

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in compliance with D.N.J. LBR 9004-2(c)

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*Proposed Co-Counsel to the Debtors and
Debtors in Possession*

In re:

REVEL AC, INC., et al.,

Debtors.¹

Chapter 11

Case No. 14-22654 (GMB)

Jointly Administered

Objection Deadline: July 10, 2014 at 4:00 p.m. (ET)

**NOTICE OF DEBTORS' APPLICATION FOR ENTRY OF AN
ORDER AUTHORIZING DEBTORS TO EMPLOY AND RETAIN
MOELIS & COMPANY LLC AS FINANCIAL ADVISOR AND
INVESTMENT BANKER, *NUNC PRO TUNC* TO THE PETITION**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Revel AC, Inc. (3856), Revel AC, LLC (4456), Revel Atlantic City, LLC (9513), Revel Entertainment Group, LLC (2321), NB Acquisition, LLC (9387) and SI LLC (3856). The location of the Debtors' corporate headquarters is 500 Boardwalk, Atlantic City, New Jersey 08401.

**DATE PURSUANT TO SECTIONS 327 AND 328 OF
THE BANKRUPTCY CODE, BANKRUPTCY RULE 2014
AND LOCAL RULE 2014-1**

PLEASE TAKE NOTICE, that on June 30, 2014, Revel AC, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) filed their (the “Application”) pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2014-1 of the District of New Jersey Local Bankruptcy Rules (the “Local Rules”) for authority to employ and retain Moelis & Company LLC (“Moelis”) as Financial Advisor and Investment Banker to the Debtors nunc pro tunc to the Petition Date (the “Moelis Application”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested must be made in writing and in the form prescribed by the Federal Rules of Bankruptcy Procedure and D.N.J. L.B.R. 2014-1, and must be filed with this Court and served upon and received by proposed counsel to the Debtors at Fox Rothschild LLP, 1301 Atlantic Avenue, Midtown Building, Suite 400, Atlantic City, NJ 08401-7212 (Attn: Michael J. Viscount, Jr., Esquire and Raymond M. Patella, Esquire) and White & Case LLP, Southeast Financial Center 200 South Biscayne Blvd., Suite 4900, Miami, FL 33131 (Attn: John K. Cunningham, Esquire, Richard S. Kebrdle, Esquire and Kevin M. McGill, Esquire) no later than **July 10, 2014 at 4:00 p.m. EST.**

PLEASE TAKE FURTHER NOTICE that the Moelis Application is being filed on **negative notice**. If no objections are filed and served by the Objection Deadline, the Bankruptcy Court may enter an order granting the Moelis Application without further notice or hearing.

Dated: June 30, 2014

FOX ROTHSCHILD LLP

By: /s/ Michael J. Viscount, Jr.
Michael J. Viscount, Jr., Esq.
Raymond M. Patella, Esq.
– and –

John K. Cunningham, Esq.
(*pro hac vice* pending)
Richard S. Kebrdle, Esq.
(*pro hac vice* pending)
Kevin M. McGill, Esq.
(*pro hac vice* pending)
WHITE & CASE LLP

*Proposed Co-Counsel to the Debtors and
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Objection Deadline: July 10, 2014 at 4:00 p.m. ET

**DEBTORS' APPLICATION FOR ENTRY OF AN ORDER
AUTHORIZING DEBTORS TO EMPLOY AND RETAIN MOELIS &
COMPANY LLC AS FINANCIAL ADVISOR AND INVESTMENT
BANKER, NUNC PRO TUNC TO THE PETITION DATE**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Revel AC, Inc. (3856), Revel AC, LLC (4456), Revel Atlantic City, LLC (9513), Revel Entertainment Group, LLC (2321), NB Acquisition, LLC (9387) and SI LLC (3856). The location of the Debtors' corporate headquarters is 500 Boardwalk, Atlantic City, New Jersey 08401.

**PURSUANT TO SECTIONS 327 AND 328 OF THE BANKRUPTCY
CODE, BANKRUPTCY RULE 2014 AND LOCAL RULE 2014-1**

Revel AC, Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors in the above-captioned chapter 11 cases (the “Chapter 11 Cases”) hereby file this application (the “Application”) pursuant to sections 327(a) and 328(a) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (the “Bankruptcy Code”), Rule 2014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2014-1 of the District of New Jersey Local Bankruptcy Rules (the “Local Rules”) for authority to employ and retain Moelis & Company LLC (“Moelis”) as Financial Advisor and Investment Banker to the Debtors nunc pro tunc to the Petition Date (as defined below). In support of this Application, the Debtors submit the Declaration of Barak M. Klein In Support Of The Debtors’ Application For Entry Of An Order Authorizing Debtors To Employ and Retain Moelis & Company LLC As Financial Advisor and Investment Banker Nunc Pro Tunc To The Petition Date Pursuant To Sections 327 And 328 Of The Bankruptcy Code, Bankruptcy Rule 2014 And Local Rule 2014-1 (the “Klein Declaration”), attached hereto as Exhibit “C”. In further support of this Application, the Debtors respectfully represent as follows:

Background

1. The Debtors own and operate a state of the art resort facility unlike any other in Atlantic City, New Jersey. The Debtors’ facility consists of 6.2 million square feet, located on approximately 20 acres with 820 feet of boardwalk frontage, and features the tallest building in Atlantic City, the Revel hotel, a sleek 47-story, 710-foot high tower. The Debtors’ 130,000 square foot casino features 110 table games and approximately 2,300 slot machines.

2. On June 19, 2014 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, thereby commencing these Chapter 11 Cases. The Debtors continue to operate their business and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. To date, no official committee or examiner has been appointed by the Office of the United States Trustee in these Chapter 11 Cases.

4. Additional background facts on the Debtors, including an overview of the Debtors’ business, information on the Debtors’ debt structure and information on the events leading up to the Chapter 11 Cases are contained in the Declaration of Shaun Martin in Support of First Day Motions and Applications [Docket No. 5] (the “Martin Declaration”).²

Jurisdiction

5. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

6. By this Application, the Debtors request entry of an order (a) authorizing the Debtors to employ and retain Moelis as financial advisor and investment banker in these Chapter 11 Cases, nunc pro tunc to the Petition Date, pursuant to the terms and conditions set forth in the engagement letter between the Debtors and Moelis dated as of May 12, 2014 (such agreement, together with all amendments, modifications, renewals thereof, and all documents ancillary thereto or otherwise entered into in connection therewith, the “Engagement Letter”), a

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Martin Declaration or the Engagement Letter (as defined below).

copy of which is annexed as Exhibit “1” to Exhibit “A” attached hereto and incorporated herein by reference, (b) approving the terms of Moelis’s employment, including the proposed compensation arrangement (the “Fee Structure”) and the indemnification provisions set forth in the Engagement Letter under section 328(a) of the Bankruptcy Code, and (c) modifying the time keeping requirements of the guidelines (the “Trustee Guidelines”) of the United States Trustee (the “U.S. Trustee”) in connection with Moelis’s proposed engagement.

Moelis’s Qualifications

7. Moelis is an investment banking firm with an office located at 399 Park Avenue, 5th Floor, New York, New York 10022. Moelis is a registered broker-dealer with the United States Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. Moelis was founded in 2007 and is a wholly owned subsidiary of Moelis & Company Group LP. Moelis & Company Group LP, together with its subsidiaries, has approximately 500 employees based in 15 offices in North and South America, Europe, the Middle East, Asia and Australia. Moelis & Company Group LP is a subsidiary of Moelis & Company, a public company listed on the NYSE.

