

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (this “**Agreement**”) is made and entered into as of the 13th day of October, 2010 by and among RIH ACQUISITIONS NJ, LLC, a New Jersey limited liability company and RIH PROPCO NJ, LLC, a New Jersey limited liability company (collectively, “**Seller**”), and NEW NUGGET GAMING, LLC, a New Jersey limited liability company (“**Buyer**”). Seller and Buyer are sometimes referred to herein individually as a “**Party**”, and collectively as the “**Parties**”.

RECITALS

A. Seller is the owner of certain real estate and business assets used in connection with the operation of that certain casino hotel complex in Atlantic City, New Jersey known as the Atlantic City Hilton (the “**AC Hilton**”).

B. Seller wishes to sell and Buyer wishes to buy those assets owned by Seller and used in connection with the operation of the AC Hilton in accordance with the terms and conditions set forth herein.

AGREEMENTS

In consideration of the covenants and agreements contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Recitals Incorporated.** All Recitals to this Agreement are fully incorporated herein and made a part hereof.

2. **Sale and Transfer of the Assets to Buyer.**

2.1 Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined) Seller will sell, transfer, assign and convey to Buyer, and Buyer shall purchase and accept from Seller, all of Seller’s right, title and interest in and to all of the assets of Seller used in connection with the operation of the AC Hilton, including, without limitation, the following real and personal property, but excluding the Excluded Assets, as that term is defined in Section 2.2 (collectively hereinafter referred to as the “**Assets**”), free and clear of all liens, claims and encumbrances, except for those liens, claims and encumbrances set forth on Schedule 2.1(a)-2 (with respect to the Property) and Permitted Encumbrances.

(a) **Real Property.** Those certain parcels of real property, as more fully described on Schedule 2.1(a)-1 attached hereto (the “**Property**”), by recordable deeds (the “**Deeds**”), in the form attached hereto as Exhibit A, subject only to the matters set forth on Schedule 2.1(a)-2 attached hereto, including, without limitation, all right, title and interest in and to all easements, rights (including without limitation air space and riparian rights), privileges, and appurtenances to the Property relating thereto and all streets, alleys and other public ways adjacent thereto, and all buildings, fixtures, structures and improvements situated on the Property and the real property covered by the Ground Leases.

(b) Ground Leases. Those certain leases for real property used in connection with the operation of the AC Hilton under which Seller is the ground “tenant” or “lessee” with respect thereto, which leases are listed on the Schedule 2.1(b)-1 attached hereto (the “**Ground Leases**”), by assignment of leases (the “**Assignment of Leases (Tenant or Lessee Interests)**”) in the form attached hereto as Exhibit B.

(c) Personal Property. All of Seller’s right, title, and interest in and to all of the fixtures and personal property used in connection with the operation of the AC Hilton, wherever located, including but not limited to all furniture, fixtures, equipment and inventory, as more fully described on Schedule 2.1(c) attached hereto (sometimes collectively referred to herein as “**Personal Property**”) by warranty bill of sale (the “**Bill of Sale**”) in the form attached hereto as Exhibit C.

(d) Accounts Receivable. All accounts receivable, including, without limitation, all rebates and refunds owing to Seller as of the Closing Date with respect to periods ending on or prior to the Closing Date (“**Accounts Receivable**”), by assignment (the “**Assignment of Accounts Receivable**”) in the form attached hereto as Exhibit D.

(e) Assigned Contracts. Those agreements, contracts, licenses, leases, instruments, notes, bonds, obligations, mortgages, indentures, guarantees, purchase orders, letters of credit or other legally binding commitment of Seller relating to the ownership and operation of the AC Hilton and the Assets, each as amended or modified through the date hereof, as set forth on Schedule 2.1(e) (“**Assigned Contracts**”), by assignment (the “**Assignment of Contracts**”) in the form attached hereto as Exhibit E.

(f) Leases. All of Seller’s right, title, and interest in and to those certain leases under which Seller is the landlord or lessor, including without limitation those leases listed on Schedule 2.1(f) attached hereto (sometimes collectively referred to herein as the “**Leases**”), by assignment of leases (the “**Assignment of Leases (Non-Recordable Leases)**”) in the form attached hereto as Exhibit F, including all security deposits, if any, paid by each tenant under the Leases and held or controlled by Seller as of the Closing Date (collectively, the “**Security Deposits**”).

(g) Licenses, Permits and Other Property. To the extent permitted by law, all of Seller’s right, title and interest in and to all licenses and permits relating to the operation of the AC Hilton, including without limitation, those certain licenses, permits, and other property listed on Schedule 2.1(g) attached hereto (sometimes collectively referred to herein as “**Licenses, Permits and Other Property**”) by assignment (the “**Assignment of Licenses and Permits and Other Property**”) in the form attached hereto as Exhibit G.

(h) Intangibles. All of Seller’s right, title and interest in and to all of the trademarks, trade names, servicemarks, copyrights and any applications therefor, domain names, website content and other intangible property used or useful in connection with the operation of the AC Hilton, in Seller’s possession or control but excluding the AC Hilton IP (as defined below) (sometimes collectively referred to herein as “**Intangibles**”), by assignment of intangible property (the “**Assignment of Intangibles**”) in the form attached hereto as Exhibit H.

(i) AC Hilton Intellectual Property. Subject to receiving the requisite consents from Hilton Inns (as defined below) Seller's right to use the "Atlantic City Hilton" and "Hilton" name and marks (including, all trademarks, servicemarks, logos and copyrights related thereto) and other intellectual property rights (the "**AC Hilton IP**") and all other rights of Seller under that certain License Agreement between Seller and RIH Acquisitions NJ, LLC and Hilton Inns, Inc. ("**Hilton Inns**"), dated as of April 26, 2005 (the "**Hilton License Agreement**"), as amended by that certain Mutual Termination Agreement between RIH Acquisitions NJ, LLC and HLT Existing Franchise Holding LLC, successor-in-interest to Hilton Inns, dated as of July 30, 2010 (the "**Hilton Termination Agreement**"), copies of which are attached hereto as **Exhibit I**, by assignment of license agreement (the "**Assignment of License Agreement**") in the form attached hereto as **Exhibit J**.

(j) Cash and Cash Equivalents. Cash or cash equivalents owned by Seller or otherwise located at the AC Hilton (including, without limitation, the cash in the slot machines, at the gaming tables and in the cashiers' cages on the casino floor of the AC Hilton, those amounts on deposit with banks or other financial institutions, and any other cash or cash equivalents used in connection with the operation of the AC Hilton, wherever located), in an aggregate amount which does not exceed EIGHT MILLION DOLLARS (\$8,000,000). For the avoidance of doubt, any and all cash and cash equivalents owned by Seller in an aggregate amount which exceeds EIGHT MILLION DOLLARS (\$8,000,000) shall not be transferred to Buyer and shall remain the property of Seller after the Closing (the "**Excluded Cash**").

(k) Books and Records. All files, books and records, whether in hard copy, electronic or otherwise, of Seller relating to the ownership and operation of the AC Hilton and the Assets, including without limitation, customer and supplier files, equipment and property maintenance records, warranty information, specifications and drawings, and correspondence with federal, state and local governmental agencies.

(l) Claims. All of Seller's claims, refunds, causes of action, choses in action, rights of recovery and rights of setoff of any kind relating to the AC Hilton.

(m) Other Assets. All other assets, properties, and rights of every kind related to the ownership and operation of the AC Hilton, known or unknown, fixed or unfixed, tangible or intangible, accrued, absolute, contingent or otherwise.

2.2 **Excluded Assets**. Notwithstanding anything to the contrary contained in Section 2.1 or elsewhere in this Agreement, Seller shall not sell, assign, transfer, convey or deliver to Buyer, and Buyer shall not purchase, acquire, assume and accept, and the Assets shall not include, any of Seller's right, title and interest in and to the following assets of Seller (collectively, the "**Excluded Assets**"), which shall remain the property of Seller after the Closing:

(a) All rights of Seller relating to Seller's business interruption claim against Lexington Insurance Company, the ACE Group and Lloyd's, and all proceeds heretofore or hereafter paid to Seller in respect thereof, including all amounts with respect thereto held or received by U.S. Bank, National Association, as Trustee for the Benefit of the Holders of ■■■, Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through

Certificates, Series 2007-FL1, and for the Holders of the Non-Trust Partition Interests (the “**Lender**”);

(b) All rights of Seller relating to Seller’s casualty loss claim against Lexington Insurance Company, The ACE Group and Lloyd’s arising out of the damage to multiple restaurants at the AC Hilton caused by a drain pipe failure during a thunderstorm in late August 2009 (the “**Casualty**”) and all proceeds thereof payable on or after the date of this Agreement;

(c) all claims against third parties relating to the Excluded Assets, whether choate or inchoate, known or unknown, contingent or non-contingent;

(d) all Contracts that are not Assigned Contracts (collectively, the “**Excluded Contracts**”);

(e) the Excluded Cash; and

(f) any amounts for which Seller shall be reimbursed, or any tax refunds to which Seller is entitled, pursuant to Section 12.3(b).

2.3 **Assumption of Liabilities.** Except as specifically provided in Section 2.4, effective as of the Closing Date, Buyer shall assume, agree to pay and discharge when due all of the obligations and liabilities of Seller arising from or related to the AC Hilton with respect to periods prior to the Closing (collectively, the “**Assumed Liabilities**”), which include but are not limited to:

(a) all liabilities of Seller under each of the Ground Leases and each of the Leases, to the extent such liabilities arise or accrue after the Closing Date, excluding any liabilities arising as a result of any breach by Seller occurring prior to the Closing Date;

(b) all liabilities of Seller under the Assigned Contracts, including accounts payable and excluding any liabilities arising as a result of any breach by Seller occurring prior to the Closing Date of such Assigned Contract;

(c) all liabilities of Seller under Environmental Laws relating to the Assets or the AC Hilton;

(d) except for transfer taxes and other transfer fees for which Seller may be responsible under Section 12.3, all liabilities of Seller for any taxes that relate to or arise from the operation of the AC Hilton or the ownership of the Assets with respect to taxable periods (or portions thereof) beginning after the Closing Date (except for any taxes imposed upon Seller or any member of Seller);

(e) all liabilities of Seller arising under Seller’s employee benefit plans to the extent set forth on Schedule 2.3(e);

(f) all liabilities of Seller with respect to employees of the AC Hilton for payroll, wages, and payroll related taxes;

- (g) all liabilities of Seller to Seller's customers; and
- (h) all accounts payable of Seller existing at the Closing Date.

