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THE HONORABLE SAMUEL J. STEINER
Chapter 15
HEARING DATE: April 16, 2009
HEARING TIME: 1:30 p.m.
RESPONSE DEADLINE: At Hearing

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re
DELOITTE & TOUCHE, INC.
as Foreign Representative of
EVERGREEN GAMING CORP.,
Debtor in a Foreign Proceeding.

Case No. 09-13567 (SJS)
AMENDED DECLARATION OF CORY
COYLE IN SUPPORT OF APPLICATION
FOR RECOGNITION OF FOREIGN MAIN
PROCEEDING

CORY COYLE hereby declares and states as follows:

1. My name is Cory Coyle. I am the Chief Financial Officer of Evergreen Gaming Corporation (“Evergreen”) and the President of Washington Gaming, Inc. I make this declaration from personal knowledge and I am competent to testify to the facts herein.
2. On April 15, 2009, Evergreen and nineteen direct and indirect Canadian and American subsidiaries (collectively, the “Evergreen Group” or the “Debtors”) filed a Petition in the Supreme Court of British Columbia, Canada under the Canadian Companies’ Creditors Arrangement Act (the “CCAA”), R.S. C. 1985, c.C-36, as amended, and the

AMENDED DECLARATION OF CORY
COYLE – 1

Perkins Coie LLP
1201 Third Avenue, Suite 4800
Seattle, WA 98101-3099
Phone: 206.359.8000
Fax: 206.359.9000

1
2
3 Business Corporations Act, S.B.C. 2002, c.57 (the “CCAA Proceeding”).¹

4
5 3. A certified copy of the order (i) granting relief under the CCAA,
6
7 (ii) appointing Deloitte & Touche Inc. as the Monitor and (iii) authorizing the Monitor to
8
9 commence this Chapter 15 Proceeding (the “CCAA Order”) is attached to the Chapter 15
10
11 Petition filed by each of the Debtors in this Court.

12
13 4. Other than the CCAA Proceeding and these chapter 15 petitions, there are no
14
15 other proceedings now pending with respect to insolvency or the adjustment of members of
16
17 the Evergreen Group’s debts. Several of the Debtors are party to litigation now pending in
18
19 the United States: *Kang’s Properties, LLC v. Little Nevada III, Inc. and Timothy Iszley*,
20
21 King County Superior Court No. 08-2-38625-2; *Seattle Jr. Hockey Association v. Little*
22
23 *Nevada II, Inc.*, Snohomish County Superior Court No. 09-2-02238-9; *Mathew Russell v.*
24
25 *Gaming Consultants Inc.*, King County Superior Court No. 09-2-08681-8; *Marie Morgan,*
26
27 *et al v Gaming Consultants Inc.*, Snohomish County Superior Court No. _____; *Rhonda*
28
29 *Heard v Washington Gaming Inc.*, King County Superior Court No. 09-2-04735-9; *In Soon*
30
31 *Cho v Big Nevada Inc.*, King County Superior Court No. 08-2-37286-6; *Barbara Holst and*
32
33 *Michael Holst v Little Nevada III, Inc.*, Pierce County Superior Court # 06 2 14155 1.

34
35 5. Evergreen Gaming Corp. (“Evergreen”), formerly Transec Enterprise Corp.,
36
37 is a Canadian corporation, organized and existing under the laws of the Province of British
38

39
40 _____
41 ¹ The “Evergreen Group” consists of Evergreen Gaming Corporation, the parent company, and the following
42 direct and indirect subsidiaries: EGC Holdings Ltd., EGC Properties Ltd., Frank Sisson’s Silver Dollar Ltd.,
43 Washington Gaming, Inc., Big Nevada, Inc., Little Nevada II, Inc., Little Nevada III, Inc., Silver Dollar Mill
44 Creek, Inc., Golden Nugget Tukwila, Inc., Shoreline Gaming, Inc., Little Nevada, Inc., Snohomish Gaming
45 Inc., Hollydrift Gaming, Inc., Royal Casino Holdings, Inc., Gameco, Inc., Gaming Management Inc., Gaming
46 Consultants, Inc., Shoreline Holdings Inc., and Mill Creek Gaming, Inc. With the exception of EGC Holdings
47 Ltd., EGC Properties Ltd., and Frank Sisson’s Silver Dollar Ltd., each of the entities has filed chapter 15 a
petition in this Court.

