality of any Collateral, or the disposition or use of any Postpetition  
3 Collateral (including Cash Collateral and Disputed Cash Collateral);

4 (i) a default by any of the Debtors in reporting financial information when  
5 required herein, and the continuance of such default uncured for a period five (5)  
6 business days following written notice by the Administrative Agent to the Debtors, with  
7 a copy to the Committee, of such default;

8 (j) the sale of any portion of the Debtors' assets outside the ordinary course  
9 of business without the prior written consent of the Administrative Agent, which consent  
10 shall not be implied from any action, inaction or acquiescence by the Administrative  
11 Agent;

12 (k) failure to comply with the Loan Documents other than as otherwise  
13 modified herein or as permitted by the Bankruptcy Code;

14 (l) the actual cumulative "Net Operating Cash Flows" (as such amount is  
15 identified and computed in the Budget) for the entire period covered by any Budget then  
16 in effect is materially lower than the projected Net Operating Cash Flows for the entire  
17 period covered by such Budget, provided that "materially lower" shall be a negative  
18 variance in the actual cumulative Net Operating Cash Flows generated for the entire  
19 period covered by the Budget then in effect of 20% or more as compared to the projected  
20 cumulative Net Operating Cash Flows presented in the Budget for the corresponding  
21 period;

22 (m) the Debtors' actual cumulative "Total Other Disbursements" (as such  
23 amount is identified and computed in the Budget) for the entire period covered by any  
24 Budget then in effect exceeds the projected cumulative Total Other Disbursements as  
25 presented in the Budget for the corresponding period by more than 10%; provided,  
26 however, that in the event that the Debtors' actual cumulative Total Other Disbursements  
27 for the entire period covered by any Budget then in effect is less than the projected  
28 cumulative Total Other Disbursements for the corresponding period, the Debtors may

1 carryover and include any such positive variance into the projected Total Other  
2 Disbursements as presented in subsequent Budget(s) generated by the Debtors for  
3 periods extending beyond that to which any such positive variance relates;

4 (n) failure to have an order entered by the Court approving the Disclosure  
5 Statement within ninety (90) days of the Petition Date;

6 (o) failure to have an order entered by the Court confirming the Plan within  
7 one hundred and thirty (130) days of the Petition Date; or

8 (p) termination of the Lockup.

9 11. Remedies. Upon the occurrence and during the continuation of an Event of  
10 Default and following five (5) business days' written notice (the "Remedies Notice Period") to  
11 the Noticed Parties, the Administrative Agent may terminate the Debtors' authorization to use  
12 Cash Collateral and Disputed Cash Collateral by written notice to Debtors (the "Termination  
13 Date") with a copy to the Committee. In the event of such notice, the Administrative Agent  
14 consents to the Debtors' obtaining a hearing before the Court upon shortened time within the  
15 Remedies Notice Period (or as soon as the matter can be heard by the Court) to contest and  
16 dispute the extent of Cash Collateral and right to seek authorization to use Cash Collateral and  
17 Disputed Cash Collateral. The noticing of an Event of Default does not authorize the  
18 Administrative Agent (or the Lenders) to take any other acts against Debtors as provided in the  
19 Loan Documents or applicable law without further order of the Bankruptcy Court.

20 12. Carve-Out. Notwithstanding anything to the contrary herein, the Replacement  
21 Liens granted to the Administrative Agent and all Cash Collateral and Disputed Cash Collateral  
22 shall be subject to a carve out (the "Carve-Out") for: (a) the payment of all allowed and unpaid  
23 professional fees and disbursements of the Debtors and of the Committee appointed in these  
24 cases incurred subsequent to an Event of Default, to the extent they are allowed; provided,  
25 however, that such amount shall not exceed \$2,500,000.00; and (b) quarterly fees required to be  
26 paid pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the Clerk of the Bankruptcy  
27 Court. As long as no Event of Default shall have occurred and be continuing, Debtors shall be  
28 permitted to pay all compensation and reimbursement of expenses, allowed and payable under

1 Sections 330 and 331 of the Bankruptcy Code, and any amounts so paid shall not reduce the  
2 amount that may be incurred subsequent to an Event of Default having occurred and be  
3 continuing.