2.4 **Excluded Liabilities.** Buyer shall not assume or be liable for, and Buyer shall not be obligated to pay, perform or otherwise discharge any of the following obligations or liabilities of Seller (collectively, the "**Excluded Liabilities**"):

(a) any obligation or liabilities of Seller to the extent relating to any Excluded Assets;

(b) all liabilities for any taxes (A) that may be imposed by any Governmental Body on the ownership, sale, operation or use of the AC Hilton or the Assets for taxable periods or portions thereof ending on or prior to the Closing Date, (B) that relate to or arise from the AC Hilton or the Assets with respect to taxable periods (or portions thereof) ending on or prior to the Closing Date, or (C) imposed on Seller or any member of Seller; and

(c) all liabilities of Seller (including all brokers and attorneys fees) to the extent arising from the execution, delivery or performance of this Agreement, including any transfer taxes for which Seller may be responsible under Section 12.3.

3. **Regulatory Approvals.**

3.1 Buyer acknowledges and understands that the Assets being purchased hereunder and the business operation of the AC Hilton are subject to intensive regulatory oversight by the New Jersey Casino Control Commission ("**CCC**") and the New Jersey Division of Gaming Enforcement ("**DGE**"). The CCC and DGE are sometimes hereafter referred to individually as a "**Gaming Authority**" or collectively as the "**Gaming Authorities**". Buyer shall use its best efforts to promptly take, or cause to be taken, all appropriate action and do or cause to be done all things necessary, proper or advisable under applicable law in order for Buyer to fulfill and perform its obligations with respect to this Agreement and in particular with respect to obtaining the Gaming Authorities' approval of this transaction and Buyer's licensure by the Gaming Authorities, so as to permit the closing of Buyer's purchase of the Assets hereunder on or before December 31, 2010.

3.2 If necessary, Buyer shall file, as promptly as practicable, but in no event later than fifteen (15) days from the date hereof, any required petition for declaratory rulings ("**Declaratory Rulings**") from the CCC relating to required applications for Interim Casino Authorization ("**ICA**") pursuant to New Jersey Statutes Annotated 5:12-95.12, et seq.

3.3 Buyer shall, as promptly as possible, but in no event later than (i) fifteen (15) days from the date of issuance of any Declaratory Ruling by the CCC, or (ii) if Buyer has not filed for Declaratory Ruling under Section 3.2 above, then within thirty (30) days of the date hereof ((i) or (ii), as applicable, the "**ICA Filing Deadline**"), file a completed application for, and a petition seeking ICA ("**ICA Petition**") from the CCC which ICA shall permit the consummation of this transaction and the ownership of the Assets by Buyer. The Declaratory Ruling and the ICA are hereinafter sometimes individually referred to as the "**Gaming Approval**" and collectively referred to as the "**Gaming Approvals**".

3.4 Buyer will notify Seller of receipt of all comments or requests from any Gaming Authority that relate to the Gaming Approvals, and will supply Seller with copies of all correspondence (other than to the extent of privileged or, in the good faith determination of Buyer, confidential, personal information) between Buyer or any of its representatives and Gaming Authorities with respect to the Gaming Approvals. Buyer agrees to promptly advise Seller upon receiving any communication from any Gaming Authority that causes Buyer to believe that there is a reasonable likelihood that any Gaming Approval required from the Gaming Authorities will not be obtained within the timeframe set forth in this Agreement or that receipt of any such approval will be materially delayed. Seller shall reasonably cooperate in connection with Buyer's efforts to obtain the Gaming Approvals, including, without limitation, in connection with any filing or submission and with any investigation or other inquiry.

3.5 In the event that (a) either (i) the ICA is not issued, or (ii) Buyer withdraws the ICA Petition, in each case prior to December 31, 2010, or (b) the application and ICA Petition are denied by the Gaming Authorities in a final non-appealable order (each of such events being herein called a "**Termination Event**"), either Seller or Buyer may terminate this Agreement in accordance with Section 16.1(f).

4. **Purchase Price.**

4.1 As consideration for the sale, assignment, transfer, conveyance and delivery of the Assets by Seller to Buyer and the assumption by Buyer of the Assumed Liabilities, Buyer shall pay to Seller as follows the aggregate purchase price (the "**Purchase Price**") of (a) if, and only if, the Closing occurs on or before November 30, 2010 ("**Early Closing Deadline**"), the sum of FORTY SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$47,500,000), or (b) if the Closing occurs after November 30, 2010 and on or before December 31, 2010 ("**Late Closing Deadline**"), the sum of (i) FIFTY MILLION DOLLARS (\$50,000,000).

(a) **Deposit.** A deposit in the amount of TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000; the "**Deposit**") to be paid, upon the execution and delivery of this Agreement by all parties hereto, by Buyer to and held by McCarter & English, LLP, as escrow agent ("**Escrow Agent**"), in accordance with the terms and conditions of an Escrow Agreement, in the form attached hereto as **Exhibit K** ("**Escrow Agreement**") to be entered into by and among the Escrow Agent, Buyer and Seller upon the execution and delivery of this Agreement by all parties hereto. The refundability and non-refundability of the Deposit, and all interest accrued thereon, shall be as provided in Section 16.3. The Deposit is to be held by the Escrow Agent, in accordance with the terms of the Escrow Agreement, in an interest-bearing account with all interest thereon accruing to the benefit of Buyer pursuant to the terms of the Escrow Agreement. At the Closing, unless otherwise provided herein, Escrow Agent shall (i) deliver to Seller, as a credit against the Purchase Price, the Deposit and (ii) deliver to Buyer all interest accrued on the Deposit, in each case in accordance with the terms of the Escrow Agreement.

(b) **Closing Payment.** The balance of the Purchase Price (after credit for the Deposit amount paid by the Escrow Agent in accordance with Section 4.1(a)) shall be paid to Lender (as directed by Seller prior to Closing) in cash or other same day funds at the

Closing in accordance with Exhibit F of that certain Settlement Agreement, dated as of the date hereof, by among Seller, certain of Seller's affiliates, and Lender.

5. **Due Diligence Period.**

5.1 **Due Diligence.** For a period of ten (10) business days after the date of this Agreement (with such period expiring at 5:00 p.m. on the (10th) business day following the date of this Agreement) (the "**Due Diligence Period**"), Buyer shall, subject to Section 5.2 hereof, have the right to conduct such inspections and investigations of the Assets and business of Seller related to the ownership and operation of the AC Hilton, as Buyer deems necessary, including but not limited to environmental, structural and engineering inspections.

5.2 **Access to Information and the Property.** Upon reasonable prior notice by Buyer to Seller, during the Due Diligence Period, Seller shall provide Buyer and its representatives with reasonable access, during normal business hours, to the Assets, the general manager and other senior managers of the AC Hilton and the financial books and records of Seller relating to the Assets and the ownership and operation of the AC Hilton, to the extent reasonably requested by Buyer in connection with the Buyer's due diligence investigation of the Assets and the AC Hilton.

6. **Confidentiality.** Contemporaneously with the execution of this Agreement, Buyer and Seller shall each execute and deliver to each other a confidentiality agreement ("**Confidentiality Agreement**") in the form attached hereto as **Exhibit L.**

7. **Closing.** Subject to the terms and conditions of this Agreement, unless terminated prior thereto in accordance with the terms hereof, the Closing of the transactions contemplated herein shall be held on a date and time as specified by Buyer in writing to Seller at least ten (10) days prior to the specified date, which specified date ("**Closing Date**") shall be no later than the earlier of (i) December 31, 2010, or (ii) ten (10) calendar days after the satisfaction or waiver of the conditions set forth below in Section 13.1 and Section 13.2 (other than those conditions intended to be satisfied or waived at the Closing). The Closing shall take place at the offices of Wolff & Samson PC, One Boland Drive, West Orange, New Jersey at 10:30 a.m. local time, or at such other time or place as mutually agreed.

8. **Assumption of Liabilities.** On the Closing Date, Buyer shall assume only the Assumed Liabilities. Except for the Assumed Liabilities, Seller shall retain and Buyer is not, and shall not be deemed to be, assuming, liable or responsible for, or taking the Assets subject to, any liabilities of Seller or its affiliates, of any kind or nature whatsoever, whether known or unknown, fixed or contingent.

9. **Seller's Representations, Warranties and Covenants.** As used in this Section 9, references to "Seller's knowledge" and "knowledge of Seller" shall mean the actual knowledge of each of the individuals set forth on **Schedule 9.** Except, with respect to any representations and warranties set forth in this Section 9, with respect to any facts, circumstances or events known to Nicholas L. Ribis, Seller represents, warrants and covenants to Buyer as follows:

9.1 Title to Property. Except as set forth on Schedule 9.1-A attached hereto, Seller holds fee simple title to the Property, free and clear of all liens, claims and encumbrances (other than Permitted Encumbrances). Seller shall convey to Buyer at Closing marketable fee simple title to the Property, free and clear of all liens, claims and encumbrances, other than Permitted Encumbrances and except as set forth on Schedule 9.1-B attached hereto.

9.2 Ground Leases. Seller is, pursuant to the Ground Leases, the sole ground tenant of the real property described in the Ground Leases and shall transfer to Buyer at Closing all of its leasehold interest in such Ground Leases, free and clear of all liens, claims and encumbrances, other than Permitted Encumbrances.

9.3 Liens. Except as set forth on Schedule 9.3 attached hereto, Seller has not previously sold, transferred, assigned, pledged or encumbered by lien (either voluntarily or involuntarily) any of its right, title, and interest in and to the Personal Property, Accounts Receivable, Assigned Contracts, Intangibles and other Assets and holds good and valid title to the Personal Property, Accounts Receivable, Assigned Contracts, Intangibles and other Assets, free and clear of all liens, claims and encumbrances (other than Permitted Encumbrances).