1 Columbia. Evergreen was incorporated under the Business Corporations Act, S.B.C. 2002
2
3 c. 57, in 1979, in 1979, and is a public company, listed on the Toronto TSX Venture
4
5 Exchange (TSX-TNS-V). Evergreen has a registered address of 700-595 Howe Street,
6
7 Vancouver BC V6C 2T5, and a primary business office at 11331 Coppersmith Way, in
8
9 Richmond, B.C. Directly or indirectly, Evergreen owns 100% of the stock in all but one
10
11 member of the Evergreen Group, which consists of a total of twenty (20) entities in British
12
13 Columbia, Alberta and western Washington.² Evergreen prepares financial statements on a
14
15 consolidated basis for all of its subsidiaries for purposes of Canadian Securities law
16
17 compliance.

18
19 6. Evergreen's "center of main interest" is in Canada. The day-to-day
20
21 operations of the Evergreen Group are conducted from the corporate headquarters in
22
23 Richmond, B.C. Strategic and operational management functions are also directed and
24
25 carried out from the Richmond B.C. headquarters. Senior management is almost entirely in
26
27 Canada: Evergreen Group's chief executive officer, Daniel Sutherland, and its President,
28
29 Norman Osatuik, reside in British Columbia, and its Vice President and three of four
30
31 directors of the corporation, and all board of directors meetings take place in Canada.

32
33 7. The business of the Evergreen Group is owning and operating casinos and
34
35 house-banked card rooms, and it owns related real estate and casino management and
36
37 service businesses in British Columbia and Alberta, Canada and in the United States.
38
39 Evergreen's primary assets are the stock in its subsidiaries, each of which either operates a
40
41 casino or provides related services. Evergreen's largest single asset is Silver Dollar Casino,
42
43 a 100,000 square foot casino and entertainment complex in Calgary, Alberta, featuring slot
44

45
46 _____
47 ² 50% of the stock in Shoreline Gaming, Inc., dba Golden Nugget Casino is owned by Michael McCarthy, a resident of Washington.

1 machines, gaming tables, lottery terminals, a 38-lane bowling alley, a 1,200 seat live
2 entertainment facility and numerous related food and beverage service outlets.
3

4
5 8. Washington Gaming, Inc., a Washington corporation, is a wholly owned
6 subsidiary of Evergreen Gaming. Washington Gaming in turn owns a number of
7 subsidiaries (all but one are wholly owned), that operate ten casinos in Washington State.³
8
9 The Washington subsidiary operations are each limited to no more than 15 gaming tables,
10 and some have as few as six tables. The largest Washington card room is approximately
11 one-fourth (1/4) the size of the Calgary casino and one, the Golden Nugget Casino in
12 Tukwila, is only forty-five hundred square feet; none of the Washington casinos have slot
13 machines, and none of them have bowling alleys or live entertainment facilities.
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21 9. The Debtors' ordinary course business operations are essentially solid. As of
22 the date of this Declaration, all Debtors are substantially current on all trade debt and tax
23 obligations, the employees have been and continue to be paid regularly, and each of the
24 Washington subsidiaries is in compliance with all fiscal and accounting requirements of the
25 Washington State Gambling Commission.
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31 10. On October 2, 2007, Evergreen and Fortress Credit Corp. ("Fortress"), as
32 agent for the Lenders and as a Lender itself, entered into a Credit Agreement pursuant to
33 which the Lenders extended to Evergreen approximately US\$29 million in credit (the
34 "Secured Debt"). The total Secured Debt now alleged to be due, including principal,
35 interest, fees and costs, is approximately \$30.1 million. The Secured Debt is guaranteed by
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42 ³ The operating Washington casinos are The Silver Dollar Casino – Seattle (Big Nevada, Inc); Silver Dollar
43 Casino Tukwila and Silver Dollar Casino – Renton (Little Nevada, Inc.); Silver Dollar Casino - Mill Creek
44 (Silver Dollar Mill Creek, Inc.); Golden Nugget Casino – Tukwila (Golden Nugget Casino Tukwila, Inc.);
45 Golden Nugget Casino – Shoreline (Shoreline Gaming, Inc.); Royal Casino (Snohomish Gaming, Inc.);
46 Hollywood Casino and Drift On Inn Casino (Hollydrift Gaming, Inc.) and Riverside Casino (Riverside Casino,
47 Inc.). Each of these entities is a Washington corporation and all except Riverside Casino, Inc is a Debtor in the
CCAA Proceeding and has filed a chapter 15 petition.