4 13. No Additional Waivers/Consents. Except as expressly provided for herein or by  
5 the Bankruptcy Code, nothing herein shall:

6 (a) constitute a waiver by the Administrative Agent or the Lenders of any  
7 rights which may exist under the Loan Documents including, without limitation: (i) the  
8 right to exercise the rights and remedies of a secured party thereunder and under  
9 applicable law, or (ii) the right to seek additional adequate protection or to challenge any  
10 impairment of its claims or liens;

11 (b) constitute a waiver by any of the Administrative Agent or the Lenders of  
12 the right: (i) to seek to dismiss or convert these Chapter 11 Cases, (ii) to move for the  
13 appointment of a Chapter 11 trustee or examiner (with or without expanded powers), or  
14 (iii) to seek relief from the automatic stay or to exercise any other rights which it may  
15 have under the Bankruptcy Code;

16 (c) constitute consent by the Administrative Agent or the Lenders to the use  
17 of Cash Collateral and Disputed Cash Collateral other than as specifically provided  
18 herein;

19 (d) obligate the Administrative Agent or the Lenders to permit the use of Cash  
20 Collateral and Disputed Cash Collateral other than as specifically provided herein or to  
21 advance funds to the Debtors for any reason, including, without limitation, for the  
22 payment of expenses of administration under the Bankruptcy Code; or

23 (e) constitute a waiver by or bar to Debtors or the Committee contesting and  
24 disputing the extent of Cash Collateral and seeking to use Cash Collateral and Disputed  
25 Cash Collateral subsequent to an Event of Default or a waiver of the Administrative  
26 Agent or any Lender from contesting any such assertions or requests by the Debtors.

27 14. Sections 506(c) and 552(b) of the Bankruptcy Code. Subject to the order  
28 approving this Stipulation becoming a final order, without the prior written consent of the

1 Administrative Agent, which consent shall not be implied from any action, inaction, or  
2 acquiescence by the Administrative Agent, no costs or expenses of administration that have been  
3 or may be incurred in these Chapter 11 Cases at any time shall be charged against the  
4 Administrative Agent or the Lenders or its claims pursuant to Sections 105, 506(c), or 552 of the  
5 Bankruptcy Code, or otherwise nor shall such costs or expenses be charged against the  
6 Postpetition Collateral until and unless all prepetition obligations under the Loan Documents  
7 have been indefeasibly paid in full and in cash.

8 15. Financial Reports, Notices and Other Information. As further adequate  
9 protection, the Debtors shall furnish to the Administrative Agent copies of all financial and other  
10 reports, notices and other financial analyses required to be delivered under the Loan Documents  
11 and at the times set forth in the Loan Documents.

12 16. No Modification or Stay of this Stipulation. The Debtors irrevocably waive any  
13 right to seek any modification or extension of this Stipulation without prior written consent of  
14 the Administrative Agent, and no such consent shall be implied by any other action, inaction, or  
15 acquiescence of the Administrative Agent. Notwithstanding, this provision does not impair the  
16 right of the Debtors or the Committee, as otherwise provided in this Stipulation, to contest the  
17 extent of the Administrative Agent's lien in Cash Collateral and Disputed Cash Collateral and  
18 for the Debtors use thereof in the event of the termination of this Stipulation.

19 17. No Other Liens. Unless otherwise provided by further order of the Court, and  
20 except as otherwise expressly provided herein, the Debtors shall be enjoined and prohibited from  
21 at any time during their Chapter 11 Cases from granting liens in the Postpetition Collateral or  
22 any portion thereof to any other parties pursuant to Section 364(d) of the Bankruptcy Code or  
23 otherwise; provided, however, the foregoing shall not limit the provisions of the Cash  
24 Management Order. For the avoidance of doubt, the prohibition in this paragraph shall not apply  
25 to the perfection of liens after the Petition Date that is excepted from the automatic stay pursuant  
26 to Sections 362(b) and 546(b) of the Bankruptcy Code, or which secures any intercompany  
27 claims which arise after the Petition Date pursuant to the Cash Management Order.