8. Moelis provides a broad range of corporate advice to its clients, including: (a) general corporate finance; (b) mergers, acquisitions and divestitures; (c) corporate restructurings; (d) special committee assignments; and (e) capital raising. Moelis and its senior professionals have extensive experience in the reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 cases. Moelis’s business reorganization professionals have served as financial advisors in numerous recent cases, including: In re Sorenson Commc’ns, Inc., No. 14-10454 (BLS) (Bankr. D. Del. March 26, 2014); In re Revel

AC, Inc., No. 13-16253 (JHW) (Bankr. D.N.J. April 17, 2013); In re LightSquared, Inc., No. 12-12080 (Bankr. S.D.N.Y. June 11, 2012); In re AMF Bowling Worldwide, Inc., No. 1236495 (KRH) (Bankr. E.D. Va. Dec. 20, 2012); In re Residential Capital, LLC, No. 12-12020 (MG) (Bankr. S.D.N.Y. May 14, 2012); In re AMR Corp., No. 11-15463 (SHL) (Bankr. S.D.N.Y. Nov. 29, 2011); In re General Maritime Corp., No. 11-15285 (MG) (Bankr. S.D.N.Y. Nov. 17, 2011); In re NewPage Corp., No. 11-12804 (KG) (Bankr. D. Del. Sept. 7, 2011); In re Jackson Hewitt Tax Service, Inc., No. 11-11587 (MFW) (Bankr. D. Del. June 30, 2011); In re Appleseeds Intermediate Holdings, LLC, No. 11-10160 (KG) (Bankr. D. Del. Feb. 23, 2011); In re Innkeepers USA Trust, No. 10-13800 (SCC) (S.D.N.Y. July 19, 2010); In re Neenah Enterprises, Inc., No. 10-10360 (MFW) (Bankr. D. Del. Feb. 3, 2010); In re Almatris B.V., No. 10-12308 (MG) (Bankr. S.D.N.Y. Apr. 30, 2010); In re International Aluminum Corp., No. 10-10003 (MFW) (Bankr. D. Del. Jan. 27, 2010); In re Atrium Corp., No. 10-10150 (BLS) (Bankr. D. Del. Jan. 20, 2010); In re Simmons Bedding Co., No. 09-14037 (MFW) (Bankr. D. Del. Nov. 16, 2009); In re Reader's Digest Ass'n Inc., No. 09-23529 (RDD) (Bankr. S.D.N.Y. Aug. 24, 2009); In re NV Broadcasting LLC, No. 09-12473 (KG) (Bankr. D. Del. July 13, 2009); In re Fontainebleau Las Vegas Holdings LLC, No. 09-21481 (CAJ) (Bankr. S.D. Fla. June 9, 2009); In re ION Media Networks Inc., No. 09-13125 (JMP) (Bankr. S.D.N.Y. May 19, 2009); In re J.G. Wentworth LLC, No. 09-11731 (CSS) (Bankr. D. Del. May 19, 2009); In re Source Interlink Cos., No. 09-11424 (KG) (Bankr. D. Del. Apr. 27, 2009); In re Dayton Superior Corp., No. 09-11351 (BLS) (Bankr. D. Del. Apr. 19, 2009); In re Idearc Inc., No. 09-31828 (BJH) (Bankr. N.D. Tex. Mar. 31, 2009); In re Chemtura Corp., No. 09-11233 (REG) (Bankr. S.D.N.Y. Mar. 18, 2009); In re Aleris International Inc., No. 09-10478 (BLS) (Bankr. D. Del. Feb. 12, 2009); In re

Muzak Holdings LLC, No. 09-10422 (KJC) (Bankr. D. Del. Feb. 10, 2009); In re Hartmarx Corp., No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 23, 2009); and In re Lyondell Chemical Co., No. 09-10023 (REG) (Bankr. S.D.N.Y. Jan. 6, 2009).³

9. The Debtors have selected Moelis as their financial advisor and investment banker based upon, among other things, (a) the Debtors' need to retain a skilled financial advisory firm to provide advice with respect to the Debtors' complex restructuring activities and (b) Moelis's extensive experience and excellent reputation in providing financial advisory and investment banking services in complex chapter 11 cases such as these. In light of the size and complexity of these Chapter 11 Cases, the resources, capabilities and experience of Moelis in advising the Debtors are crucial to the success of these cases. An experienced financial advisor, such as Moelis, fulfills a critical service that complements the services provided by the Debtors' other professionals. As discussed in detail below, Moelis will concentrate its efforts on serving as the Debtors' financial advisor and investment banker and, more specifically, in formulating strategic alternatives and assisting the Debtors in their efforts with regard to their overall restructuring efforts.

10. Moelis began advising the Debtors in February of 2013 on strategic and restructuring initiatives in connection with the Debtors' chapter 11 filing in May of 2013. Moelis advised the Debtors throughout their chapter 11 cases initiated last year, and have continued to do so as the Debtors unfortunately seek chapter 11 protection once again. Indeed, thus far Moelis has provided valuable prepetition services in preparation for the Debtors' restructuring efforts, including: (a) assisting management in conducting business and financial

³ Because of the voluminous nature of the orders cited herein, such orders are not attached to this Application. Copies of these orders are available upon request of the Debtors' proposed counsel.

analysis of the Debtors; (b) conducting meetings with the Debtors' lenders; (c) assisting the Debtors in identifying and evaluating candidates for a potential sale transaction; (d) facilitating diligence for interested parties; (e) assisting management in analyzing and securing debtor in possession financing and negotiating its terms; (f) assisting the Debtors in structuring and negotiating a transaction and participating in negotiations in connection therewith; and (g) providing additional financial advisory services in preparation for the Debtors' chapter 11 filing.

11. As a result of its work with the Debtors to date, Moelis has developed valuable institutional knowledge about the Debtors' businesses, operations, capital structure and other material information. Accordingly, the Debtors believe Moelis is well-qualified and able to represent the Debtors in a cost-effective, efficient and timely manner, and the Debtors submit that the employment and retention of Moelis is in the best interests of the Debtors, their creditors, and all parties in interest.

Services Provided

12. Subject to further order of the Court, and consistent with the terms of the Engagement Letter, in consideration for the compensation contemplated therein, Moelis's anticipated services include the following:⁴

- (a) assist the Debtors in conducting a business and financial analysis of the Debtors;
- (b) meet with the Debtors' lenders to provide updates, as and when reasonably requested by the Debtors, on the factual details of the Transaction process and address questions posed by the lenders related thereto, subject to any applicable confidentiality obligations;

⁴ The summary of the Engagement Letter in this Application is qualified in its entirety by reference to the provisions of the Engagement Letter. To the extent there is any discrepancy between the summary contained in the Application and the terms set forth in the Engagement Letter, the terms of the Engagement Letter shall control.

- (c) assist the Debtors in identifying and evaluating candidates for a Sale Transaction;
- (d) contact and meet with potential Acquirers that the Debtors have agreed may be appropriate for a Sale Transaction and provide such potential Acquirers with such information about the Debtors as appropriate and acceptable to the Debtors, subject to customary business confidentiality (or, in the case of non-public information, a customary confidentiality agreement approved in advance by the Company);
- (e) assist the Debtors in preparing a marketing plan and information materials describing the Debtors for distribution to potential Acquirers, subject to a customary confidentiality agreement, in each case as approved in advance by the Debtors;
- (f) assist the Debtors in developing a strategy to effectuate a Transaction and advise the Debtors on their debt and capital structure and facilitate amendments to the Debtors' credit agreements and the Debtors' efforts to secure new debtor-in-possession financing or other financing or refinancing, in each case from any stakeholder in the Debtors or any party contacted in the Debtors' strategic process (i.e., the Debtors' letter sent in October 2013) (any such financing or refinancing, a "Covered Financing") in connection with a Restructuring;
- (g) assist the Debtors in structuring and negotiating a Transaction and participate in such negotiations;
- (h) meet with the Debtors' Board of Directors to discuss a proposed Transaction and its financial implications;
- (i) provide testimony regarding the strategic alternatives review process undertaken by the Debtors, the DIP loan and other non-contested bankruptcy matters in connection with the Bankruptcy Case, including without limitation testimony provided in any depositions or before the Bankruptcy Court (such testimony, "Testimony"). Such Testimony will not include the content of a Report unless the Report Fee (each as defined below) has been earned; and
- (j) provide such other financial advisory services (including other confidential financial analyses) in respect of a potential Transaction (whether a Restructuring or a Sale Transaction) and related matters as the Debtors and Moelis may mutually agree upon, both acting reasonably.

Professional Compensation

13. Moelis's decision to advise and assist the Debtors in connection with these Chapter 11 Cases is subject to its ability to be retained in accordance with the terms of the Engagement Letter pursuant to section 328(a), and not section 330, of the Bankruptcy Code, except this paragraph shall not prejudice the right of the U.S. Trustee to seek review under section 330 of the Bankruptcy Code.