1 the each member of the Evergreen Group, and is secured in part by a lien on substantially all
2 of the Debtors' assets, including all deposit accounts held with any bank or financial
3 institution. Fortress and the Washington State subsidiaries are also party to a Deposit
4 Account Control Agreement with Banner Bank, the Debtors' Washington depository bank,
5 under which Fortress has the right to seize control over all of the Debtors' bank accounts,
6 including main accounts, payroll accounts and ATM accounts.
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12 11. On April 1, 2009, Fortress served a Notice of Default and Acceleration on
13 Evergreen and simultaneously served a Notice of Demand under Guaranty on each of the
14 Debtors, threatening to foreclose on its collateral if the \$29 million payment Demand is not
15 satisfied. A copy of the Notice of Demand Under Guaranty is attached hereto as Exhibit A.
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20 12. The sole need for the Evergreen Group's decision to seek protection under
21 the CCAA stems from the default of Evergreen Gaming Corp. with respect to the
22 \$29 million obligation to Fortress Credit Corp. Because the nineteen other Canadian and
23 American members of the Evergreen Group are each a guarantor of Evergreen's debt to
24 Fortress and the Lenders., all twenty Debtors were forced to seek the protections of the
25 Canadian bankruptcy system as a group while Evergreen and Fortress work out their
26 differences.
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34 13. I submit this Declaration in support of the Evergreen Group's Application for
35 Recognition under chapter 15 of the United States Bankruptcy Code, and in support of the
36 Emergency Motion for Interim Relief seeking to apply the automatic stay of the bankruptcy
37 code to preserve the Property and Business of the Debtors (as each of those terms is defined
38 in the CCAA Order).
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1 I declare under penalty of perjury under laws of the United States of America that I
2
3 have read the foregoing statement and that it is true and correct to the best of my knowledge,
4
5 information and belief.
6

7 Dated April 15, 2009.
8

9 /s/ Cory Coyle
10 Cory Coyle
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Exhibit A

FORTRESS CREDIT CORP.

1345 AVENUE OF THE AMERICAS
46TH FLOOR
NEW YORK, NY 10105
TEL 212-798-6100

By Federal Express and Facsimile

To: The Persons listed on Schedule 1 hereto at the notice addresses set forth thereon, in their respective capacities as Guarantors.

Dated: April 1, 2009

Re: Notice of Demand under Guaranty (as defined below)

Reference is hereby made to:

(a) that certain Credit Agreement dated as of October 2, 2007 (as heretofore amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among EVERGREEN GAMING CORPORATION, a British Columbia corporation ("Borrower"), the financial and banking institutions party thereto from time to time ("Lenders") and FORTRESS CREDIT CORP., a Delaware corporation, as agent to the Lenders (together with its successors and assigns, "Agent"); and

(b) that certain Guaranty dated as of October 2, 2007 made by the Persons listed on Schedule 1 hereto (the "Guarantors" and each a "Guarantor") in favor of Agent.

All capitalized terms used and not defined herein have the respective meanings ascribed to them in the Credit Agreement.

This letter constitutes formal notice to the Guarantors that Agent has served a Notice of Default and Acceleration, dated April 1, 2009 (the "Notice of Default and Acceleration") pursuant to the Credit Agreement on the Borrower, notifying the Borrower that each of the Defaults set forth on Schedule A to the Notice of Default and Acceleration (the "Current Defaults") has occurred and is continuing and, in accordance with Section 8.1.1 of the Credit Agreement, Agent, with the consent of the Required Lenders, has declared that the Obligations are immediately due and payable in full and that the Facility Termination Date has thereby been deemed to have occurred. A copy of the Notice of Default and Acceleration (including Schedule A thereto) is attached hereto at Schedule 2.