28 18. Other Liens. Notwithstanding anything to the contrary herein, nothing in this

1 Stipulation shall alter the priority of any lien or security interest granted to or claimed by: (a)  
2 any mechanics' lien claimants, provided that the validity, perfection and priority of such lien or  
3 security interest is determined by court order in accordance with applicable law; (b) any tax liens  
4 arising in favor of any applicable authority pursuant to NRS § 361.450, or other law in the  
5 applicable jurisdiction, to secure *ad valorem* real and personal property taxes assessed, (c) any  
6 liens arising in favor of any applicable authority pursuant to NRS § 318.192, or other law in the  
7 applicable jurisdiction, to secure water or sewer service, inspection and/or related fees, or (d) any  
8 Depository Bank as set forth and to the extent described in the Cash Management Order.

9 19. Good Faith and Reasonableness. The adequate protection arrangements  
10 authorized hereunder have been negotiated in good faith and at arm's length, and the terms of  
11 such adequate protection arrangements are fair and reasonable under the circumstances and  
12 reflect the Debtors' exercise of prudent business judgment.

13 20. Reservation of Rights to Seek Additional Adequate Protection. Nothing  
14 contained herein shall be deemed a finding by the Court or an acknowledgement by the  
15 Administrative Agent or the Lenders that the adequate protection granted herein does in fact  
16 adequately protect the Administrative Agent against any diminution in value of its interests in the  
17 Postpetition Collateral (including the Cash Collateral and Disputed Cash Collateral) arising on  
18 account of the Debtors' use, sale, or lease thereof during the term of this Stipulation.

19 21. Further Assurances. The Parties hereby agree to execute all further documents  
20 and perform such further acts as may reasonably be required to effectuate the purpose and intent  
21 of this Stipulation.

22 22. Headings. Headings have been inserted in this Stipulation as a matter of  
23 convenience for reference only and it is agreed that such headings are not a part of this  
24 Stipulation and shall not be used in interpreting any provision of this Stipulation.

25 23. Definitions. Except as otherwise defined in this Stipulation, terms defined in the  
26 Credit Agreement are used herein as defined therein.

27 24. Binding Nature. This Stipulation shall be binding upon the Debtors (including  
28 their respective estates), any Chapter 11 or Chapter 7 trustee appointed herein, all creditors of the

1 Debtors, and the Administrative Agent upon entry of a final order of the Court approving this  
2 Stipulation.

3 25. Successors and Assigns. This Stipulation, and any order entered authorizing and  
4 approving it, shall be binding upon and shall inure to the benefit of the parties hereto and their  
5 respective heirs, executors, administrators, successors, and assigns, including, without limitation,  
6 any trustee who might be appointed in these cases or any Successor Case.

7 26. Counterparts. This Stipulation may be executed in counterparts, each of which  
8 shall be deemed an original, but all of which, together, shall constitute one and the same  
9 instrument.

10 **STIPULATED AND AGREED TO BY:**

11 DATED this 15th day of May, 2009

DATED this 15th day of May, 2009

12 GORDON SILVER

WILMINGTON TRUST COMPANY

13  
14 By: /s/ Matthew C. Zirzow, Esq.  
15 GERALD M. GORDON, ESQ.  
16 Nevada Bar No. 229  
17 E-mail: ggordon@gordonsilver.com  
18 THOMAS H. FELL, ESQ.  
19 Nevada Bar No. 3717  
20 E-mail: tfell@gordonsilver.com  
21 MATTHEW C. ZIRZOW, ESQ.  
22 Nevada Bar No. 7222  
23 E-mail: mzirzow@gordonsilver.com  
24 3960 Howard Hughes Pkwy., 9th Floor  
25 Las Vegas, NV 89169  
26 Telephone: (702) 796-5555  
27 Facsimile: (702) 369-2666