9.4 Existence and Powers; No Conflict. Seller is a limited liability company, validly existing and in good standing under the laws of the State of New Jersey, has the power and authority to own or lease its properties and to carry on its business as now being conducted, and has all requisite power and authority to enter into, deliver and perform this Agreement and the other agreements contemplated hereby. The execution, delivery, and performance of this Agreement and the other agreements contemplated hereby by Seller have been duly and validly authorized, and, subject to the receipt of all required approvals contemplated by this Agreement, no other action is required with respect thereto. Assuming the due execution and delivery by Buyer of this Agreement and the other agreements contemplated hereby, this Agreement and the other agreements contemplated hereby constitute the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity. Neither execution and delivery of this Agreement or the other agreements contemplated hereby by Seller, nor the compliance by Seller with the respective terms hereof and thereof: (i) will breach any laws, rules or regulations; (ii) will conflict with, result in a breach of or constitute a default (or an event which, with notice or lapse of time, or both, would become a default) under, any of the terms, conditions or provisions of, any judgment, order, arbitration, injunction, decree or ruling of any court or governmental authority to which Seller or any Asset is subject, Seller's governing documents, or any contract, commitment, arrangement, or agreement to which Seller is party or by which Seller or any of the Assets may be bound, other than, in the case of (i) and (ii) above, as would not reasonably be expected to have a Material Adverse Effect.

9.5 Security Deposits. All Security Deposits held by, or under the control of, Seller, as of the date of this Agreement, are set forth on Schedule 9.5 attached hereto.

9.6 Leases. With respect to the Leases: (i) the Leases are the only leases or other agreements for use, occupancy or possession presently in force with respect to all or any portion of the Property or the real property subject to the Ground Leases, except for non-

possessory rights of transient guests of the AC Hilton; (ii) the information set forth on the rent roll ("**Rent Roll**") attached as Schedule 9.6-A hereto is, in all material respects, true, complete and correct; (iii) the Leases are all presently in full force and effect, have not been modified, supplemented or amended, and are the entire agreement between the Assignor and the "lessees" or "tenants" thereunder; (iv) there are no rentals which have been paid under any of the Leases more than one (1) month in advance; (v) there are no options in favor of the "lessees" or "tenants" under any of the Leases to purchase all or any portion of the Property or any interest in the Ground Leases except as may be set forth in each Lease; (vi) there are no leasing, rental, brokerage or other commissions, charges or fees payable with respect to, and no options in favor of the "lessees" or "tenants" to renew or extend the term of, any of the Leases, except as maybe set forth in the Leases; (vii) except as may be set forth in each Lease, the Leases contain no restrictions on the assignment thereof by the "landlord" or "lessor" thereunder and no consent(s) is required for the assignment set forth herein; and (viii) no security deposits or equivalent have been paid or deposited with respect to any of the Leases, except as expressly set forth on Schedule 9.6-B attached hereto.

9.7 Environmental Compliance and Condition. To Seller's knowledge, (a) Seller has complied in all material respects with, and is not in material violation of, any federal, state or local law, statute, legislation, ordinance, code, rule, regulation, decree, award, order, permit, franchise, consent or authorization of, any governmental authority (collectively, "**Legal Requirements**") in any way applicable to or governing air and water quality, soil and subsurface strata, the generation, transport, storage, treatment, handling, release, discharge and disposal of solid wastes or hazardous wastes, hazardous substances, toxic substances or pollutants, or any other Legal Requirements relating to the environment or human safety or health (collectively, "**Environmental Laws**"), and (b) Seller has, in all material respects, complied with, and possesses all material permits required in connection with, all Environmental Laws pertaining to the ownership, use and operation of the real property owned, leased or operated by Seller and the conduct of Seller's business.

9.8 Insurance Claims. Except as set forth on Schedule 9.8, there are no insurance claims pending against or in favor of Seller which pertain to ownership, operation, use, maintenance or leasing of the Assets. Prior to the Closing, Seller shall have the right to deliver an updated Schedule 9.8, and the matters set forth on such updated Schedule 9.8 shall be deemed disclosed for purposes of determining satisfaction of the condition set forth in Section 13.2(a).

9.9 Litigation. Except as set forth on Schedule 9.9 attached hereto, as of the date of this Agreement, there are no actions, judgments, suits, proceedings, arbitrations, investigations or inquiries pending or, to the knowledge of Seller, threatened against or affecting Seller or the Assets or questioning the validity of any actions taken in connection with the implementation of the provisions of this Agreement, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, agency, court or instrumentality, domestic or foreign, in each case, other than as would not reasonably be expected to result in a Material Adverse Effect. There are no material judgments, decrees, injunctions, or orders of any Governmental Entity or arbitrator outstanding against Seller or the Assets. To Seller's knowledge, except as set forth on Schedule 9.9 attached hereto, Seller has complied, in all material respects, with all applicable statutes and regulations of all governmental authorities and agencies having jurisdiction over Seller.

9.10 Conduct of the Business. Prior to the Closing, Seller shall operate and conduct the business of the AC Hilton in the ordinary course of business and in accordance with the operating budget set forth on Schedule 9.10 attached hereto, including, without limitation, with respect to the approval of any operating budget, and shall not, without the prior written consent of Buyer (provided, nothing in this Agreement shall restrict Seller from making any payments contemplated by the Hilton Termination Agreement):

(a) distribute, set aside, or otherwise withdraw, any cash or cash equivalents owned by Seller relating to the AC Hilton or otherwise located at the AC Hilton, including without limitation, any cash, negotiable instruments, or other cash equivalents located in operating accounts held by Seller, cages, vaults, drop boxes, slot machines and other gaming devices, cash on hand for any petty cash fund and cashiers' banks, coins and slot hoppers, carousels, or otherwise, or any money stored on deposit belonging to, and stored in an account for, any person (in each case, other than Excluded Cash), other than disbursements in the ordinary course of business to employees, customers and third parties, and at the Closing, there shall be no less than the minimum amount of all such funds described in this Section 9.10(a) as required by applicable law, rules and regulations;

(b) make any sale, assignment, transfer, abandonment or other conveyance of any material portion of the Assets; or

(c) fail to keep in full force and effect insurance with respect to the Assets, the Property, the real property subject to the Ground Leases and the AC Hilton or any operations thereof.

9.11 Consents. Seller shall use its commercially reasonable efforts to obtain, at its no cost and expense to Seller (other than immaterial administrative costs), all third party consents required in connection with the transaction contemplated by this Agreement.

9.12 Accrued Payroll. As of the date of this Agreement, Seller has no accrued liabilities with respect to employees of the AC Hilton for payroll, wages, and payroll related taxes, except with respect to bonuses and accrued liabilities with respect to the period commencing on the day immediately following the last day of the last payroll period ended prior to the date hereof through and including the date hereof.

9.13 Assignment of Contracts and Warranties. At the Closing and effective as of the Closing Date, Seller shall assign to Buyer all its rights under the Assigned Contracts. Notwithstanding the foregoing, no Assigned Contract shall be assigned contrary to law or the terms of such Assigned Contract and, with respect to Assigned Contracts that cannot be assigned to Buyer at the Closing Date, the performance obligations of Seller thereunder shall, unless not permitted by such Assigned Contract, be deemed to be subleased or subcontracted to Buyer until such Assigned Contract has been assigned; provided, Buyer acknowledges that the Hilton License Agreement may not be assigned, subleased or subcontracted without the prior consent of Hilton Inns. Buyer shall use commercially reasonable efforts to assist Seller in obtaining any necessary consents to such subleases and subcontracts. Seller shall use commercially reasonable efforts to obtain all necessary consents and Buyer shall take all necessary actions to perform and complete all Assigned Contracts in accordance with their terms if neither assignment, subleasing

nor subcontracting is permitted by the other party, and Seller shall, as promptly as practicable, pay over to Buyer any amounts received by Seller after the Closing Date as a result of performance by Buyer of any such Assigned Contracts.

9.14 Further Assurances. Seller shall execute and deliver all such further conveyances, assignments, confirmations, satisfactions, instruments of further assurance, approvals, consents, title affidavits and other instruments and documents as may be reasonably necessary or requested by Buyer, expedient or proper in order to complete any and all conveyances, transfers, sales and assignments contemplated herein.

10. **Buyer's Representations, Warranties and Covenants**. As used in this Section 10, references to "Buyer's knowledge" and "knowledge of Buyer" shall mean the actual knowledge of each of the members and managers (and the members and managers of each of the foregoing) of Buyer. Buyer represents, warrants and covenants to Seller as follows:

10.1 License Qualifications. Except as set forth in Schedule 10.1, neither Buyer, nor any of its officers, directors, principals or affiliates which may reasonably be considered in the process of determining the suitability of Buyer (any such Persons, the "Licensing Affiliates") has ever been denied, or had revoked, a gaming license by a Governmental Entity or Gaming Authority. Buyer and each of its Licensing Affiliates which are licensed (collectively, the "Licensed Parties") are in good standing in each of the jurisdictions in which the Licensed Parties owns or operates gaming facilities. There are no facts, which if known to the regulators under the Gaming Laws, would (a) be reasonably likely to result in the denial, revocation, limitation or suspension of a gaming license or (b) result in a negative outcome to any finding of suitability proceedings currently pending, or under the suitability proceedings necessary for the consummation of this Agreement.

10.2 Existence and Powers; No Conflict. Buyer is validly existing and in good standing under the laws of the State of New Jersey, has the power and authority to own or lease its properties and to carry on business as now being conducted, and has all requisite power and authority to enter into, deliver and perform this Agreement and the other agreements contemplated hereby. The execution, delivery, and performance of this Agreement and the other agreements contemplated hereby by Buyer have been duly and validly authorized, and no other action is required with respect thereto. Assuming the due execution and delivery by Seller of this Agreement and the other agreements contemplated hereby, this Agreement and the other agreements contemplated hereby constitute the legal, valid, and binding obligation of Buyer, enforceable against Buyer in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors' rights in general and subject to general principles of equity. Neither execution and delivery of this Agreement or the other agreements contemplated hereby by Buyer, nor the compliance by Buyer with the respective terms hereof and thereof: (i) will, to Buyer's knowledge, breach any laws, rules or regulations; (ii) will conflict with, result in a breach of or constitute a default (or an event which, with notice or lapse of time, or both, would become a default) under, any of the terms, conditions or provisions of, any judgment, order, arbitration, injunction, decree or ruling of any court or governmental authority to which Buyer is subject, Buyer's governing documents, or any contract, commitment, arrangement, or agreement to which Buyer is party or by which Buyer may be bound.