14. Specifically, the Engagement Letter provides for the following Fee Structure:

- (a) Monthly Fee. Starting from March 1, 2014, a fee of \$150,000 per month (the "Monthly Fee"), payable in advance of each month. The Debtors will pay the first three Monthly Fees (for March, April and May) immediately upon the execution of the Engagement Letter, and all subsequent Monthly Fees prior to each monthly anniversary of the date of the Engagement Letter. Whether or not a Restructuring or a Sale Transaction occurs, Moelis shall earn and be paid the Monthly Fee every month during the term of the Engagement Letter. To the extent that Monthly Fees beyond the seventh Monthly Fee are not reimbursed from a third party, Moelis shall credit 100% of those Monthly Fees earned beyond the seventh Monthly Fee against either the Sale Transaction Fee or the Restructuring Transaction Fee, whichever becomes first payable under the terms of the Engagement Letter.
- (b) Sale Transaction Fee. A sale transaction fee (the "Sale Transaction Fee"), payable promptly at the closing of a Sale Transaction,⁵ in an amount equal to 0.75% of Transaction Value (as defined in Annex "A" to the Engagement Letter); provided that with respect to the first Transaction that is consummated by the Debtors following the date of the Engagement Letter, the Sale Transaction Fee shall be the greater of (i) 0.75% of Transaction Value and (ii) \$2,000,000, in each case, less \$256,000. The

⁵ The Engagement Letter defines "Sale Transaction" as: "(a) the sale of all or a majority of the equity securities of the Company to a third party (an 'Acquirer'), (b) the merger or combination of the Company with that of an Acquirer, (c) an Acquirer's acquisition of all or a significant portion of the assets, properties or business of the Company or (d) a joint venture, strategic alliance or similar transaction with an Acquirer that is a strategic partner where the Acquirer acquires or receives a minority, majority or equal stake in the joint venture entity, excluding any transaction described in the foregoing clauses (a) through (c) a 'Joint Venture'..."

Debtors will pay a separate Sale Transaction Fee for each Transaction. Under no circumstances shall the Sale Transaction Fee be less than zero.

- (c) Restructuring Transaction Fee. At the closing of a Restructuring,⁶ a fee (the “Restructuring Transaction Fee”) of \$2,000,000, less \$256,000. Under no circumstances shall the Restructuring Transaction Fee be less than zero. If both the Sale Transaction Fee and the Restructuring Transaction Fee become payable, Moelis will be entitled to only one fee which is the higher of such fees.
- (d) Report Fee. A cash fee (the “Report Fee”) of \$1,000,000 if the Debtors request in writing (which request may not be rescinded) that Moelis prepare an expert report (the “Report”) on the valuation (including providing testimony with respect thereto) of (A) the Debtors, (B) the Debtors’ assets or (C) the bids for the Debtors’ assets, in the case of each of clauses (A) through (C), in connection with a contested matter in the Bankruptcy Case, which Report Fee shall be payable promptly upon Moelis’s confirmation that it is ready to deliver the Report. For the avoidance of doubt, the Report Fee shall not be payable to Moelis with respect to Testimony described in Section 1(i) of the Engagement Letter. The Report Fee shall be payable no more than one time under the Engagement Letter.

15. To the extent the Debtors request that Moelis assist the Debtors with respect to any new money financing or refinancing other than the Covered Financings contemplated by the Engagement Letter, the Debtors shall pay Moelis a separate fee at a market rate to be mutually agreed upon in good faith by Moelis and the Debtors and set forth in a supplement to the Engagement Letter.

16. Moelis agrees that that certain Engagement Letter, dated October 17, 2013 (the “October 2013 Engagement Letter”), attached hereto as Exhibit “B”, between Moelis and

⁶ The Engagement Letter defines “Restructuring” as: “any restructuring, reorganization, rescheduling, or recapitalization of all or any material portion of the liabilities of the Company (or its subsidiaries), however such result is achieved, including, without limitation, through a plan of reorganization or liquidation (a ‘Plan’) confirmed in connection with a case (a ‘Bankruptcy Case’) commenced by or against the Company or any of its subsidiaries or affiliates under [the Bankruptcy Code], an exchange offer or consent solicitation, covenant relief, a rescheduling of debt maturities, a change in interest rates, a settlement or forgiveness of debt, a conversion of debt into equity, or other amendments to the Company’s debt instruments.”

the Debtors shall be terminated and superseded in all respects with the Engagement Letter, that all obligations of the Debtors and Moelis under the October 2013 Engagement Letter are satisfied in full and that no further payments are required to be made by the Debtors to Moelis thereunder; provided that the provisions of Annex B of the October 2013 Engagement Letter shall survive with respect to the prior engagement pursuant to the October 2013 Engagement Letter.

17. If at any time before the expiration of 12 months following the termination of Moelis's engagement, the Debtors enter into a definitive merger, purchase and sale or similar agreement for a Sale Transaction or definitive agreement for a Restructuring that results in or consummates such Sale Transaction or Restructuring, the Debtors shall pay Moelis the appropriate fee or fees specified in the Engagement Letter immediately upon the closing of each such transaction.

18. In addition to any fees payable to Moelis, Moelis will charge the Debtors for all reasonable out-of-pocket expenses incurred in connection with the engagement. Such expenses include in-sourced document production costs, travel costs, meals and the fees, disbursements, reasonable costs of outside counsel and other charges set forth in the Engagement Letter.

19. Moelis intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these Chapter 11 Cases. Moelis will maintain records in support of any actual, necessary costs and expenses incurred in connection with the rendering of its services in these Chapter 11 Cases. However, the Debtors are seeking approval of Moelis's fee arrangements under section 328(a) of the Bankruptcy Code

and the Debtors understand that: (a) it is not the general practice of investment banking firms like Moelis to keep detailed time records similar to those customarily kept by attorneys; (b) Moelis does not ordinarily keep time records on a “project category” basis; and (c) Moelis’s compensation is based on a fixed Monthly Fee and fixed transaction fees. Accordingly, the Debtors respectfully request that Moelis should not be required to maintain time records of its efforts and that Moelis not be required to provide or conform to any schedule of hourly rates. To the extent that Moelis would otherwise be required by the Bankruptcy Code, the Bankruptcy Rules, the Trustee Guidelines or other applicable procedures, and orders of the Court to submit more detailed time records, the Debtors respectfully request that this Court waive such requirements, provided, however, that, at the Court’s or the U.S. Trustee’s request, Moelis will instead present to the Court and/or the U.S. Trustee, as applicable, records (in summary format) that contain reasonably detailed descriptions of those services provided to the Debtors.

20. The Debtors believe the Fee Structure is consistent with, and typical of, compensation arrangements entered into by Moelis and other comparable firms in connection with the rendering of similar services under similar circumstances. In determining the Fee Structure and the reasonableness of such compensation, the Debtors compared Moelis’s fee proposal to other proposals received by the Debtors in the financial advisory and investment banking selection process, as well as comparable precedent. After such comparison, followed by discussions and arm’s-length negotiations, the Debtors believe that the Fee Structure is in fact reasonable, market-based, and designed to compensate Moelis fairly for its work and to cover fixed and routine overhead expenses.

21. Moelis's strategic and financial expertise, as well as its capital markets knowledge, financing skills, restructuring capabilities, and mergers and acquisitions expertise, some or all of which has and will be required by the Debtors during the term of Moelis's engagement, were all important factors to the Debtors in determining the Fee Structure. The Debtors believe that the ultimate benefit of Moelis's services hereunder cannot be measured by reference to the number of hours to be expended by Moelis's professionals in the performance of such services. The Debtors and Moelis have agreed upon the Fee Structure in anticipation that a substantial commitment of professional time and effort will be required of Moelis and its professionals in connection with these Chapter 11 Cases and in light of the fact that (a) such commitment may foreclose other opportunities for Moelis and (b) the actual time and commitment required of Moelis and its professionals to perform its services under the Engagement Letter may vary substantially from week-to-week and month-to-month, creating "peak load" issues for Moelis.

22. As of the Petition Date, the Debtors do not owe Moelis any fees for services performed or expenses incurred under the Engagement Letter. According to Moelis's books and records, during the 90-day period before the Petition Date, Moelis received \$600,000 for professional services performed and \$93,337.47 for expenses incurred.

Disinterestedness

23. The Debtors have provided Moelis with a list of potential parties in interest. Moelis has advised the Debtors that Moelis (a) researched its internal records to determine whether Moelis has any connections with the Debtors and the parties listed on Schedule "1" attached to the Klein Declaration (the "Potential Parties in Interest") and (b) issued

a general inquiry to certain of its officers with respect to the Debtors and certain Potential Parties in Interest. To the best of the Debtors' knowledge and except to the extent disclosed herein and in the Klein Declaration, as of the date hereof, Moelis: (a) is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code; (b) does not hold or represent an interest adverse to the Debtors' estates; and (c) has no connection to the Debtors, their creditors or their related parties.

