

## **VENDOR Frequently Asked Questions**

**1. Will we still receive payment on the goods we have sold you?**

Yes. It will be business as usual throughout the restructuring process. We intend to continue paying our vendors in a timely fashion. This has been specifically provided for in the proposed restructuring plan.

**2. Does the company have money to fund operations going forward?**

Yes, we are still generating positive EBITDA even in the current challenging economic environment.

**3. What's the problem then?**

The company's problem is a balance-sheet issue. We simply have more debt that operations can support. It's that issue that the agreement with our lenders is designed to resolve.

**4. You talk about restructuring debt. Does this affect money you owe me now?**

We are continuing to pay our suppliers in the ordinary course of business. In addition the plan calls for paying 100 percent of all allowed trade creditor claims.

**5. What about new orders you place with me?**

There will be no effect. Again, it's business as usual now and during the restructuring process. You should notice no change at all.

**6. What about payments after the filing?**

Payments for goods and services after the filing will be made in the normal and timely fashion as well. You will not notice any difference at all.

**7. What exactly is a pre-arranged Chapter 11 filing?**

Chapter 11 is a legal mechanism for Court-supervised reorganization or restructuring of a company's financial obligations. A pre-arranged Chapter 11 occurs when a company negotiates and prepares a Plan of Reorganization before the company actually files for Court protection. This shortens and simplifies the process.

**8. Still, bankruptcy sounds serious to me. I want to renegotiate our terms**

**with you.**

Our ability to purchase from you on the current terms and at competitive prices is a critical part of the success of our restructuring plan. We expect in the months and years ahead to remain a good customer, and we hope you want to be a part of our future.

**9. Will there be any changes in the management of the company? Will we be dealing with new faces?**

Now and throughout the restructuring process, management remains in place and is committed to the future of the company. And no layoffs are contemplated as part of the proposed restructuring plan. Staffing decisions, however, will continue to be made on the basis of market conditions and the best interests of the company. It will be business as usual and you should see no changes in your relationship with us.

**10. Terrible Herbst Oil Co. purchases from my company. How does this affect me?**

You will not be affected. The proposed plan does not involve, and will have no effect on, Terrible Herbst Oil Co., the ownership and financial structure of which are totally separate from Herbst Gaming.

If you have any further questions please feel free to contact Rakesh Bhatnagar Director of Corporate Purchasing at 702-889-7644