10.3 Disclosure. No representation or warranty made by Buyer in this Agreement (including the Schedules hereto) and no statement made in any certificate or document furnished or to be furnished by Buyer in connection with the transactions contemplated by this Agreement contains or will contain as of the date made and as of the Closing Date any untrue statement of a material fact or omits or will omit to state any material fact necessary to make such representation, warranty or statement not misleading to Seller.

10.4 Litigation. Except as set forth on Schedule 10.4 attached hereto, there are no actions, judgments, suits, proceedings, arbitrations, investigations or inquiries pending or, to the knowledge of Buyer, threatened against or affecting Buyer or questioning the validity of any action taken in connection with the implementation of the provisions of this Agreement, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, agency, court or instrumentality, domestic or foreign. There are no material judgments, decrees, injunctions, or orders of any governmental entity or arbitrator outstanding against Buyer. Buyer does not know or have reasonable grounds to know of any factors or circumstances which might be the basis of any action, suit or proceeding; and, to Buyer's knowledge, except as set forth on Schedule 10.4 attached hereto, Buyer has complied with all applicable statutes and regulations of all governmental authorities and agencies having jurisdiction over Buyer.

10.5 Financial Condition. As of the date hereof, Buyer has, and at Closing Buyer will have, sufficient cash and cash equivalents on hand to complete the purchase of the Assets without third-party financing and has provided evidence of such financial condition to Seller.

10.6 Brokers. Neither Buyer nor any of its representatives have employed any broker, financial advisor or finder or incurred any liability for any brokerage fees, commissions or finder's fees in connection with the transaction contemplated by this Agreement, except as set forth on Schedule 10.6 and the fees and expenses of which will be paid by Buyer.

10.7 Compliance with Gaming Laws.

(a) Each of the Licensed Parties, and to Buyer's knowledge, each of the Licensed Parties' directors, officers, key employees and Persons performing management functions similar to officers and partners hold all permits, registrations, findings of suitability, licenses, variances, exemptions, certificates of occupancy, orders and approvals of all governmental entities under the Gaming Laws necessary to conduct the business and operations of the Licensed Parties, each of which is in full force and effect in all material respects (the "Buyer Permits") and no event has occurred which permits, or upon the giving of notice or passage of time or both would permit, revocation, non-renewal, modification, suspension, limitation or termination of any Buyer Permit that currently is in effect the loss of which either, individually or in the aggregate, would be reasonably likely to materially impair or delay the Closing. Each of the Licensed Parties, and to the knowledge of Buyer, each of the Licensed Parties' directors, officers, key employees and Persons performing management functions similar to officers and partners are in compliance with the terms of Buyer Permits, except for such failures to comply, which singly or in the aggregate, would, individually or in the aggregate, be reasonably likely to materially impair or delay the Closing. Neither Buyer nor any of its

Licensing Affiliates has received notice of any investigation or review by any Governmental Entity under any Gaming Law with respect to Buyer or any of its Licensing Affiliates that is pending, and, to the knowledge of Buyer, no investigation or review is threatened, nor has any Governmental Entity indicated any intention to conduct the same.

(b) Except as set forth in Schedule 10.7(b), no Licensed Parties, and no director, officer, key employee or partner of the Licensed Parties has received any written claim, demand, notice, complaint, court order or administrative order from any Governmental Entity in the past three (3) years under, or relating to any violation or possible violation of any Gaming Laws which did or would be reasonably likely to result in fines or penalties of Fifty Thousand Dollars (\$50,000) or more. To the knowledge of Buyer, there are no facts, which if known to the regulators under the Gaming Laws could reasonably be expected to result in the revocation, limitation or suspension of a material license, finding of suitability, registration, permit or approval of the Licensed Parties, or any of their officers, directors, key employees or Persons performing management functions similar to an officer or partner, or limited partner under any Gaming Laws. No Licensed Parties, and no officer, director, key employee or person performing management function similar to an officer or partner of the Licensed Parties, has suffered a suspension or revocation of any Buyer Permit held under the Gaming Laws.

10.8 Reservations; Loyalty Program; Guests.

(a) Reservations. Buyer will honor the terms and rates of all pre-Closing reservations (in accordance with their terms) made in the ordinary course of business at the Property by guests or customers, including advance reservation cash deposits, for rooms or services confirmed by Seller for dates after the Closing Date. Seller may continue to accept reservations for periods after the Closing in the ordinary course of business in operating the Property. Buyer recognizes that such reservations may include discounts or other benefits, including, without limitation, benefits extended under the Resorts Destination Casino Club program, or any other frequent player or casino awards programs, group discounts, other discounts or requirements that food, beverage or other benefits be delivered by Buyer to the guest(s) holding such reservations. Buyer will honor all room allocation agreements and banquet facility and service agreements which have been granted to groups, persons or other customers for periods after the Closing Date at the rates and terms provided in such agreements; *provided* that such agreements were made in the ordinary course of business. Buyer agrees that Seller cannot make and has not made any representation or warranty that any party holding a reservation or agreement for rooms, facilities or services will utilize such reservation or honor such agreement. Buyer, by the execution of this Agreement, solely assumes the risk of non-utilization of reservations and non-performance of such agreements from and after the Closing.

(b) Frequent Player Award Programs. Buyer agrees to honor all awards extended prior to the Closing Date by Seller or their Affiliated Casinos to members of the Resorts Destination Casino Club or any other frequent player award program on terms consistent with Seller's or its Affiliated Casinos' past practice in the ordinary course of business or Seller's nationwide programs, and Buyer authorizes Seller to extend such awards that expire after the Closing Date in the ordinary course of business.

10.9 Conduct of Buyer. Prior to the Closing, Buyer shall, and shall use commercially reasonable efforts to cause its members, managers, employees, advisors and representatives to, refrain from taking any action to cause, directly or indirectly, Seller to be in breach any of Seller's representations, warranties or covenants set forth in Section 9 hereof.

10.10 Financing. Buyer shall use its best efforts to obtain the financing contemplated by (i) that certain letter, dated as of October 1, 2010, provided by Empire State Capital Advisors Group LLC, and (ii) that certain letter, dated October 6, 2010, true and complete copies of which have been provided to Seller (collectively, the "**Financing Commitment**"), including using its best efforts to (i) maintain such Financing Commitment and negotiate definitive agreements with respect thereto, (ii) satisfy on a timely basis all conditions applicable to Buyer in such definitive agreements, and (iii) comply with all obligations under such Financing Commitment. Buyer shall use its best efforts to cause the Persons providing such financing to fund the financing required to consummate the transactions contemplated by this Agreement on the Closing Date (including taking enforcement action to cause such Persons to provide such financing). Buyer shall not agree to any amendments or modifications to, or grant any waivers of, any condition or other material provision under the Financing Commitment without the prior consent of Seller if such amendments, modifications or waivers would impose new or additional conditions or otherwise amend, modify or waive any of the conditions to the receipt of the financing in a manner that may cause any delay in the satisfaction of the conditions set forth in Section 13.

10.11 Further Assurances. Buyer shall execute and deliver all such further assumptions, confirmations, instruments of further assurance, approvals, consents, and other instruments and documents as may be reasonably necessary, expedient or proper in order to carry into effect the provisions of this Agreement.

11. Delivery of Closing Documents and Property Materials; Cooperation.

11.1 At the Closing, Seller will deliver and release, or caused to be delivered and released, to Buyer: (i) originals of the Closing Documents to which it is a party, duly executed by Seller; and (ii) all other materials required to be delivered pursuant to the terms hereof and thereof (collectively, the "**Property Materials**").

11.2 At Closing, (i) Buyer shall promptly record or cause to be recorded the Deeds; and (ii) upon request by Buyer to Seller, as requested, Seller shall promptly sign and deliver to Buyer such other documents and instruments as may be reasonably necessary or required to effect a full and complete transfer of Seller's title to any of the Property or Seller's leasehold interest in the Ground Leases subject only to the matters set forth on Schedule 2.1(a)-2 and Schedule 2.1(b)-2 attached hereto, including without limitation, any updates to any of the Closing Documents (as defined below) required by Buyer's title company in order to issue to Buyer (or its designee) a title policy insuring Buyer (or its designee) as the owner of the Property in fee simple (or leasehold interest in the Ground Leases, as the case may be) subject only to the matters set forth on Schedule 2.1(a)-2 and Schedule 2.1(b)-2 attached hereto, and with such endorsements as may be reasonably requested by Buyer in its sole and absolute discretion. Seller hereby agrees to cooperate fully, at the Closing and at any time in the future, to effectuate a full transfer of all of the Assets, the Property and the leasehold interest in the Ground Leases

pursuant to the provisions hereof and the relevant Closing Documents and will take all actions reasonably requested by Buyer to effectuate such transfer, including, without limitation, supplying information regarding the Assets, the Property, the Ground Leases and the AC Hilton, completing and executing such further documentation as is reasonably necessary to effectuate any such transfer, and otherwise assisting Buyer in any reasonable manner to effectuate any such transfer. All such cooperation and actions shall be at the cost and expense of Buyer. The terms and provisions of this paragraph shall survive the execution and delivery of this Agreement and the occurrence of the Closing, including, without limitation, the delivery of the Deeds and the other Closing Documents and Property Materials.