24. Given the large number of parties in interest in these Chapter 11 Cases, despite the efforts to identify and disclose Moelis's relationships with parties in interest in these Chapter 11 Cases, Moelis is unable to state with certainty that every client relationship or other connection has been disclosed in the Klein Declaration. Moelis will make continued inquiry following the filing of the Application on a periodic basis, with additional disclosures to this Court if necessary or otherwise appropriate.

25. Accordingly, the Debtors believe that Moelis is "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code.

26. The Debtors are informed that Moelis will not share any compensation to be paid by the Debtors in connection with services to be performed after the Petition Date with any other person, other than other principals and employees of Moelis, to the extent required by section 504 of the Bankruptcy Code.

Indemnification

27. As part of the overall compensation payable to Moelis under the terms of the Engagement Letter, the Debtors have agreed to certain indemnification, contribution and reimbursement obligations, set forth in Annex "B" of the Engagement Letter (the

“Indemnification Agreement”). The Indemnification Agreement provides that the Debtors will indemnify and hold harmless Moelis, its affiliates, and their respective shareholders, members, managers, employees, agents and representatives (each, an “Indemnified Person,” and collectively, the “Indemnified Persons”) from and against, and the Debtors agree that no Indemnified Person shall have any liability to the Debtors or their affiliates, or their respective owners, directors, officers, employees, security holders or creditors for, any losses, claims, damages or liabilities (collectively, “Losses”) (a) related to or arising out of oral or written statements or omissions made or information provided by the Debtors or their agents (including any information provided by or on behalf of the Company to any purchaser or seller of a security in any transaction contemplated by the engagement) or (b) otherwise arising out of, related to or in connection with Moelis’s engagement or its performance thereof, except that clause (b) shall not apply to Losses that are finally judicially determined to have resulted primarily from the bad faith, willful misconduct or gross negligence of Moelis or such Indemnified Person (such Losses under this exception to clause (b) being referred to as “Certain Losses”). In such event, Moelis will promptly refund any amounts previously advanced or otherwise reimbursed by the Debtors that are subsequently determined to be Certain Losses.

28. The Engagement Letter’s reimbursement and indemnification provisions were negotiated by the Debtors and Moelis at arm’s-length and in good faith. Further, the indemnification provisions, viewed in conjunction with the other terms of Moelis’s proposed retention, are reasonable and in the best interests of the Debtors in light of the fact that the Debtors require Moelis’s services to successfully emerge from these Chapter 11 Cases. The Debtors and Moelis believe that the indemnification provisions in the Engagement Letter are

customary and reasonable for financial advisory engagements both out of court and in chapter 11 cases. The Debtors are seeking approval of the indemnification provisions comparable to other orders of courts in this Jurisdiction where Moelis has been retained. See, e.g., In re OSH 1 Liquidating Corp. (f/k/a Orchard Supply Hardware Stores Corp.), No. 13-11565 (CSS) (Bankr. D. Del. July 15, 2013); In re Revel AC, Inc., No. 13-16253 (JHW) (Bankr. D.N.J. April 17, 2013); In re NewPage Corp., Case No. 11-12804 (Bankr. D. Del Sept. 7, 2011); In re Jackson Hewitt Tax Service, Inc., Case No. 11-11586 (Bankr. D. Del. May 24, 2011); In re Appleseed's Intermediate Holdings LLC, Case No. 11-10160 (Bankr. D. Del. Jan. 19, 2011); In re Int'l Aluminum Corp., Case No. 10-10003 (Bankr. D. Del. Jan. 27, 2010); In re Atrium Corp., Case No. 10-10150 (Bankr. D. Del. Jan. 20, 2010); In re Aleris Int'l, Inc., Case No. 09-10478 (Bankr. D. Del. Mar. 16, 2009). Accordingly, the Debtors request that the Court approve Moelis's retention, including the reimbursement and indemnification provisions reflected in the Indemnification Agreement.

Efforts to Avoid Duplication of Services

29. Moelis's services are intended to complement, and not duplicate, the services to be rendered by any other professional retained in the Debtors' Chapter 11 Cases. Moelis has informed the Debtors that it understands the Debtors have retained and may retain additional professionals during the term of the engagement and will use its reasonable efforts to work cooperatively with such professionals to integrate any respective work conducted by the professionals on behalf of the Debtors.

Supporting Authority

30. Section 327(a) of the Bankruptcy Code authorizes a debtor to employ professionals that “do not hold or represent an interest adverse to the estate, and that are disinterested persons.” As discussed above, Moelis satisfies the disinterestedness standard of section 327(a) of the Bankruptcy Code.

31. Moreover, Bankruptcy Rule 2014(a) requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant’s knowledge, all of the [firm’s] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

32. The Debtors submit that the retention of Moelis is in the best interests of all parties in interest in these Chapter 11 Cases. Moelis is a preeminent financial advisory and investment banking firm that is intimately familiar with the Debtors’ businesses. Based on services performed to date, Moelis has been integral to preparing the Debtors for these Chapter 11 Cases. The failure to retain Moelis would provoke unnecessary delay and expense to the detriment of all of the parties in interest. As such, the Debtors respectfully request that the Court authorize the retention and employment of Moelis as financial advisor and investment banker pursuant to section 327(a) of the Bankruptcy Code.

33. In addition, section 328(a) of the Bankruptcy Code provides, in relevant part, that debtors “with the court’s approval, may employ or authorize the employment of a

professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis”

34. As discussed above and in the Klein Declaration, Moelis satisfies the disinterestedness standard in section 327(a) of the Bankruptcy Code. Additionally, given (a) the numerous issues that Moelis may be required to address in the performance of its services for the Debtors under the Engagement Letter, (b) Moelis’s commitment to the variable level of time and effort necessary to address all such issues as they arise, and (c) the market prices for Moelis’s services for engagements of this nature, the Debtors believe that the terms and conditions of the Engagement Letter are fair, reasonable and market-based under the standards set forth in section 328(a) of the Bankruptcy Code.

35. The Debtors believe that the Fee Structure appropriately reflects the nature and scope of services to be provided by Moelis, Moelis’s substantial experience with respect to investment banking and financial advisory services, and the fee structures typically utilized by Moelis and other leading investment banks who do not bill their clients on an hourly basis.

36. The Debtors request that the requirements of the Trustee Guidelines be tailored to appropriately reflect Moelis’s engagement and its compensation structure. Moelis has requested, pursuant to section 328(a) of the Bankruptcy Code, payment of its fees on a fixed-rate basis as described in the Engagement Letter. Additionally, it is not the general practice of investment banking firms to keep detailed time records similar to those customarily kept by attorneys.

37. Courts in this jurisdiction have approved relief similar to the relief requested in this Application. See, e.g., In re OSH 1 Liquidating Corp. (f/k/a Orchard Supply Hardware Stores Corp.), No. 13-11565 (CSS) (Bankr. D. Del. July 15, 2013) (authorizing retention of Moelis as investment banker to the debtors); In re Revel AC, Inc., No. 13-16253 (JHW) (Bankr. D.N.J. April 17, 2013) (authorizing retention of Moelis as financial advisor and investment banker); In re Appleseed's Intermediate Holdings LLC, No. 11-10160 (KG) (Bankr. D. Del. Feb. 23, 2011) (authorizing retention of Moelis as financial and capital markets advisor to the debtors); In re Local Insight Media Holdings, Inc., Case No. 10-13677 (Bankr. D. Del. Dec. 20, 2010) (authorizing retention of Lazard Frères & Co. LLC as financial advisor to the debtors); In re OTC Holdings Corp., Case No. 10-12636 (Bankr. D. Del. Sept. 17, 2010) (authorizing retention of Jefferies & Company, Inc. as financial advisor to the debtors); In re NEC Holdings Corp., Case No. 10-11890 (Bankr. D. Del. Aug. 5, 2010) (authorizing retention of Morgan Joseph & Co., Inc. as financial advisor to the debtors); In re The Newark Group, Inc., No. 10-27694 (NLW) (Bankr. D.N.J. July 6, 2010) (authorizing retention of Jefferies & Company, Inc. as investment banker to the debtors); In re MiddleBrook Pharmaceuticals, Inc., Case No. 10-11485 (Bankr. D. Del. June 9, 2010) (authorizing retention of Gleacher & Company Securities, Inc. as financial advisor to the debtors); In re Atrium Corp., Case No. 10-10150 (Bankr. D. Del. Mar. 17, 2010) (authorizing retention of Moelis as financial advisor to the debtors); In re Int'l Aluminum Corp., Case No. 10-10003 (Bankr. D. Del. Jan. 27, 2010) (authorizing retention of Moelis as financial advisor to the debtors); In re TCI 2 Holdings, LLC, No. 09-13654 (JHW) (Bankr. D.N.J. May 5, 2009) (authorizing retention of Lazard Freres & Co. LLC as financial advisor and investment banker to the debtors); In re Tarragon Corp., No 09-