Pursuant to Section 2.10 of the Credit Agreement, interest has accrued and shall accrue on all Obligations at the rate otherwise applicable plus 3% per annum, beginning as from October 1, 2008.

LA1 1522129

Notice of Demand under Guaranty

The amounts of the Obligations are set forth on Schedule 3 hereto as of the dates specified therein.

Pursuant to Section 1 of the Guaranty, Guarantors have, among other things unconditionally and irrevocably guaranteed, jointly and severally, to Agent and each Lender, the prompt, full, unconditional and irrevocable payment of the full and punctual payment when due of the Obligations (including without limitation, upon acceleration thereof) including, without limitation, (i) the principal of and interest on the Term Loan made to Borrower pursuant to the Credit Agreement, and (ii) all other amounts payable by Borrower or any Credit Party under the Credit Agreement and the other Loan Documents (collectively, the "Guaranteed Obligations").

Therefore, because Borrower has failed to pay, perform, and observe those terms of the Credit Agreement and the other Loan Documents requiring payment of the Obligations when due, pursuant to the Guaranty, Agent hereby demands immediate payment of the Guaranteed Obligations by Guarantors and each of them.

Agent, on behalf of itself and the Lenders, expressly reserves the right to take any and all further actions, and to exercise any and all additional rights and remedies available under the Guaranty or any of the other Loan Documents, at law, in equity or otherwise. Agent, on behalf of itself and the Lenders, does not waive and has not waived any such rights or remedies by this Notice or the Notice of Default and Acceleration or by failure to act upon any Current Default or any other Default or Unmatured Default, whether or not specified herein or in the Notice of Default and Acceleration. In addition, any failure by Agent, on behalf of itself and the Lenders, to exercise or any delay in exercising any such rights or remedies in the future is not intended to be, and shall not for any purpose, constitute a waiver of such rights or remedies, or of any Current Default or other Default or Unmatured Default. Nothing herein contained is, or shall be deemed to be, an admission of any fact, or the waiver of any right, remedy, claim, cause of action, or defense heretofore existing in favor of Agent and Lenders, all of which things are hereby reserved.

[signatures to follow]

Sincerely,

FORTRESS CREDIT CORP., as Agent

Name:

Title:



**CONSTANTINE M. DAKOLIAS
PRESIDENT**

Schedule 1

Guarantors

Washington Gaming, Inc.,
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Big Nevada, Inc.,
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

EGC Properties Ltd. (formerly Forty-Second Avenue Holdings Ltd.)
Suit 280 – 11331 Coppersmith Way
Richmond, BC VJA
Canada
Facsimile: (604) 940-1915

Frank Sisson's Silver Dollar Ltd.
Suit 280 – 11331 Coppersmith Way
Richmond, BC VJA
Canada
Facsimile: (604) 940-1915

EGC Holdings Ltd. (formerly FSSD Holdings Ltd.)
Suit 280 – 11331 Coppersmith Way
Richmond, BC VJA
Canada
Facsimile: (604) 940-1915

Gameco, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Gaming Consultants, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Gaming Management, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Schedule 1 to Notice of Demand under Guaranty

LAI 1522129

Golden Nugget Tukwila, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Hollydrift Gaming, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Little Nevada, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Little Nevada II, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Little Nevada III, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Mill Creek Gaming, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Royal Casino Holdings, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Shoreline Gaming, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Shoreline Holdings, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Schedule 1 to Notice of Demand under Guaranty

LA1 1522129

Silver Dollar Mill Creek, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Snohomish Gaming, Inc.
711 Powell Ave. SW
Renton, WA 98055
Facsimile: (425) 264-1062

Schedule 1 to Notice of Demand under Guaranty

LAI 1522129

Schedule 2

Notice of Default and Acceleration

[attached]

Schedule 2 to Notice of Demand under Guaranty

LAI 1522129



FORTRESS CREDIT CORP.