12. Closing Documents.

12.1 At the Closing, Seller will deliver, or caused to be delivered, and released to Buyer, each of the following with respect to the Assets, each fully executed by Seller and acknowledged, where applicable (collectively, the “**Closing Documents**”):

- (a) The Deeds;
- (b) The Assignment of Leases (Tenant or Lessee Interests);
- (c) The Bill of Sale;
- (d) The Assignment of Leases (Non-Recordable Leases);
- (e) The Assignment of Licenses and Permits and Other Property;
- (f) The Assignment of Intangibles;
- (g) The Assignment of License Agreement;
- (h) The Assignment of Accounts Receivable;
- (i) The Assignment of Contracts;
- (j) A certifications as to foreign person status of Seller;
- (k) A Seller’s residency certification;
- (l) Affidavits of consideration;
- (m) Affidavit of title with respect to the Property and the leasehold interest in the Ground Leases, in a customary form reasonably acceptable to Seller;
- (n) Affidavits satisfying the requirements of Section 1445 of the Internal Revenue Code and the applicable I.R.S. regulations;
- (o) State, County and municipal real estate transfer tax declarations executed by Seller;

(p) checks, if any, received from the tenants of the Property or the real property covered by the Ground Leases (the “**Tenants**”) in payment of all rents accruing on and after the Closing Date;

(q) a cashier’s or certified check payable to Buyer or a wire transfer of immediately available funds to an account designated by Buyer in the amount, if any, of (i) the Security Deposits, plus (ii) the amounts of all rentals accruing on and after the Closing Date for which Seller has previously received and deposited or cashed checks from the Tenants; provided, however, in lieu of Seller making any payment contemplated by this Section 12.1(o), Seller may elect that Buyer deduct from the balance of the Purchase Price to be paid at Closing any amounts otherwise due and payable pursuant to this Section 12.1(o) in satisfaction of its obligations under this Section 12.1(o);

(r) the amount of all cash to be delivered pursuant to Section 2.1(j) (for the avoidance of doubt, excluding the Excluded Cash);

(s) All interest accrued on the Deposit;

(t) To the extent in Seller’s possession true, complete and correct originals of all Leases, Licenses and Permits and Other Property, and any contracts (including, without limitation, all amendments and modifications to any of the Leases, Licenses and Permits and Other Property) and true and correct copies of all material, and substantially all other, contracts relating to the operation or management of the AC Hilton;

(u) All keys, codes, passcards, or other access devices necessary to obtain full access to the Assets, the Property, the real property covered in the Ground Leases, the AC Hilton and any vaults, safes or files located thereon;

(v) Any surveys, blueprints, development plans and engineering drawings relating to the Property or the real property covered by the Ground Leases to the extent the same are in the possession or control of Seller;

(w) Any other information, documents or materials reasonably requested by Buyer in its reasonable discretion;

(x) The Rent Roll and listing of Security Deposits, certified as true, complete and correct by Seller;

(y) Multiple executed originals of a letter to all Tenants informing such Tenants to pay rent to Buyer from and after the Closing Date;

(z) Subject to applicable law, gaming lists, customer and guest lists and databases relating thereto;

(aa) A certificate from Seller certifying the satisfaction of conditions set forth in Section 13.2(a);

(bb) Certified resolutions of the members and managers of Seller approving the execution and delivery of this Agreement and each of the other documents delivered by Seller pursuant hereto and authorizing the consummation of the transactions contemplated hereby; and

(cc) Governmental certificates showing that Seller is validly existing and in good standing in its state of formation, certified as of a date not more than ten days before the Closing Date.

12.2 At the Closing, Buyer shall execute (as applicable) and deliver or cause to be delivered to Seller the following:

(a) The Purchase Price as set forth in Section 4.1 of this Agreement consisting of: (i) the Deposit (excluding all interest then accrued thereon), which is to be paid to Seller by the Escrow Agent in accordance with the terms of the Escrow Agreement; and (ii) the balance of the Purchase Price as set forth in Section 4.1(b), payable by wire transfer in immediately available funds to an account to be specified by Seller in a written notice delivered to Buyer prior to Closing;

(b) One or more assumption agreements assuming those agreements being assigned by Seller to Buyer pursuant to Section 2 hereof;

(c) A certificate from Buyer certifying the satisfaction of the conditions set forth in Section 13.1(a);

(d) Certified resolutions of the members and managers of Buyer approving the execution and delivery of this Agreement and each of the other documents delivered by Buyer pursuant hereto and authorizing the consummation of the transactions contemplated hereby;

(e) Governmental certificates showing that Buyer is validly existing and in good standing in its state of formation and is in good standing in each jurisdiction where the operation or the ownership of the Assets would so require, certified as of a date not more than ten (10) days before the Closing Date; and

(f) Copies of all resolutions, approvals and licenses granted by the CCC to Buyer.

12.3 Closing Prorations and Closing Costs. At the Closing:

(a) Seller shall be responsible for the payment of all realty transfer taxes and other transfer fees which may be due in connection with the transfer of the Property and Ground Leases to Buyer;

(b) Real property taxes on the Property and the real property covered by the Ground Leases for the tax year of the Closing shall be prorated, without giving effect to any pending tax appeals, between Seller and Buyer as of 11:59 p.m. on the day immediately preceding the Closing based upon the latest assessment available, with Seller being responsible

for the portion of such property taxes relating to the period prior to Closing and Buyer being responsible for the portion of such property taxes relating to the period after the Closing. Should such proration prove to be inaccurate when the actual final tax bill is received, either party shall be entitled, upon demand, to adjustment of the proration and corresponding reimbursement from the other party of any excess amount of real property taxes apportioned to such party hereunder. Notwithstanding the foregoing, if Seller (prior to the closing) or Buyer (following the closing) is successful in connection with the pending tax appeal described on Schedule 12.3(b) ("Tax Appeal"), then:

(i) first, Buyer's and Seller's obligation under this Section 12.3(b) with respect to the real property taxes on the Property and the real property covered by the Ground Lease for the tax year of the Closing ("Closing Year") shall be redetermined, giving effect to the application of that portion of such tax credits as are to be allocated to the Closing Year in accordance with Schedule 12.3(b), up to a maximum of \$4,719,848 to be so allocated ("Closing Year Tax Credits"), and Buyer shall, to the extent Seller has paid, or pays at Closing, in excess of its share of any real property taxes for such Closing Year, after giving effect to the application of such Closing Year Tax Credits, reimburse Seller for the amount of such excess;

(ii) second, any tax refunds and tax credits (other than those tax credits applied to the Closing Year pursuant to Section 12.3(b)(i) above) resulting from the Tax Appeal, up to a maximum aggregate amount not to exceed \$4,719,848 less the amount of the Closing Year Tax Credits applied to the Closing Year pursuant to Section 12.3(b)(i) above, shall be for the benefit of Seller and shall (A) with respect to such refunds, be retained by or transferred to Seller, and (B) with respect to such tax credits, be applied to offset any taxes that may be due from Seller for the period prior to Closing; and

(iii) third, any remaining tax refunds or tax credits resulting from the Tax Appeal that are not applied pursuant to Section 12.3(b)(i) or Section 12.3(b)(ii) above shall be for the sole benefit of and be retained by Buyer.

For the avoidance of doubt, if no tax credit is obtained in connection with the Tax Appeal, then real property taxes on the Property and the real property covered by the Ground Leases for the Closing Year shall be prorated between Seller and Buyer as provided in the first two sentences of this Section 12.3(b). Buyer shall use commercially reasonable efforts after the Closing to continue prosecuting the tax proceeding described in Schedule 12.3(b). Notwithstanding anything in this Agreement to the contrary, the provisions of this Section 12.3(b) shall survive the Closing Date. All rent, if any, with respect to the Leases shall be prorated between Buyer and Seller as of 11:59 p.m. on the day immediately preceding the Closing, with Seller receiving payment for the portion of such amounts relating to the period prior to Closing and Buyer being receiving payment for the portion of such amounts relating to the period after the Closing.

13. **Conditions to Closing.**

13.1 The obligation of Seller to effect the Closing is subject to the satisfaction of each of the following conditions on or prior to the Closing Date, any of which may be waived in whole or in part in a writing executed by Seller:

(a) The representations and warranties of Buyer contained in this Agreement shall be true and correct (without giving effect to any limitation as to “materiality” or “material adverse effect”) at and as of the Closing as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where the failure to be so true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) Buyer shall have performed in all material respects all covenants, agreements and those obligations that are required to be performed by it under this Agreement at or prior to the Closing, including without limitation delivery of the items listed in Section 12.2 hereof.

(c) The ICA shall have been issued by the CCC to Buyer.

(d) No court of competent jurisdiction or other Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the parties hereto shall use commercially reasonable efforts to lift), in each case permanently or temporarily restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and nonappealable.

(e) The Lender shall have performed, or tendered performance of, all of its obligations under the Letter Agreement dated the date hereof among the Lender, Buyer, Seller and the other parties named therein (a copy of such Letter Agreement being attached hereto as **Exhibit M**), with the result that all liens held by the Lender over the Assets on the date hereof shall have been released and discharged, subject only to the Lender’s receipt of the “Closing Payment” to which reference is made in such Letter Agreement.

13.2 The obligation of Buyer to effect the Closing is subject to the satisfaction of each of the following conditions on or prior to the Closing Date, any of which may be waived in whole or in part in a writing executed by Buyer, provided, however that if one or more of the following conditions shall not have been satisfied on the Closing Date, Seller shall have the right to cause any such unsatisfied condition to be satisfied by any means available to it, including, without limitation, by the payment of money:

(a) The representations and warranties of Seller contained in this Agreement shall be true and correct (without giving effect to any limitation as to “materiality” or “Material Adverse Effect”) at and as of the Closing as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such earlier date), except where failure to be so true and correct would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) Seller shall have performed in all material respects all covenants, agreements and obligations required to be performed by it under this Agreement at or prior to the Closing, including without limitation delivery of the items listed in Section 12.1 hereof.

(c) Seller shall have delivered to Buyer evidence reasonably satisfactory to Buyer evidencing the release of all liens, claims and encumbrances on the Assets, the Property and the Ground Leases, including without limitation, filed UCC-3 termination statements evidencing the termination of any and all security interests in favor of Seller's lenders and other creditors of Seller in and against the Assets, the Property and the Ground Leases, except for those liens and encumbrances set forth on Schedule 2.1(a)-2 (with respect to the Property) and Schedule 2.1(b)-2 (with respect to the real property which is the subject of the Ground Leases).

(d) The ICA shall have been issued by the CCC to Buyer.