By: /s/ Thomas R. Kreller, Esq.  
MILBANK, TWEED, HADLEY &  
MCCLOY, LLP  
THOMAS R. KRELLER, ESQ.  
California Bar No. 161922  
*Pro Hac Vice Pending*  
E-mail: tkreller@milbank.com  
601 South Figueroa Street, 30th Floor  
Los Angeles, CA 90017-5735  
Telephone: (213) 892-4000  
Facsimile: (213) 629-5063

28 Attorneys for Debtors

LEWIS AND ROCA LLP  
BRUCE T. BEESLEY, ESQ.  
Nevada Bar No. 1164  
E-mail: bbeesley@lrlaw.com  
TRICIA M. DARBY, ESQ.  
Nevada Bar No. 7956  
E-mail: tdarby@lrlaw.com  
50 West Liberty Street, Suite 410  
Reno, Nevada 89501  
Telephone: (775) 823-2900  
Facsimile: (775) 823-2929

Counsel for Wilmington Trust Company

**EXHIBIT "1"**

Herbst Gaming, Inc.  
 Projected Weekly Receipts and Disbursements - 3/21/09 to 6/19/09  
 all values in 000's and represent "book" balance

Week Ending Friday	03/27/09	04/03/09	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/29/09	06/05/09	06/12/09	06/19/09	13 Week Total
<b>Receipts:</b>														
Gaming Operations	11,651	11,502	11,304	11,304	11,304	11,558	11,558	11,558	10,732	12,383	11,229	11,097	11,097	148,060
Hotel/F&B Operations	1,952	1,991	2,042	2,042	2,049	2,093	2,093	2,093	1,944	2,243	2,109	2,116	2,116	26,832
Other Non-Gaming Revenue (Gas, Retail, etc.)	1,728	1,731	1,735	1,735	1,735	1,727	1,679	1,679	1,559	1,774	1,747	1,774	1,774	22,407
Participation (Paid at location - not receipts)	(1,153)	(1,138)	(1,119)	(1,119)	(1,122)	(1,144)	(1,144)	(1,144)	(1,062)	(1,225)	(1,111)	(1,098)	(1,098)	(14,652)
Other Income (Rental, Interest, Misc.)	44	268	49	49	280	47	47	47	47	47	263	50	50	1,288
Less: Promotional Allowances	(1,259)	(1,261)	(1,262)	(1,262)	(1,262)	(1,287)	(1,287)	(1,287)	(1,287)	(1,287)	(1,258)	(1,246)	(1,246)	(16,473)
<b>Total Receipts</b>	<b>\$ 12,963</b>	<b>\$ 13,093</b>	<b>\$ 12,749</b>	<b>\$ 12,749</b>	<b>\$ 13,009</b>	<b>\$ 12,946</b>	<b>\$ 12,946</b>	<b>\$ 11,933</b>	<b>\$ 13,960</b>	<b>\$ 12,979</b>	<b>\$ 12,692</b>	<b>\$ 12,692</b>	<b>\$ 12,692</b>	<b>\$ 167,463</b>
<b>Disbursements:</b>														
Payroll	3,061	2,715	3,067	2,727	3,076	2,727	3,072	2,719	3,063	2,717	3,065	2,729	3,088	37,825
Payroll Taxes (1)	150	298	150	213	150	1,015	150	264	150	150	435	150	272	3,547
Adjust for Incent/ Cost of Incent Plan/Timing of Bonus Pmts	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(853)
Self Insured Workers Comp	-	-	139	-	-	139	-	-	-	-	-	134	-	412
Other (Employee Benefits, Testing & ID's, Contract Services)	96	96	96	97	98	98	98	98	95	95	95	95	98	1,254
<b>Total Disbursements</b>	<b>\$ 3,231</b>	<b>\$ 3,033</b>	<b>\$ 3,377</b>	<b>\$ 2,961</b>	<b>\$ 3,249</b>	<b>\$ 3,765</b>	<b>\$ 3,384</b>	<b>\$ 3,130</b>	<b>\$ 3,233</b>	<b>\$ 2,886</b>	<b>\$ 3,520</b>	<b>\$ 3,033</b>	<b>\$ 3,382</b>	<b>\$ 42,185</b>