10555 (DHS) (Bankr. D.N.J. Feb 20, 2009) (approving retention of BDO Seidman LLP as financial advisor to the debtors); In re Shapes/Arch Holdings, LLC, No. 08-14631 (GMB) (Bankr. D.N.J. May 21, 2008) (authorizing retention of NatCity Investments, Inc. as sales consultant/investment banker to the debtors); In re THCR/LP Corp., No. 04-46898 (JHW) (Bankr. D.N.J. Mar. 17, 2005) (authorizing retention of Lazard Freres & Co. LLC as co-financial advisors to the debtors).

Waiver of Memorandum of Law

38. In accordance with Local Rule 9013-2, no brief is being filed in support of this Application because the legal principles involved are not novel or in dispute and are adequately set forth in the Application.

The Debtors' Reservation of Rights

39. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract or lease under section 365 of the Bankruptcy Code. Additionally, nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors or a waiver of the Debtors' rights to dispute any claims regarding escheatment. The Debtors expressly reserve their rights to contest any claim or billing dispute. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

Notice

40. Notice of this Application has been provided to the (i) Office of the United States Trustee for the District of New Jersey, (ii) counsel to the First Lien Lenders, (iii) counsel to the Second Lien Lenders, (iv) counsel to the DIP Agent; (v) the Debtors' 30 largest unsecured creditors on a consolidated basis (including counsel if known), (vi) all parties requesting notices pursuant to Bankruptcy Rule 2002, (vii) the Office of the Attorney General for the State of New Jersey, (viii) the New Jersey Division of Gaming Enforcement, (ix) the New Jersey Casino Control Commission, (x) the Office of the Governor for the State of New Jersey, (xi) the United States Attorneys' Office for the District of New Jersey, (xii) the United States Attorney General, (xiii) the Internal Revenue Service and (xiv) the Securities and Exchange Commission. The Debtors submit that no other or further notice need be provided.

No Prior Request

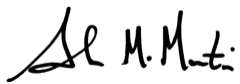
41. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, for the reasons set forth herein and in the Martin Declaration and the Klein Declaration, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit "A", (a) authorizing the Debtors to employ and retain Moelis as financial advisor and investment banker in accordance with the terms set forth in the Engagement Letter, and (b) granting such other and further relief as may be appropriate.

Dated: June 30, 2014
Atlantic City, New Jersey

Respectfully submitted,

REVEL AC, INC. (for itself and on behalf
of its affiliated debtors and debtors in
possession)

By:  _____

Name: Shaun Martin

Title: Chief Restructuring Officer

EXHIBIT A

(Proposed Order)

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in compliance with D.N.J. LBR 9004-2(c)	
FOX ROTHSCHILD LLP (Formed in the Commonwealth of Pennsylvania) Michael J. Viscount, Jr., Esq. Raymond M. Patella, Esq. 1301 Atlantic Avenue, Suite 400 Atlantic City, NJ 08401 (609) 348-4515/fax (609) 348-6834	
WHITE & CASE LLP John K. Cunningham, Esq. (<i>pro hac vice</i> pending) Richard S. Kebrdle, Esq. (<i>pro hac vice</i> pending) Kevin M. McGill, Esq. (<i>pro hac vice</i> pending) Southeast Financial Center 200 South Biscayne Blvd., Suite 4900 Miami, FL 33131 (305) 371-2700/fax (305) 358-5744 <i>Proposed Co-Counsel to the Debtors and Debtors in Possession</i>	
In re: REVEL AC, INC., <u>et al.</u> , Debtors. ¹	Chapter 11 Case No. 14-22654 (GMB) Jointly Administered Re: Docket No. ____

**ORDER AUTHORIZING DEBTORS TO EMPLOY AND
RETAIN MOELIS & COMPANY LLC AS FINANCIAL ADVISOR AND
INVESTMENT BANKER, EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE**

The relief set forth on the following pages two (2) through five (5) is hereby ORDERED:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Revel AC, Inc. (3856), Revel AC, LLC (4456), Revel Atlantic City, LLC (9513), Revel Entertainment Group, LLC (2321), NB Acquisition, LLC (9387) and SI LLC (3856). The location of the Debtors' corporate headquarters is 500 Boardwalk, Atlantic City, New Jersey 08401.

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Debtors: Revel AC, Inc., et al.

Case No.: 14-22654 (GMB)

Caption of Order: ORDER AUTHORIZING DEBTORS TO EMPLOY AND RETAIN
MOELIS & COMPANY LLC AS FINANCIAL ADVISOR AND
INVESTMENT BANKER, EFFECTIVE NUNC PRO TUNC TO THE
PETITION DATE

Upon the application (the “Application”)² of the Debtors for entry of an order (this “Order”) authorizing the Debtors to employ and retain Moelis as financial advisor and investment banker in accordance with the terms and conditions set forth in the Engagement Letter attached hereto as Exhibit “1”, all as more fully described in the Application and the Klein Declaration; and the Court having jurisdiction to consider this Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application being adequate and appropriate under the particular circumstances; and upon consideration of the Martin Declaration, the Klein Declaration, all proceedings had before the Court; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors’ estates, their creditors, and other parties in interest, and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Application is granted to the extent set forth in this Order.
2. The Debtors are authorized to employ and retain Moelis effective *nunc pro tunc* to the Petition Date under the terms of the Engagement Letter, and Moelis is authorized and

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

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Debtors: Revel AC, Inc., et al.

Case No.: 14-22654 (GMB)

Caption of Order: ORDER AUTHORIZING DEBTORS TO EMPLOY AND RETAIN
MOELIS & COMPANY LLC AS FINANCIAL ADVISOR AND
INVESTMENT BANKER, EFFECTIVE NUNC PRO TUNC TO THE
PETITION DATE

directed to perform and be compensated, as financial advisor and investment banker to the Debtors, on the terms and conditions set forth in the Application and the Engagement Letter, which are hereby approved, *nunc pro tunc* to the Petition Date.

3. The indemnification provisions included in Annex B to the Engagement Letter are hereby approved.

4. The Debtors are authorized and directed to perform their payment, indemnification, contribution and reimbursement obligations and their non-monetary obligations under the Engagement Letter. All compensation, reimbursement of expenses, indemnification, contribution and reimbursement to Moelis and any Indemnified Person (as defined in the Engagement Letter) under the Engagement Letter shall be allowed pursuant to the standards set forth in section 328(a) of the Bankruptcy Code, and shall not be subject to any other standard of review including but not limited to that set forth in section 330 of the Bankruptcy Code, except this paragraph shall not prejudice the right of the U.S. Trustee to seek review under section 330 of the Bankruptcy Code.

5. Moelis shall file interim and final fee applications for allowance of its compensation and expenses in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Trustee Guidelines and any applicable orders of the Court (collectively, the "Fee Guidelines"), provided, however, that the requirements of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Trustee Guidelines and any other orders and procedures of this Court are

(Page 4)

Debtors: Revel AC, Inc., et al.

Case No.: 14-22654 (GMB)

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MOELIS & COMPANY LLC AS FINANCIAL ADVISOR AND
INVESTMENT BANKER, EFFECTIVE NUNC PRO TUNC TO THE
PETITION DATE

hereby modified such that Moelis's professionals and non-professionals shall not be required to keep time records, provided, further, that, at the Court's or the U.S. Trustee's request, Moelis shall instead present to the Court and/or the U.S. Trustee, as applicable, records (in summary format) that contain reasonably detailed descriptions of those services provided to the Debtors.