(e) All governmental consents, approvals, licenses and permits set forth on Schedule 13.2(e), shall have been issued to or obtained by Buyer.

(f) All third party consents required in connection with the assignment by Seller to Buyer of those Assigned Contracts set forth on Schedule 13.2(f) attached hereto, shall have been obtained by Seller and delivered to Buyer.

(g) No court of competent jurisdiction or other governmental entity shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the parties hereto shall use commercially reasonable efforts to lift), in each case permanently or temporarily restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and nonappealable.

(h) The Lender shall have performed, or tendered performance of, all of its obligations under the Letter Agreement dated the date hereof among the Lender, Buyer, Seller and the other parties named therein (a copy of such Letter Agreement being attached hereto as **Exhibit M**), with the result that all liens held by the Lender over the Assets on the date hereof shall have been released and discharged, subject only to the Lender's receipt of the "Closing Payment" to which reference is made in such Letter Agreement.

14. **Waiver of Jury Trial.** BUYER AND SELLER EACH HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, THE CLOSING DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF SELLER OR BUYER WITH RESPECT THERETO. THIS PROVISION SETS FORTH THE MUTUAL DESIRE OF SELLER AND BUYER TO AVOID DELAYS IN THE RESOLUTION OF DISPUTES INVOLVING THIS AGREEMENT.

15. **Notices.** Any notice, demand, request or other communication which any party hereto may be required or may desire to give under this Agreement shall be in writing and shall

be deemed to have been properly given (i) if hand delivered (effective upon delivery), (ii) if mailed (effective five (5) days after mailing) by United States registered or certified mail, postage prepaid, return receipt requested, (iii) if sent by a nationally recognized overnight delivery service (effective one (1) day after delivery to such courier), or (iv) if sent by facsimile (effective upon confirmation of full and complete transmission generated by the sending facsimile), in each case addressed as follows:

If to Seller:

RIH Acquisitions NJ, LLC
RIH Propco NJ, LLC
c/o Colony Capital, LLC
2450 Broadway, 6th Floor
Santa Monica, CA 90404
Attention: Joy Mallory
Facsimile: [REDACTED]

and

RIH Acquisitions NJ, LLC
RIH Propco NJ, LLC
660 Madison Avenue, Suite 1435
New York, NY 10021
Attention: Nicholas L. Ribis
Facsimile: [REDACTED]

with a copy to:

Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019
Attention: Adam M. Turteltaub, Esq.
Facsimile: [REDACTED]

If to Buyer:

NEW NUGGET GAMING, LLC
P.O. Box 1718
Morristown NJ 07960

with a copy to:

Wolff & Samson PC
One Boland Drive
West Orange, New Jersey 07052

Attention: David M. Hyman, Esq.
Facsimile: [REDACTED]

or such other address which any party entitled to receive notice hereunder designates by notice to the others. Any notice received after 5 p.m. (recipient's time) on a business day shall be deemed received the following business day.

16. **Termination Before Closing; Default and Remedies.**

16.1 Termination before Closing. If the Closing shall not have previously occurred, this Agreement may be terminated:

(a) By Buyer, upon the occurrence of a Seller's Event of Default (as defined in Section 16.2(b)), unless (i) such Seller's Event of Default is caused by a Buyer's Event of Default (as defined in Section 16.2(a)), (ii) Buyer is then in breach of any term or provision of this Agreement, or (iii) such Seller's Event of Default is caused by any action of the Lender (other than a foreclosure of the Property by the Lender).

(b) By Seller, upon the occurrence of a Buyer's Event of Default (as defined in Section 16.2(b)), unless (i) such Buyer's Event of Default is caused by a Seller's Event of Default (as defined in Section 16.2(a)) or (ii) Seller is then in breach of any term or provision of this Agreement;

(c) By Buyer or Seller by written notice to the other, if a court of competent jurisdiction or other Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the parties hereto shall use commercially reasonable efforts to lift), in each case permanently restraining, permanently enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling or other action shall have become final and nonappealable;

(d) By Buyer and Seller at any time prior to Closing by mutual written agreement;

(e) By Buyer or Seller if the transactions contemplated hereby shall not have been consummated by December 31, 2010; provided, however, the right to terminate this Agreement pursuant to this Section 16.1(e) shall not be available to any party whose breach of any provision of this Agreement is the cause for such failure to consummate the transactions contemplated hereby by such date; provided, further, the right to terminate this Agreement pursuant to this Section 16.1(e) shall not be available to Buyer if there shall have occurred a Termination Event (as defined in Section 3.5);

(f) By Buyer or Seller if there shall have occurred a Termination Event (as defined in Section 3.5); or

(g) By Buyer at any time on or before the expiration of the Due Diligence Period (as defined in Section 5.1).

16.2 Default and Remedies.

(a) The occurrence of a material breach by Buyer of any representation, warranty or covenant of or by Buyer contained herein, including, but not limited to, the failure by Buyer to pay the Purchase Price within 10 days following the satisfaction or waiver of the conditions set forth in Sections 13.1 and 13.2, which material breach is not cured within ten (10) days after delivery of written notice thereof by Seller to Buyer, shall constitute a **“Buyer’s Event of Default”**.

(b) The occurrence of a material breach by Seller of any representation, warranty or covenant of or by Seller contained herein, which material breach is not cured within ten (10) days after delivery of written notice thereof by Buyer to Seller, shall constitute a **“Seller’s Event of Default”**:

16.3 In the event this Agreement is terminated for any reason other than by Seller pursuant to Section 16.1(b) or Section 16.1(f), then the Deposit, together with any and all interest accrued thereon (the **“Liquidated Damages Amount”**), shall, as Buyer’s sole and exclusive remedy (except in the case of fraud, intentional misrepresentation or willful breach by Seller) be returned to Buyer by the Escrow Agent, in accordance with the terms of the Escrow Agreement. In the event that this Agreement is terminated by Seller pursuant to Section 16.1(b) or Section 16.1(f), then the Deposit, together with any and all interest accrued thereon, shall, as Seller’s sole and exclusive remedy (except in the case of fraud, intentional misrepresentation or willful breach by Buyer, and except as contemplated by Section 16.5), be paid to Seller by the Escrow Agent, in accordance with the terms of the Escrow Agreement, as liquidated damages. Other than in the case of fraud, intentional misrepresentation or willful breach, or as contemplated by Section 16.5, the parties agree that the Liquidated Damages Amount constitutes a reasonable sum considering all of the circumstances existing on the date of this Agreement, including the relationship of the sum to the range of harm to Seller that could be reasonably anticipated and the anticipation that proof of actual damages would be costly or inconvenient, in the event of Buyer’s inability or failure to close as provided herein.

16.4 Procedures and Effect of Termination. In order to effect the termination of this Agreement pursuant to, and in accordance with, the terms and conditions of any provision of Section 16.1, written notice of such termination shall be given to the other party to this Agreement and this Agreement, assuming the relevant provision of Section 16.1 has been satisfied, shall terminate and the transactions contemplated hereby shall be abandoned, without further action by either of the parties hereto except that Sections 14, 15, 16.3, this 16.4, 18.5 and 21 shall survive any such termination. If this Agreement is terminated as provided herein upon request therefor, each party shall redeliver all documents, work papers and other materials of the other party hereto, and all copies of any such materials, relating to the transactions contemplated hereby, whether obtained before or after the execution hereof, to the party furnishing the same.

16.5 Specific Performance. Buyer acknowledges and agrees that Seller would be damaged irreparably in the event any of the provisions of this Agreement are not performed in accordance with their specific terms or otherwise are breached. Accordingly, Buyer agrees that, notwithstanding anything set forth in Section 16.3, Seller shall be entitled to an injunction or injunctions to prevent or restrain breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof, in addition to any other remedy to which it may be entitled at law or in equity. Buyer hereby waives, in any action for specific

performance, any and all defenses in any action for specific performance, including the defense of adequacy of a remedy at Law. Seller's rights under this Section 16.5 shall terminate on the Closing Date except with respect to their rights relating to the enforcement of the terms and provisions of covenants and agreements requiring performance from after the Closing Date.

17. Miscellaneous.

17.1 Certain Definitions. For purposes of this Agreement, the term:

"Affiliated Casinos" means each of RIH Propco MS I, LLC, RIH Acquisitions MS I, LLC, RIH Propco MS II, LLC, RIH Acquisitions MS II, LLC, and the assets owned and held for use by such entities.

"Gaming Laws" means any federal, state, local or foreign statute, ordinance, rule, regulation, permit, consent, registration, finding of suitability, approval, license, judgment, order, decree, injunction or other authorization, including any condition or limitation placed thereon, governing or relating to the current or contemplated casino and gaming activities and operations of the business of Seller, Buyer or any of their respective affiliates.

"Governmental Entity" means any court, administrative agency, commission, gaming authority, regulatory body or other governmental authority or instrumentality, whether foreign or domestic.

"Lender" means U.S. Bank, National Association, a national banking association, as Trustee for the Benefit of the Holders of J.P. Morgan Chase Commercial Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2007-FL1, and for the Holders of the Non-Trust Partition Interests.

"Material Adverse Effect" means changes, events or effects that are materially adverse to the business, condition (financial or otherwise), properties, assets or results of operations of Seller, taken as a whole; *provided*, that the following, individually and in the aggregate, shall be excluded from the definition of Material Adverse Effect and from any determination as to whether a Material Adverse Effect has occurred: (A) any change, event or effects arising out of or resulting from changes in or affecting the (x) travel, hospitality or gaming industries generally, (y) travel, hospitality or gaming industries generally in the markets or jurisdictions where the Property is located, or (z) the financial, banking, currency or capital markets in general, (B) any change, event or effect resulting from the entering into or public announcement of the transactions contemplated by this Agreement, (C) any change, event or effect resulting from any act of terrorism, commencement or escalation of armed hostilities in the U.S. or internationally or declaration of war by the U.S. Congress, (D) any change, event or effect resulting from or relating to compliance with the terms of, or the taking of any action required by, this Agreement, (E) any change, event or effect arising from or relating to any change in accounting requirements or principles or any change in applicable Laws, rules or regulations or the interpretation thereof; (F) any change, event or effect arising from or relating to any action required to be taken under any applicable Law, rule or regulation, contract or agreement; (G) any effect of any event or circumstances known to Buyer prior to executing this Agreement, (H) any change, event or effect arising out of or resulting from any pending action,

judgment, suit, proceeding, arbitration, investigation or inquiry with respect to Seller and/or its Affiliated Casinos, and (I) if Seller shall fail to meet any financial or other projections, the fact of such failure, in and of itself (although it is understood and agreed that any party can assert the facts underlying any such failure constitute a Material Adverse Effect unless such underlying facts were excluded from such definition pursuant to clauses (A) – (G) above).