<b>Cost of Sales</b>	<b>1,467</b>	<b>1,659</b>	<b>1,717</b>	<b>1,783</b>	<b>1,940</b>	<b>1,930</b>	<b>1,874</b>	<b>1,874</b>	<b>1,874</b>	<b>1,874</b>	<b>1,954</b>	<b>1,986</b>	<b>1,986</b>	<b>23,918</b>
Health & Dental Insurance	168	494	198	206	224	223	569	219	219	219	572	224	224	3,758
Interdepartment Allocation (EDR/Food Cost)	(47)	(53)	(54)	(57)	(63)	(63)	(63)	(63)	(61)	(61)	(61)	(61)	(62)	(766)
Payment on Part Agr. & Space Lease Expense	958	3,208	3,291	1,157	1,259	3,694	3,666	1,226	1,307	1,144	3,689	3,699	1,258	29,556
Promotional and Advertising	261	292	299	317	354	354	354	350	330	330	330	330	346	4,247
Taxes & Licenses	1,412	1,915	726	754	1,814	824	842	842	1,836	842	2,207	814	814	15,645
Property Taxes	-	705	-	-	-	-	-	-	-	-	-	-	-	705
Utilities	177	654	83	208	227	764	98	231	231	98	822	104	248	3,945
Supplies	124	139	142	150	168	168	168	167	165	165	165	165	168	2,054
Cleaning & Linen	53	60	61	64	71	71	71	71	72	72	72	72	71	883
Repairs & Maintenance - Dept.	32	36	36	38	43	43	43	42	41	41	41	41	43	521
Fleet Expense	10	11	12	12	13	13	13	13	13	13	14	14	14	329
Software Maintenance	44	50	51	53	58	58	57	57	57	57	58	58	58	715
Other Direct Expenses	58	65	66	72	82	82	82	81	74	74	74	74	71	953
Rent	-	-	653	-	-	-	738	-	-	-	-	738	-	2,129
Insurance	-	-	-	348	-	-	-	377	-	-	-	-	377	1,102
Other Administrative Expenses	367	412	421	544	515	515	515	559	505	505	505	505	497	6,366
<b>Operating Disbursements</b>	<b>\$ 5,084</b>	<b>\$ 9,646</b>	<b>\$ 7,703</b>	<b>\$ 5,704</b>	<b>\$ 6,704</b>	<b>\$ 8,676</b>	<b>\$ 9,025</b>	<b>\$ 6,103</b>	<b>\$ 6,664</b>	<b>\$ 5,373</b>	<b>\$ 10,443</b>	<b>\$ 8,764</b>	<b>\$ 6,170</b>	<b>\$ 96,060</b>
<b>Net Operating Cash Flows</b>	<b>\$ 4,648</b>	<b>\$ 414</b>	<b>\$ 1,669</b>	<b>\$ 4,084</b>	<b>\$ 2,797</b>	<b>\$ 567</b>	<b>\$ 537</b>	<b>\$ 3,713</b>	<b>\$ 2,036</b>	<b>\$ 5,700</b>	<b>\$ (983)</b>	<b>\$ 895</b>	<b>\$ 3,140</b>	<b>\$ 29,218</b>
<b>Total Other Disbursements (Capital Expenditures, etc.)</b>	<b>\$ 84</b>	<b>\$ 1,087</b>	<b>\$ 88</b>	<b>\$ 815</b>	<b>\$ 98</b>	<b>\$ 918</b>	<b>\$ 75</b>	<b>\$ 1,094</b>	<b>\$ 4,132</b>	<b>\$ 75</b>	<b>\$ 75</b>	<b>\$ 75</b>	<b>\$ 146</b>	<b>\$ 8,762</b>

The information contained in the cash flow projection includes certain estimates and projections provided by the management of Herbst Gaming, Inc. with respect to anticipated future performance. Such estimates and projections reflect various assumptions and elements of subjective judgment concerning anticipated results, which assumptions and elements of subjective judgment may or may not prove to be correct. In particular, the attached cash flow projection assumes that interest and principal payments on the Company's indebtedness are made only to the extent provided for in the Lock-Up Agreement and related Restructuring Term Sheet. No representations or warranties, express or implied, are made as to the accuracy of the estimates, projections or assumptions.