6. Moelis shall be reimbursed only for reasonable and necessary expenses as provided by the Fee Guidelines.

7. None of the fees payable to Moelis shall constitute a "bonus" or fee enhancement under applicable law.

8. To the extent that this Order is inconsistent with the Engagement Letter, the Application, or the Klein Declaration with respect to the terms and conditions of Moelis's retention and employment by the Debtors in these Chapter 11 Cases, the terms of this Order shall govern.

9. Notice of the Application as provided therein shall be deemed good and sufficient notice of such Application and, to the extent applicable, the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by such notice.

10. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

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Debtors: Revel AC, Inc., et al.

Case No.: 14-22654 (GMB)

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MOELIS & COMPANY LLC AS FINANCIAL ADVISOR AND
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12. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Order shall be immediately effective and enforceable upon its entry.

13. This Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

EXHIBIT 1 TO EXHIBIT A

(Engagement Letter)

May 12, 2014

CONFIDENTIAL

Revel AC, Inc.
500 Boardwalk
Atlantic City, NJ 08401

Attention: Terry Glebocki, Chief Financial Officer

Ladies and Gentlemen:

1. We are pleased to confirm that since October 1, 2013, Revel AC, Inc. (the “Company” or “you”) has engaged Moelis & Company LLC (“Moelis” or “we”) to act as its financial advisor in connection with (a) the sale of all or a majority of the equity securities of the Company to a third party (an “Acquirer”), (b) the merger or combination of the Company with that of an Acquirer, (c) an Acquirer’s acquisition of all or a significant portion of the assets, properties or business of the Company or (d) a joint venture, strategic alliance or similar transaction with an Acquirer that is a strategic partner where the Acquirer acquires or receives a minority, majority or equal stake in the joint venture entity, excluding any transaction described in the foregoing clauses (a) through (c) (a “Joint Venture” and each, (a) through (d), a “Sale Transaction”). Additionally, we are pleased to confirm that since March 1, 2014 the Company has engaged Moelis to as its financial advisor and investment banker in connection with the Company’s proposed Restructuring (as defined below). A Sale Transaction and a Restructuring are each a “Transaction.” Notwithstanding anything in this agreement to the contrary, a liquidation of the Company and its assets pursuant to chapter 7 of the Bankruptcy Code or a foreclosure by any secured lender on the Company’s assets shall not constitute a Sale Transaction or Restructuring.

“Restructuring” means any restructuring, reorganization, rescheduling or recapitalization of all or any material portion of the liabilities of the Company (or its subsidiaries), however such result is achieved, including, without limitation, through a plan of reorganization or liquidation (a “Plan”) confirmed in connection with a case (a “Bankruptcy Case”) commenced by or against the Company or any of its subsidiaries or affiliates under title 11 of the United States Code (the “Bankruptcy Code”), an exchange offer or consent solicitation, covenant relief, a rescheduling of debt maturities, a change in interest rates, a settlement or forgiveness of debt, a conversion of debt into equity, or other amendments to the Company’s debt instruments.

As part of our engagement, we will, if appropriate and requested:

- (a) assist the Company in conducting a business and financial analysis of the Company;
- (b) meet with the Company’s lenders to provide updates, as and when reasonably requested by the Company, on the factual details of the Transaction process and address questions posed by the lenders related thereto, subject to any applicable confidentiality obligations;
- (c) assist the Company in identifying and evaluating candidates for a Sale Transaction;
- (d) contact and meet with potential Acquirers that the Company has agreed may be appropriate for a Sale Transaction and provide such potential Acquirers with such information about the Company

- as appropriate and acceptable to the Company, subject to customary business confidentiality (or, in the case of non-public information, a customary confidentiality agreement approved in advance by the Company);
- (e) assist the Company in preparing a marketing plan and information materials describing the Company (the “Information Memo”) for distribution to potential Acquirers, subject to a customary confidentiality agreement, in each case as approved in advance by the Company;
 - (f) assist the Company in developing a strategy to effectuate a Transaction and advise the Company on its debt and capital structure and facilitate amendments to the Company’s credit agreements and the Company’s efforts to secure new debtor-in-possession financing or other financing or refinancing, in each case from any stakeholder in the Company or any party contacted in the Company’s strategic process (i.e., the Company’s letter sent in October 2013) (any such financing or refinancing, a “Covered Financing”) in connection with a Restructuring;
 - (g) assist the Company in structuring and negotiating a Transaction and participate in such negotiations;
 - (h) meet with your Board of Directors to discuss a proposed Transaction and its financial implications
 - (i) provide testimony regarding the strategic alternatives review process undertaken by the Company, the DIP loan and other non-contested bankruptcy matters in connection with the Bankruptcy Case, including without limitation testimony provided in any depositions or before the Bankruptcy Court (such testimony, “Testimony”). Such Testimony will not include the content of a Report (as defined below) unless the Report Fee has been earned; and
 - (j) provide such other financial advisory services (including other confidential financial analyses) in respect of a potential Transaction (whether a Restructuring or a Sale Transaction) and related matters as the Company and Moelis may mutually agree upon, both acting reasonably.

In connection with the services to be provided by Moelis hereunder, Moelis will report to and take direction from the Board of Directors of the Company and will communicate only with members of the Board of Directors and management of the Company regarding the Company or a Transaction, except as otherwise authorized by the Board of Directors or management of the Company. Please note that Moelis does not provide legal, tax, accounting or actuarial advice.

2. (a) As compensation for our services hereunder, the Company agrees to pay us the following non-refundable cash fees:

Monthly Fee

- (i) Starting from March 1, 2014, a fee of \$150,000 per month (the “Monthly Fee”), payable in advance of each month. The Company will pay the first three Monthly Fees (for March, April and May) immediately upon the execution of this agreement, and all subsequent Monthly Fees prior to each monthly anniversary of the date of this agreement. Whether or not a Restructuring or a Sale Transaction occurs, we shall earn and be paid the Monthly Fee every month during the term of this agreement. To the extent that Monthly Fees beyond the seventh Monthly Fee are not reimbursed from a third party, Moelis shall credit 100% of those Monthly Fees earned beyond the seventh Monthly Fee against either the Sale Transaction Fee or the Restructuring Transaction Fee, whichever becomes first payable under the terms of this agreement.

Sale Transaction Fee

(ii) A sale transaction fee (the “Sale Transaction Fee”), payable promptly at the closing of a Sale Transaction, in an amount equal to 0.75% of Transaction Value (as defined in *Annex A*); provided that with respect to the first Transaction that is consummated by the Company following the date of this agreement, the Transaction Fee shall be the greater of (i) 0.75% of Transaction Value and (ii) \$2,000,000, in each case, less \$256,000. It is understood that the Company will pay a separate Transaction Fee for each Transaction. Under no circumstances shall the Sale Transaction Fee be less than zero.

Restructuring Transaction Fee

(iii) At the closing of a Restructuring, a fee (the “Restructuring Transaction Fee”) of \$2,000,000, less \$256,000. Under no circumstances shall the Restructuring Transaction Fee be less than zero.

If both the Sale Transaction Fee and the Restructuring Transaction Fee become payable, Moelis will be entitled to only one fee which is the higher of such fees.

Report Fee

(iv) A cash fee (the “Report Fee”) of \$1,000,000 if the Company requests in writing (which request may not be rescinded) that Moelis prepare an expert report (the “Report”) on the valuation (including providing testimony with respect thereto) of (A) the Company, (B) the Company’s assets or (C) the bids for the Company’s assets, in the case of each of clauses (A) through (C), in connection with a contested matter in the Bankruptcy Case, which Report Fee shall be payable promptly upon Moelis’ confirmation that it is ready to deliver the Report. For the avoidance of doubt, the Report Fee shall not be payable to Moelis with respect to Testimony described in Section 1(i) above. The Report Fee shall be payable no more than one time under this Agreement.

If Moelis is asked by the Company to assist the Company with respect to any new money financing or refinancing other than the Covered Financings during the term of this agreement and provide such other services in connection therewith, then the Company shall pay Moelis a separate fee at a market rate to be mutually agreed upon in good faith by Moelis and the Company and set forth in a supplement to this agreement. Such supplement shall also include a representation from the Company that to the extent the securities laws are applicable to such amendment, the information provided to any such lenders by or on behalf of the Company, at the signing of such amendment, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; provided the foregoing representation shall not give Moelis a cause of action against the Company unless a claim is made against Moelis based on such information.