1345 AVENUE OF THE AMERICAS
46TH FLOOR
NEW YORK, NY 10105
TEL 212-798-6100

By Federal Express and E-mail

To: Norman Osatuik
Evergreen Gaming Corporation
Suite 280 – 11331 Coppersmith Way
Richmond, British Columbia V7A 5J9
E-mail: nosatuik@evergreengaming.com

Copy to: Cory Coyle
Washington Gaming, Inc.
711 Powell Ave. SW
Renton, Washington 98055
E-mail: coryc@gccasinos.com

Copy to: Shannon Rhodes/John De Lanoy
Cairncross & Hempelmann, P.S.
524 Second Ave. Suite 500
Seattle, Washington 98104
E-mail: srhodes@cairncross.com
E-mail: jdelanoy@cairncross.com

Dated: April 1, 2009

Re: Notice of Default and Acceleration ("Notice")

Dear Norm:

Reference is hereby made to that certain Credit Agreement dated as of October 2, 2007 (as heretofore amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among EVERGREEN GAMING CORPORATION, a British Columbia corporation ("Borrower"), the financial and banking institutions party thereto from time to time ("Lenders") and FORTRESS CREDIT CORP., a Delaware corporation, as agent to the Lenders (together with its successors and assigns, "Agent"). All capitalized terms used and not defined herein have the respective meanings ascribed to them in the Credit Agreement.

Pursuant to the terms of the Credit Agreement, notice is hereby given to Borrower that the Defaults set forth on Schedule A to this Notice (the "Current Defaults") have occurred and are continuing and, in accordance with Section 8.1.1 of the Credit Agreement, Agent, with the consent of the Required Lenders, hereby declares the Obligations to be immediately due and payable in full and the Facility Termination Date is deemed to have occurred.

Based upon the foregoing, Agent hereby demands that Borrower immediately pay to Agent, for the benefit of itself and the Lenders, the full amount of the Obligations as set forth herein.

Evergreen Notice of Default and Acceleration

LA1 1516989

Pursuant to Section 2.10 of the Credit Agreement, interest has accrued and shall accrue on all Obligations at the rate otherwise applicable plus 3% per annum, beginning as from October 1, 2008.

Notwithstanding the above, the Agent and Lenders require that all covenants and agreements of Borrower and the other Credit Parties contained in the Loan Documents and the Leases to which any Credit Party is a party be adhered to strictly by the Borrower and the other Credit Parties and the Borrower's and other Credit Parties' agents, partners, members, officers, employees, and representatives. Any action taken, or required action not taken, by the Borrower or the other Credit Parties or their respective agents, partners, members, officers, employees, or representatives in violation of any of the covenants and agreements which impairs or otherwise diverts or dissipates the Collateral or proceeds of the Collateral may result in the Agent and the Lenders seeking damages and restitution from the responsible individual parties.

Neither Agent nor any Lender has waived or shall be construed to have waived the Current Defaults or any other Default or Unmatured Default which may exist or arise under the Credit Agreement or any other Loan Document, whether or not such Default or Unmatured Default is specified herein. The Agent and Lenders hereby reserve all rights and remedies provided under the Credit Agreement and the other Loan Documents or by law with respect to the Current Defaults and any such other Defaults and Unmatured Defaults, including, without limitation, the right to enforce their respective rights and remedies under the Credit Agreement and all other Loan Documents.

Pursuant to Section 8.3 of the Credit Agreement, no failure on the part of Agent or any Lender to exercise, nor any partial exercise of, any power, right or privilege under the Credit Agreement or any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any Unmatured Default or Default. Furthermore, the making of any financial accommodation notwithstanding the existence of the Current Defaults or the inability of Borrower to satisfy the conditions precedent to such financial accommodations, shall not constitute any waiver or acquiescence and shall not constitute a course of dealing or create any implication that Agent or any Lender would be willing under any circumstances in the future to provide Borrower with any additional accommodations. Any waiver, amendment or other variation of the terms, conditions or provisions of the Credit Agreement or the other Loan Documents whatsoever, whether in connection with the Current Defaults or otherwise, is valid only if in writing signed by the Lenders (or Agent with the consent in writing of the Lenders) required pursuant to Section 8.2 of the Credit Agreement, and then only to the extent specifically set forth in such writing.

This Notice shall be governed by and construed in accordance with the Credit Agreement, the other Loan Documents and the internal laws of the State of New York, without regard to conflict of law principles.