Herbst Gaming, Inc.

Projected Weekly Receipts and Disbursements - 3/21/09 to 6/19/09

all values in 000's and represent "book" balance

Week Ending Friday	1	2	3	4	5	6	7	8	9	10	11	12	13	13 Week Total
	03/27/09	04/03/09	04/10/09	04/17/09	04/24/09	05/01/09	05/08/09	05/15/09	05/22/09	05/29/09	06/05/09	06/12/09	06/19/09	
<b>Reorganization Related Disbursements</b>														
Restructuring / Reorganization Costs (Professionals etc.)	-	-	-	-	-	-	-	-	-	-	1,250	-	-	1,250
Restructuring Related Working Capital Needs <sup>(2)</sup>	750	2,000	-	-	-	-	-	-	-	-	-	-	-	2,750
<b>Total Reorganization Related Disbursements</b>	\$ 750	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,250	\$ -	\$ -	\$ 4,000
<b>Net Cash Flow Before Financing Charges</b>	\$ 3,814	\$ (2,673)	\$ 1,581	\$ 3,269	\$ 2,699	\$ (350)	\$ 462	\$ 2,619	\$ (2,096)	\$ 5,625	\$ (2,308)	\$ 820	\$ 2,994	\$ 16,456
<b>Financing Charges (Existing Indebtedness)</b>														
Restructuring Related (Forbearance, Data Room Maintenance etc.)	-	-	2	-	-	-	2	-	-	-	2	-	-	6
Interest on Existing Indebtedness (RC, TL B, TL B DD, New TL)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 12.5% Senior Subordinated Notes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7% Senior Subordinated Notes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revolver Unused Line Fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding Letters of Credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Repayments (Excl. Revolver)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Term B Indebtedness	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Delayed Term B Indebtedness	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Term B Indebtedness	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Disbursements Related to Financing Charges</b>	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ 6
<b>Net Cash Flow After Financing Charges</b>	\$ 3,814	\$ (2,673)	\$ 1,579	\$ 3,269	\$ 2,699	\$ (350)	\$ 460	\$ 2,619	\$ (2,096)	\$ 5,625	\$ (2,310)	\$ 820	\$ 2,994	\$ 16,450
<b>Beginning Available Cash (Incl. Cash in Use/WC/Restricted) <sup>(3)</sup></b>	\$ 91,000	\$ 94,814	\$ 92,141	\$ 93,720	\$ 96,989	\$ 99,688	\$ 99,338	\$ 99,798	\$ 102,417	\$ 100,321	\$ 105,946	\$ 103,636	\$ 104,456	\$ 91,000
<b>Ending Available Cash After Financing Charges</b>	\$ 94,814	\$ 92,141	\$ 93,720	\$ 96,989	\$ 99,688	\$ 99,338	\$ 99,798	\$ 102,417	\$ 100,321	\$ 105,946	\$ 103,636	\$ 104,456	\$ 107,450	\$ 107,450

(1) Includes certain employer taxes and related items payable in connection with the Company's Nevada business operations.  
 (2) Includes estimated utility and certain other deposits that may be required.  
 (3) Beginning cash balance as of March 21, 2009 has been adjusted to reflect a better estimate of the actual cash balance as of that date.

The information contained in the cash flow projection includes certain estimates and projections provided by the management of Herbst Gaming, Inc. with respect to anticipated future performance. Such estimates and projections reflect various assumptions and elements of subjective judgment concerning anticipated results, which assumptions and elements of subjective judgment may or may not prove to be correct. In particular, the attached cash flow projection assumes that interest and principal payments on the Company's indebtedness are made only to the extent provided for in the Lock-Up Agreement and related Restructuring Term Sheet. No representations or warranties, express or implied, are made as to the accuracy of the estimates, projections or assumptions.