(b) Moelis agrees that the Engagement Letter, dated October 17, 2013 (the “October 2013 Engagement Letter”), between Moelis and the Company shall be terminated and superseded in all respects by this agreement, that all obligations of the Company and Moelis under the October 2013 Engagement Letter are satisfied in full and that no further payments are required to be made by the Company to Moelis thereunder; provided that the provisions of Annex B of the October 2013

Engagement Letter shall survive with respect to prior engagement pursuant to the October 2013 Engagement Letter.

(c) Whether or not any Transaction is consummated, you will reimburse us for reasonable out-of-pocket and documented expenses as they are incurred in performing services pursuant to this agreement, including the reasonable costs of our outside legal counsel. We agree to provide the Company with reasonable support for our expenses at the Company's request or at the Bankruptcy Court's direction. Prior to commencing a Bankruptcy Case, the Company will reimburse all of our reasonable out-of-pocket expenses that we incurred up to such commencement.

(d) If, at any time prior to the expiration of 12 months following the termination or expiration of this agreement, the Company enters into a definitive merger, purchase and sale or similar agreement for a Sale Transaction or a definitive agreement for a Restructuring that subsequently results in such Sale Transaction or a Restructuring, or consummates such a Sale Transaction or Restructuring, then the Company will pay us the Transaction Fee or Restructuring Transaction Fee, as applicable, specified above in cash promptly upon the closing of such Sale Transaction or Restructuring.

(e) The Company's obligation to pay any fee, expense or indemnity set forth herein is not subject to any reduction by way of setoff, recoupment or counterclaim.

(f) Moelis will make a substantial commitment of professional time and effort hereunder, which may foreclose other opportunities for us. Moreover, the actual time and effort required for the engagement may vary substantially from time to time. In light of the numerous issues that may arise in engagements such as this, Moelis' commitment of the time and effort necessary to address the issues that may arise in this engagement, Moelis' expertise and capabilities that the Company will require in this engagement, and the market rate for professionals of Moelis' stature and reputation, the parties agree that the fee arrangement provided herein is just and reasonable, fairly compensates Moelis, and provides the requisite certainty to the Company.

3. If a Bankruptcy Case is commenced:

(a) The Company will use its reasonable best efforts to seek a final order of the Bankruptcy Court authorizing our employment as the Company's financial adviser under this agreement pursuant to, and subject to the standards of review set forth in, section 328(a) of the Bankruptcy Code (and not subject to the standards of review set forth in section 330 of the Bankruptcy Code), nunc pro tunc to the date of the filing of the Bankruptcy Case. The retention application and any order authorizing Moelis' retention must be acceptable to Moelis. Prior to commencing a Bankruptcy Case, the Company will pay all amounts then earned and payable pursuant to this agreement.

(b) Moelis will have no obligation to provide services unless the Bankruptcy Court approves Moelis' retention in a final non-appealable order acceptable to Moelis under section 328(a) of the Bankruptcy Code within 60 days following the filing of a voluntary chapter 11 case or the entry of an order for relief in any involuntary chapter 11 case. If neither the Company nor Moelis obtain such an order within such 60-day period, or such order is later reversed, vacated, stayed or set aside for any reason, Moelis may terminate this agreement, and the Company shall reimburse Moelis for all fees owing and expenses incurred prior to the date of termination, subject to the requirements of the Bankruptcy Rules, and Moelis shall be entitled to a contingent claim with respect to any fees that become payable under Section 2(d).

(c) Moelis' post-petition compensation, expense reimbursements and payment received pursuant to the provisions of **Annex B** shall be entitled to priority as expenses of administration under sections

503(b)(1)(A) and 507(a)(2) of the Bankruptcy Code, and shall be entitled to the benefits of any “carve-outs” for professional fees and expenses in effect pursuant to one or more financing orders entered by the Bankruptcy Court. Following entry of an order authorizing our retention, the Company will assist Moelis in preparing, filing and serving fee statements, interim fee applications, and a final fee application. The Company will support Moelis’ fee applications that are consistent with this agreement in papers filed with the Bankruptcy Court and during any Bankruptcy Court hearing. The Company will pay promptly our fees and expenses approved by the Bankruptcy Court and in accordance with the Bankruptcy Rules.

(d) The Company will use its reasonable best efforts to ensure that, to the fullest extent permitted by law, any confirmed plan of reorganization or liquidation in the Bankruptcy Case contains typical and customary releases (both from the Company and from third parties) and exculpation provisions releasing, waiving, and forever discharging Moelis, its divisions, affiliates, any person controlling Moelis or its affiliates, and their respective current and former directors, officers, partners, members, agents and employees from any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action, and liabilities related to the Company or the engagement described in this agreement.

The terms of this Section 3 are solely for the benefit of Moelis, and may be waived, in whole or in part, only by Moelis.

4. The Company will furnish us with such information concerning the Company and, to the extent available to the Company, the Acquirer, as we reasonably deem appropriate (collectively, the “Information”) and will provide us with access to the Company’s officers, directors, employees, accountants, counsel and other representatives and, as practicable, those of the Acquirer. To the Company’s knowledge, the Information relating to the Company provided to Moelis by the Company (as such Information may be updated from time to time) will be true and correct in all material respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. The Company will advise us as soon as reasonably practicable upon becoming aware of any material event or change in the business, affairs, condition (financial or otherwise) or prospects of the Company that occurs during the term of this agreement. In performing our services hereunder, we will be entitled to use and rely upon the Information as well as publicly available information without independent verification. We will be entitled to assume that financial forecasts and projections the Company or any Acquirer makes available to us have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company or such Acquirer, as the case may be, as to the matters covered thereby (it being understood that such forecasts and projections are not assured of realization and that actual results may differ in material respects). The Company authorizes us, upon the Company’s prior approval, to transmit any Information Memo to potential parties to a Transaction. The Company will be solely responsible for the contents of the Information Memo.

We will not disclose to any third party nonpublic Information concerning the Company, the Acquirer or a potential Transaction provided to us in connection with this agreement as long as it remains nonpublic, except (i) as otherwise required by subpoena or court order (in which event, Moelis will provide the Company with reasonable advance notice and coordinate with the Company as appropriate in respect thereof) and for private disclosure to the extent required or requested to our financial regulatory authorities having jurisdiction over us and (ii) we may provide nonpublic Information to prospective Acquirers as contemplated by (and in accordance with) this agreement. This paragraph shall terminate one year following termination of this agreement.

5. The Company will not disclose, summarize or refer to any of our advice (or any valuation) publicly or to any third party, without our prior written consent provided, it is understood that the Company may disclose information and analysis provided by Moelis as the Company’s information and

analysis without using Moelis' name or attribution to Moelis or as required in connection with the Restructuring (subject to the next sentence). In the event disclosure is required in connection with the Restructuring or by subpoena or court order, the Company will, to the extent reasonably practicable, provide us with reasonable advance notice and permit us to comment on the form and content of the disclosure. Subject to the Company's prior approval, we may, at our option and expense and after announcement of the Transaction, place announcements and advertisements or otherwise publicize the Transaction and our role in it (which may include the reproduction of the Company's logo and a hyperlink to the Company's website) on our website and in such financial and other newspapers and journals as we may choose, stating that we have acted as the financial advisor to the Company in connection with the Transaction. If we request, the Company shall include a mutually acceptable reference to us in any public announcement of the Transaction.

6. We are an independent contractor (and we are expressly not acting as a fiduciary) with the contractual duties described herein owing only to the Company. Since we will be acting on the Company's behalf, the Company and we agree to the indemnity and other provisions set forth in **Annex B**. The Company's obligations set forth therein shall be in addition to any rights that any Indemnified Person may have at common law or otherwise. Other than the Indemnified Persons, there are no third-party beneficiaries of this agreement. The Company hereby agrees to the acknowledgements and disclosures set forth in **Annex C**.

7. Either of us may terminate this agreement at any time, with or without cause, on written notice, and this agreement may also be terminated as provided in Section 3(b). In the event of any termination, we will continue to be entitled to the fees and expenses that became payable hereunder prior to termination. **Annex B**, Section 2(d) and Sections 3 through 9 (other than Section 4) shall remain in full force and effect after the completion, termination or expiration of this agreement.