“Permitted Encumbrances” means (i) liens for taxes, assessments and governmental charges or levies not yet due and payable or that are being contested in good faith and by appropriate proceedings; (ii) mechanics’, carriers’, workmen’s, repairmen’s, materialmen’s or other liens or security interests that secure a liquidated amount that are not yet due and payable or are being contested in good faith and by appropriate proceedings or with respect to which there remains an opportunity to contest; (iii) the Leases; (iv) liens imposed by applicable law that would not, individually or in the aggregate, have a Material Adverse Effect; (v) pledges or deposits to secure obligations under workers’ compensation laws or similar legislation or to secure public or statutory obligations; (vi) easements, covenants and rights of way (unrecorded and of record) and other similar restrictions of record, and zoning, building and other similar restrictions, in each case that do not have a Material Adverse Effect; and (vii) any other liens that do not secure a liquidated amount and that would not, individually or in the aggregate, have a Material Adverse Effect.

17.2 All times for performance of each Party’s obligations under this Agreement are of the essence of this Agreement.

17.3 This Agreement and all provisions hereof, including but not limited to all representations and warranties made hereunder, shall extend to and be binding upon and inure to the benefit of the respective heirs, legatees, legal representatives, successors and assigns of the parties hereto. Except as otherwise provided, without the prior written consent of all of the parties hereto, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by operation of Law (including, without limitation, by merger or consolidation) or otherwise. Notwithstanding the prior sentence, Buyer may assign, in its sole discretion, any of or all of its rights, interests and (except with respect to clause (i) below) obligations under this Agreement (i) to the banks or other lenders (or any agent therefor) providing the debt financing to be incurred by Buyer in connection with the Closing for security purposes, or (ii) to any controlled affiliate (so long as such affiliate remains at all times thereafter an affiliate of Buyer); *provided, however*, that such assignment shall not be valid under this Agreement unless (a) such affiliate assumes all of Buyer’s agreements and obligations hereunder, (b) no such assignment shall relieve Buyer from any of its agreements and obligations hereunder, and (c) no such assignment in any way (x) shall adversely affect the ability to receive, or delay the receipt of, the approvals contemplated by this Agreement or (y) shall adversely affect or delay the Closing of the transactions contemplated by this Agreement. Any assignment in violation of this Section 17.3 shall be void.

17.4 The section and paragraph headings of this Agreement are for convenience only and in no way limit or enlarge the scope or meaning of the language hereof.

17.5 This Agreement contains the entire agreement between the parties relating to the transactions contemplated hereby, and all prior or contemporaneous agreements,

understandings, representations and statements, oral or written, are merged herein. No modification or amendment of this Agreement or any waiver of any provision hereof shall be effective unless the same is in writing signed by the party against whom enforcement of such modification, amendment or waiver is sought.

17.6 This Agreement shall be governed by and construed in accordance with the internal, substantive laws of the State of New Jersey, without giving any effect to or applying any conflict of laws rules. If any of the provisions of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be deemed invalid or unenforceable, the remainder of this Agreement and the application of such provisions to persons or circumstances other than those as to whom or which it is held invalid or unenforceable shall not be affected thereby, and every provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. All disputes under this Agreement shall be resolved by courts in the State of New Jersey, including the U.S. District Court having jurisdiction, and the parties all consent to the exclusive jurisdiction of such courts and hereby waive any jurisdictional or venue defenses otherwise available to them.

17.7 Whenever under the terms of this Agreement the time for performance of a covenant or condition or for giving of a notice falls upon a Saturday, Sunday or holiday, such time for performance shall be extended to the next business day. Otherwise, all references to "days" mean calendar days.

17.8 The words "hereof," "herein," "hereunder" and similar words refer to the entire Agreement and not the paragraph or section in which such word appears, unless the context clearly indicates otherwise.

17.9 This Agreement and any document or instrument executed pursuant hereto may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17.10 Seller and Buyer each to the other acknowledges, represents and warrants that neither have retained a "broker" in this transaction and that such party has not agreed to pay any finder, consultant or broker fee in connection with this transaction. If any finder, consultant or broker claims a fee, the party whose actions led to that claim will bear sole responsibility for paying or settling that claim and shall indemnify the other party against the same. The provisions of this Section 17.9 shall survive the Closing or the earlier termination of this Agreement.

17.11 In the event of commencement of suit by either party to enforce the provisions of this Agreement, the prevailing party shall be entitled to receive from the other party such attorneys' fees and costs as may be adjudged reasonable in addition to any other relief granted.

18. Risk of Loss/Assets/Condemnation.

18.1 The risk of any loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by Seller at all times prior to 12:01 a.m. on the Closing Date. Upon the occurrence of any loss or damage to any material portion of the Assets as a

result of fire, casualty or other cause prior to Closing, Seller shall notify Buyer of same in writing immediately, stating with particularity the extent of such loss or damage incurred, the cause thereof if known, and the extent to which restoration, replacement and repair of the Assets lost or destroyed will be reimbursed under any insurance policy with respect thereto. Subject to the provisions hereof, Buyer shall have the option (but not the obligation), in the event the loss or damage exceeds Five Hundred Thousand Dollars (\$500,000.00) and the property cannot be substantially repaired or restored within one hundred twenty (120) days from the date of the fire or other casualty, exercisable within ten (10) days after receipt of such notice from Seller to: (i) postpone the Closing and the Outside Date by up to one hundred twenty (120) days or until the date on which the property has been completely repaired, replaced or restored, whichever is earlier; (ii) elect to consummate the Closing and accept the property in its "then" condition, in which event Seller shall at the Closing assign all rights under any insurance claim covering the loss and pay over any proceeds under any such insurance policy theretofore received by Seller with respect thereto and Seller shall grant to Buyer a credit against the Purchase Price equal to the amount of the applicable deductible, to the extent such deductibles or insurance proceeds have not been previously expended or are otherwise required to reimburse Buyer for actual expenditures of restoration; or (iii) rescind this Agreement at no cost or expense to Buyer and declare the Agreement of no further binding force and effect, if such repairs, replacements or restorations are not completed within one hundred twenty (120) days after the date of the fire or other casualty, in which case the Deposit, together with any and all interest accrued thereon, shall be returned to Buyer and the parties will have no further obligations or liabilities hereunder, except as expressly stated herein. In the event Buyer elects to postpone the Closing Date as provided in clause (i) of this Subsection, the parties hereto will reasonably cooperate to extend the time during which this Agreement must be closed as specified in any approvals received from the CCC. If Buyer does not or is not entitled to terminate this Agreement with respect to a casualty, Seller shall diligently commence and pursue restoration of the Property and the real property encumbered by the Ground Leases so as to minimize the loss of business and good will of the AC Hilton.

18.2 Seller will promptly notify Buyer of Seller's written notice from any governmental authority of any condemnation or threatened condemnation of the Property or the leasehold interest in the Ground Leases between the date hereof and the Closing (the "Condemnation Notice"). If the condemnation or threatened condemnation would materially and adversely affect the operation of the Property and involves a portion of the Property valued in excess of \$500,000.00, then Buyer will have the right to terminate this Contract by written notice to Seller within five business days following receipt of the Condemnation Notice. During such five business day period, Seller will provide Buyer with any and all information reasonably requested by Buyer concerning the condemnation or threatened condemnation, including information relating to any proposed condemnation award. If Buyer so terminates this Agreement Buyer shall be entitled to a return of the Deposit, together with any and all interest accrued thereon, and the parties will have no further obligations or liabilities hereunder, except as expressly stated herein. If Buyer elects not to terminate this Agreement, the purchase contemplated herein will be consummated on the Closing Date without reduction of the Purchase Price in which event Buyer will be entitled to any condemnation award. Seller will assign, transfer and set over to Buyer all of Seller's right, title and interest in and to such condemnation proceeds necessary to give full effect to this section.