[signatures to follow]

Sincerely,

FORTRESS CREDIT CORP., as Agent



Name: **CONSTANTINE M. DAKOLIAS**
Title: **PRESIDENT**

Acknowledged and Agreed by:

FORTRESS CREDIT OPPORTUNITIES I LP,
as a Lender

By: **FORTRESS CREDIT OPPORTUNITIES**
I GP LLC, its General Partner



Name: **CONSTANTINE M. DAKOLIAS**
Title: **PRESIDENT**

FORTRESS CREDIT FUNDING II LP,
as a Lender

By: **FORTRESS CREDIT FUNDING**
II GP LLC, its General Partner



Name: **CONSTANTINE M. DAKOLIAS**
Title: **PRESIDENT**

Signature Page 1 of 1 to Evergreen Notice of Default and Acceleration

LA1 1516989

Schedule A

CURRENT DEFAULTS

Payment Defaults

- The failure of Borrower to pay the principal due and payable on March 31, 2009, as required pursuant to Section 2.1.2 of the Credit Agreement.
- The failure of Borrower to pay all interest due and payable by, respectively, November 6, 2008, December 4, 2008, January 7, 2009, February 5, 2009 and March 5, 2009, which are the dates that are within three Business Days after each Interest Payment Date, as required pursuant to Section 2.14 of the Credit Agreement.
- The failure of Borrower to timely pay the fees and expenses of Agent and Lenders, as required pursuant to Section 9.6 and Section 10.12.2 of the Credit Agreement.

Operations Defaults

- The failure by the Borrower to satisfy the financial covenants set forth in Sections 6.23.1 and 6.23.2 of the Credit Agreement for each of the Fiscal Quarters ending June 30, 2008, September 30, 2008, and December 31, 2008.
- The failure by the Borrower and its Subsidiaries to timely pay certain gaming taxes as required by Section 6.5 of the Credit Agreement.

Reporting Defaults

- The failure of Borrower to deliver the financial information for the Fiscal Quarter ended December 31, 2008 within 45 days after the close of such Fiscal Quarter, as required pursuant to Section 6.1.2 of the Credit Agreement.
- The failure of Borrower to deliver the compliance certificate for the Fiscal Quarter ended December 31, 2008, as required pursuant to Section 6.1.3.1 of the Credit Agreement.
- The failure of Borrower to deliver the plan and forecast for the Fiscal Year ended December 31, 2008 within 30 days after the close of such Fiscal Year, as required pursuant to Section 6.1.4 of the Credit Agreement. Borrower provided a projected income statement but did not provide a projected balance sheet or funds flow statement.
- The failure of Borrower to deliver copies of public filings and reports, as required pursuant to Section 6.1.8 of the Credit Agreement.
- The failure of Borrower to deliver good standing certificates, as required pursuant to Section 6.1.9 of the Credit Agreement.

- The failure of Borrower to provide notice of the Defaults listed on this Schedule A, as required by Section 6.1.10 of the Credit Agreement.
- The failure of Borrower to provide the reports and such other information regarding insurance, as required by Section 6.1.12 of the Credit Agreement.

Schedule 3

Obligations Balance

Obligation Description	Obligation Amount
Outstanding Principal Balance as of 31 March, 2009	US\$27,267,500.00
All regularly accrued and unpaid interest as of March 31, 2009	US\$1,745,066.00
All accrued and unpaid Default Interest as of March 31, 2009	US\$414,587.00
The accrued and unpaid fee due to the Agent under <u>Section 10.12.2</u> of the Credit Agreement on January 1 2009	US\$2,500.00
All fees and expenses due and owing by the Credit Parties to Agent and Lenders (including (a) payment to Agent of US\$54,472.77 in fees and expenses paid and to be paid in advance by Agent to McCarthy Tétrault LLP as of March 30, 2009, (b) payment of US\$673,273.06 in fees and expenses paid and to be paid in advance by Agent to Sidley Austin LLP as of March 30, 2009, (c) payment of US\$1,750 in fees and expenses to be paid to Pinnacle Gaming Services, and (d) <u>less</u> Borrower's payment to Agent for fees and expenses due in the amount of US\$50,000 on March 31, 2009)	US\$679,495.83
TOTAL	\$30,109,148.83

Schedule 3 to Notice of Demand under Guaranty

LA1 1522129