19. **Condition of Property.** EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, BUYER IS PURCHASING THE ASSETS "AS-IS, WHERE IS AND WITH ALL FAULTS" IN ITS PRESENT CONDITION, SUBJECT TO REASONABLE USE, WEAR, TEAR AND NATURAL DETERIORATION OF THE ASSETS BETWEEN THE DATE HEREOF AND THE CLOSING DATE AND FURTHER AGREES THAT (i) SELLER SHALL NOT BE LIABLE FOR ANY LATENT OR PATENT DEFECTS IN THE ASSETS AND (ii) EXCEPT AS EXPRESSLY SET FORTH HEREIN, NEITHER MANAGER, SELLER, NOR ANY OTHER RELEASED PARTY HAS MADE OR WILL MAKE OR WILL BE ALLEGED TO HAVE MADE ANY VERBAL OR WRITTEN REPRESENTATIONS, WARRANTIES, PROMISES OR GUARANTIES WHATSOEVER TO BUYER, WHETHER EXPRESS OR IMPLIED, REGARDING THE ASSETS OR ANY PART THEREOF, OR ANYTHING RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT, AND (iii) BUYER, IN EXECUTING, DELIVERING AND PERFORMING THIS AGREEMENT, HAS NOT AND DOES NOT RELY UPON ANY STATEMENT, INFORMATION, OR REPRESENTATION TO WHOMSOEVER MADE OR GIVEN, WHETHER TO BUYER OR OTHERS, AND WHETHER DIRECTLY OR INDIRECTLY, VERBALLY OR IN WRITING, MADE BY ANY PERSON, FIRM OR CORPORATION, EXCEPT AS EXPRESSLY SET FORTH HEREIN. IN ADDITION TO THE FOREGOING, AS OF THE DATE OF THIS AGREEMENT, BUYER REPRESENTS THAT (I) BUYER HAS EXAMINED THE PROPERTY AND THE PROPERTY CONDITION REPORTS AND IS FAMILIAR WITH THE PHYSICAL AND ENVIRONMENTAL CONDITION OF THE PROPERTY AND HAS CONDUCTED (OR ELECTED NOT TO CONDUCT) SUCH INVESTIGATION OF THE AFFAIRS AND CONDITION OF THE PROPERTY AS BUYER HAS CONSIDERED APPROPRIATE, (II) EXCEPT AS EXPRESSLY SET FORTH HEREIN, SELLER HAS NOT MADE NOR WILL MAKE OR WILL BE ALLEGED TO HAVE MADE ANY VERBAL OR WRITTEN REPRESENTATIONS, WARRANTIES, PROMISES OR GUARANTIES WHATSOEVER TO BUYER, WHETHER EXPRESS OR IMPLIED, AND, IN PARTICULAR, THAT NO SUCH REPRESENTATIONS, WARRANTIES, PROMISES OR GUARANTIES HAVE BEEN MADE OR WILL BE MADE OR WILL BE ALLEGED TO HAVE BEEN MADE WITH RESPECT TO THE PHYSICAL CONDITION, ENVIRONMENTAL CONDITION OR OPERATION OF THE PROPERTY, THE ACTUAL OR PROJECTED REVENUE AND EXPENSES OF THE PROPERTY, THE ZONING AND OTHER LAWS, REGULATIONS AND RULES APPLICABLE TO THE PROPERTY OR THE COMPLIANCE OF THE PROPERTY THEREWITH, THE QUANTITY, QUALITY OR CONDITION OF THE ARTICLES OF PERSONAL PROPERTY AND FIXTURES INCLUDED IN THE TRANSACTIONS CONTEMPLATED HEREBY, THE USE OR OCCUPANCY OF THE PROPERTY OR ANY PART THEREOF OR ANY OTHER MATTER OR THING AFFECTING OR RELATED TO THE PROPERTY OR THE TRANSACTIONS CONTEMPLATED HEREBY, EXCEPT AS, AND SOLELY TO THE EXTENT, HEREIN SPECIFICALLY SET FORTH, (III) EXCEPT AS EXPRESSLY SET FORTH HEREIN SELLER HAS NOT MADE OR WILL MAKE ANY VERBAL OR WRITTEN REPRESENTATIONS, WARRANTIES, PROMISES OR GUARANTIES WHATSOEVER TO BUYER, WHETHER EXPRESS OR IMPLIED, AND, IN PARTICULAR, THAT NO SUCH REPRESENTATIONS, WARRANTIES, PROMISES OR GUARANTIES HAVE BEEN MADE OR WILL BE MADE WITH RESPECT TO THE TRUTH, ACCURACY OR

COMPLETENESS OF ANY MATERIALS, DATA OR OTHER INFORMATION, INCLUDING WITHOUT LIMITATION THE CONTENTS OF SELLER'S BOOKS AND RECORDS, CONTRACTS, ENGINEERING REPORTS, PROPERTY CONDITION REPORTS, PHYSICAL CONDITION SURVEYS, INFORMATIONAL BROCHURE WITH RESPECT TO THE PROPERTY, RENT ROLLS OR INCOME AND EXPENSE STATEMENTS, WHICH SELLER OR ITS REPRESENTATIVES MAY HAVE DELIVERED, MADE AVAILABLE OR FURNISHED TO BUYER IN CONNECTION WITH THE PROPERTY AND BUYER REPRESENTS, WARRANTS AND AGREES THAT ANY SUCH MATERIALS, DATA AND OTHER INFORMATION DELIVERED, MADE AVAILABLE OR FURNISHED TO BUYER AND/OR THE RECEIVING PARTY REPRESENTATIVES ARE DELIVERED, MADE AVAILABLE OR FURNISHED TO BUYER AND/OR THE RECEIVING PARTY REPRESENTATIVES AS A CONVENIENCE AND ACCOMMODATION ONLY AND EXPRESSLY DISCLAIMS ANY INTENT TO RELY ON ANY SUCH MATERIALS, DATA AND OTHER INFORMATION, (IV) EXCEPT AS EXPRESSLY SET FORTH HEREIN, BUYER HAS NOT RELIED UPON ANY SUCH REPRESENTATIONS, WARRANTIES, PROMISES OR GUARANTIES OR UPON ANY STATEMENTS MADE IN ANY INFORMATIONAL BROCHURE WITH RESPECT TO THE PROPERTY AND HAS ENTERED INTO THIS AGREEMENT AFTER HAVING MADE AND RELIED SOLELY ON ITS OWN INDEPENDENT INVESTIGATION, INSPECTION, ANALYSIS, APPRAISAL, EXAMINATION AND EVALUATION OF THE FACTS AND CIRCUMSTANCES AND (V) BUYER ACKNOWLEDGES THAT THE PROPERTY MAY NOT BE IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT OF 1990, AS AMENDED AND THE SELLER MAKES NO REPRESENTATIONS WITH RESPECT TO SAME. WITHOUT LIMITING THE FOREGOING, EXCEPT AS, AND SOLELY TO THE EXTENT, SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER HAS MADE NO REPRESENTATION OR WARRANTY WHATSOEVER REGARDING HAZARDOUS MATERIALS OF ANY KIND OR NATURE ON, ABOUT OR WITHIN THE PROPERTY OR THE PHYSICAL CONDITION OF THE PROPERTY AND BUYER AGREES TO ASSUME THE RISK THAT ADVERSE MATTERS, INCLUDING BUT NOT LIMITED TO, CONSTRUCTION OR MECHANICAL DEFECTS AND ADVERSE PHYSICAL AND ENVIRONMENTAL CONDITIONS MAY NOT HAVE BEEN REVEALED BY BUYER'S INVESTIGATIONS.

20. **Bulk Sales Law.** Buyer hereby waives compliance by Seller with the provisions of any and all Bulk Sales Laws, or other similar provisions.

21. **No Shop.** During the period from the date of this Agreement to the earlier of the termination of this Agreement in accordance with Section 16 or the Closing Date, Seller shall not, and shall use commercially reasonable efforts to cause each of Seller's members, managers, employees, financial advisors and counsel not to, take any action to, directly or indirectly encourage, initiate or engage in discussions or negotiations with, or provide any information to, any other person or entity with respect to any offer or proposal to acquire, directly or indirectly, all or any substantial part of the assets, properties, equity or business of Seller, whether by merger, purchase of limited liability company membership interests or assets, or otherwise. Seller will take such action as may be necessary to, immediately cease and cause to be terminated all existing discussions, conversations, negotiations and other communications with

any other persons or entities conducted heretofore with respect to any of the foregoing, and Seller shall notify Buyer promptly if any such proposal or offer, or any inquiry or other contact with any other person or entity with respect thereto, is made and shall, in any such notice to Buyer, indicate in reasonable detail the identity of the person or entity making such proposal, offer, inquiry or contact and the terms and conditions of such proposal, offer, inquiry or other contract. Sellers agree not to, without the prior written consent of Buyer, release any other person or entity from or waive any provision of, any confidentiality or standstill agreement to which Seller is a party.

22. **Seller Actions.** Buyer hereby acknowledges that any waiver, amendment, modification, or other action with respect to this Agreement, shall require the prior unanimous written approval of the board of managers of Seller.

23. **Further Assurances.** Seller hereby covenants and agrees that, upon written request by Buyer, it shall, at the cost and expense of Buyer unless resulting from any failure of Seller to comply with this Agreement, promptly sign and deliver to Buyer such other documents and instruments as may be reasonably necessary or required to effect a full and complete transfer of title to the Assets (or any portion thereof), including without limitation, any documents or instruments required by Buyer's title company. Upon written request by Buyer, Seller further hereby agrees to reasonably cooperate, at the closing and at any time in the future, to effectuate a full transfer of and/or all of the Property to Buyer, and will take all actions reasonably requested by Buyer to effectuate such transfer or perfection, including, without limitation, supplying information regarding the Assets, completing and executing such further documentation as is reasonably necessary to effectuate any such transfer, and otherwise assisting Buyer in any reasonable manner to effectuate any such transfer. All such cooperation and actions shall be at the cost and expense of Buyer unless resulting from any failure of any of Seller to comply with the terms of this Agreement.

24. **NOTICE.** THIS AGREEMENT IS THE FINAL EXPRESSION OF AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL AGREEMENT OR OF ANY CONTEMPORANEOUS ORAL AGREEMENT BETWEEN THE PARTIES. THE PARTIES HEREBY ACKNOWLEDGE AND AFFIRM THAT NO UNWRITTEN ORAL AGREEMENT BETWEEN THE PARTIES EXISTS.

[Signature Pages Follow]

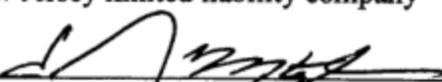
This Agreement has been executed by the parties hereto as of the date first written above.

SELLER:

RIH ACQUISITIONS NJ, LLC,
a New Jersey limited liability company

By: 
Name: ERIC J. MATEJEVICH
Title: SENIOR VICE PRESIDENT

RIH PROPCO NJ, LLC,
a New Jersey limited liability company

By: 
Name: ERIC J. MATEJEVICH
Title: CHIEF FINANCIAL OFFICER

BUYER:

NEW NUGGET GAMING, LLC,
a New Jersey limited liability company

By: _____
Name:
Title:

This Agreement has been executed by the parties hereto as of the date first written above.

SELLER:

RIH ACQUISITIONS NJ, LLC,
a New Jersey limited liability company

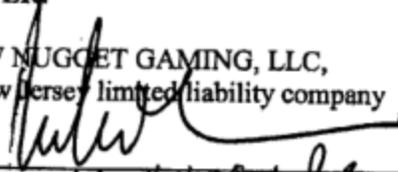
By: _____
Name:
Title:

RIH PROPCO NJ, LLC,
a New Jersey limited liability company

By: _____
Name:
Title:

BUYER:

NEW NUGGET GAMING, LLC,
a New Jersey limited liability company

By:  _____
Name: NICHOLAS L. ROBERTS
Title: PRES.