8. We are a securities firm engaged in a number of merchant banking, asset management and investment banking activities. We have no duty to disclose to the Company or use for the Company's benefit any nonpublic information acquired in the course of providing services to any other person, engaging in any transaction (on our own account or otherwise) or carrying on our other businesses. Our affiliates, employees, officers and partners may at any time own the Company's securities or those of a prospective Acquirer or other entity involved in a Transaction; provided that Moelis shall promptly inform the Company of any holdings in, prospective Acquirers who sign confidentiality agreements with the Company by Moelis (excluding any asset management affiliates of Moelis separated from Moelis by information barriers) or any member of the deal team assisting the Company with a potential Transaction or any relationship of such a deal team member with such a prospective Acquirer that Moelis reasonably believes is material, and shall cooperate with the Company in implementing appropriate guidelines or other steps or procedures (if any) that the Company reasonably determines, should be undertaken as a result thereof. We recognize our obligations under applicable securities laws in connection with the purchase and sale of such securities. With respect to any prospective Acquirers that submit bids, Moelis shall inform the Company of engagements (excluding any confidential aspects of the engagement) of Moelis by such Acquirers within the past two years.

9. This agreement shall be governed by and construed in accordance with the internal laws of the State of New York, embodies the entire agreement and supersedes any prior written or oral agreement relating to the subject matter hereof, and may only be amended or waived in writing signed by both the Company and us. If any part of this agreement is judicially determined to be unenforceable, it shall be interpreted to the fullest extent enforceable so as to give the closest meaning to its intent and the remainder of this agreement shall continue in full force and effect. Any proceeding arising out of this agreement shall be heard exclusively in a New York state or federal court sitting in the city and county of New York, to whose jurisdiction and forum Moelis and the Company irrevocably submit.


Notwithstanding any provision in this agreement to the contrary, the Bankruptcy Court shall have exclusive jurisdiction to enforce and interpret this agreement to the extent approved by order of the Bankruptcy Court in a case by the Company under the Bankruptcy Code. The Company also irrevocably consents to the service of process in any such proceeding by mail to the Company's address set forth above. This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. This agreement shall be binding upon the Company and us and its and our respective successors and assigns. WE AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS SECURITY HOLDERS) WAIVE ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

(Signature page follows)

We are delighted to accept this engagement and look forward to working with the Company. Please sign and return the enclosed duplicate of this agreement. The individuals signing this agreement each represent that he or she is authorized to execute and deliver it on behalf of the entity whose name appears above his or her signature.


Very truly yours,

MOELIS & COMPANY LLC

By: 
Name: BRIAN KLEIN
Title: MO

Accepted and agreed to as of the date first written above:

REVEL AC, INC.

By: 
Name: TERRY GIEBACK
Title: SVP/CFO

ANNEX A

“Transaction Value” shall equal the sum of, without duplication, (A) in the case of the sale, issuance or exchange of equity securities, the total consideration received or to be received for such securities (including amounts payable to holders of options, warrants and convertible securities and amounts held in escrow), plus payments made in installments, amounts payable in connection with the Transaction under consulting agreements, agreements not to compete or similar arrangements (including such payments to management in excess of customary amounts), and contingent payments (whether or not related to future earnings or operations); (B) in the case of a sale or disposition of assets, the total consideration paid or received or to be paid or received for such assets (including amounts held in escrow and installment payments), plus contingent payments (whether or not related to future earnings or operations); and (C) (i) in the case of the sale, issuance or exchange of equity securities that results in a Change of Control of the Company (as defined below), the principal amount of all indebtedness for borrowed money as set forth on the most recent consolidated balance sheet (the “Balance Sheet”) of the Company prior to the consummation of the Transaction (less the amount of cash and cash equivalents up to but not exceeding the total amount of indebtedness set forth on the Balance Sheet) and (ii) in the case of a sale or disposition of assets, the principal amount of all indebtedness for borrowed money as set forth on the Balance Sheet that the Acquirer assumes or acquires; and (D) in the case of the sale, issuance or exchange of equity securities that results in a Change of Control of the Company, the value implied in the Transaction of any equity retained by the security holders of the Company upon consummation of the Transaction (such equity to be valued at the same price per share as paid in the Transaction).

Notwithstanding the foregoing, (i) in the case of a Joint Venture that results in a Change of Control of the Company, Transaction Value shall be calculated based on an enterprise value to be mutually agreed upon by the Company and Moelis in good faith and (ii) in the case of a Joint Venture that does not result in a Change of Control of the Company, Transaction Value shall be calculated based on the value of the total consideration received by the Company or its shareholders in connection with the formation of such Joint Venture.

A “Change of Control of the Company” shall be deemed to have occurred when shareholders of the Company who, as a group, owned 100% of the issued and outstanding shares of the Company immediately prior to the consummation a Transaction either (i) no longer beneficially own at least 50% of the issued and outstanding shares of the Company immediately following the consummation of such Transaction or (ii) no longer control at least 50% of voting power of the issued and outstanding shares of the Company immediately following the consummation of such Transaction.

Transaction Value also shall include any (i) dividends or other distributions paid on the acquired company’s securities, other than normal recurring cash dividends in amounts not materially greater than currently paid; and (ii) amounts the acquired company pays to repurchase any of its securities (excluding repurchases pursuant to and consistent with any current stock repurchase program of the acquired company).

The Company will pay any portion of the Transaction Fee attributable to contingent payments constituting Transaction Value upon consummation of the Transaction, based on the present value of such amounts, using a discount rate and probability of payment that the Company and we mutually agree; provided amounts paid into escrow with respect to representational indemnities shall be deemed paid at closing.

For purposes of calculating the Transaction Value, equity securities constituting a part of the consideration payable in the Transaction that are traded on a national securities exchange shall be valued at the volume-weighted average price thereof on the 30 trading days immediately prior to the closing of

the Transaction. Such equity securities that are traded in an over-the-counter market shall be valued at the mean between the latest bid and asked prices on the 30 trading days immediately prior to the closing of the Transaction. Any debt or other securities or other non-cash consideration shall be valued as the Company and we may mutually agree.

ANNEX B

In the event that Moelis & Company LLC or our affiliates or any of our or our affiliates' respective current or former directors, officers, partners, managers, agents, representatives or employees (including any person controlling us or any of our affiliates) (collectively, "Indemnified Persons") becomes involved in any capacity in any actual or threatened action, claim, suit, investigation or proceeding (an "Action") arising out of, related to or in connection with this agreement or any matter referred to herein, the Company will reimburse such Indemnified Person for the reasonable out-of-pocket and documented costs and expenses (including reasonable counsel fees) of investigating, preparing for and responding to such Action or enforcing this Annex B as they are incurred. The Company will also indemnify and hold harmless any Indemnified Person from and against, and the Company agrees that no Indemnified Person shall have any liability to the Company or its affiliates, or their respective owners, directors, officers, employees, security holders or creditors, for, any losses, claims, damages or liabilities (collectively, "Losses") (A) related to or arising out of oral or written statements or omissions made or information provided by the Company or its agents (including any information provided by or on behalf of the Company to any purchaser or seller of a security in any transaction contemplated by the engagement) or (B) otherwise arising out of, related to or in connection with this agreement or our performance thereof, except that this clause (B) shall not apply to Losses that are finally judicially determined to have resulted primarily from the bad faith, willful misconduct or gross negligence of Moelis or any other Indemnified Person (such Losses under this exception to clause (B) being referred to as "Certain Losses"). In such event, Moelis will promptly refund any amounts previously advanced or otherwise reimbursed by the Company are subsequently determined to be Certain Losses.

If such indemnification is for any reason not available or insufficient to hold an Indemnified Person harmless, the Company agrees to contribute to the Losses in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Company, on the one hand, and by us, on the other hand, with respect to this agreement or, if such allocation is judicially determined to be unavailable and in the case of Certain Losses, in such proportion as is appropriate to reflect the relative benefits and relative fault of the Company on the one hand and of us on the other hand, and any other equitable considerations; provided, however, that, to the extent permitted by applicable law, in no event (other than with respect to Certain Losses) shall the Indemnified Persons be responsible for amounts that exceed the fees actually received by us from the Company in connection with this agreement. Relative benefits to the Company, on the one hand, and us, on the other hand, with respect to this agreement shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received or proposed to be received by the Company or its security holders, as the case may be, pursuant to the Transaction(s), whether or not consummated, bears to (ii) the fees actually received by us in connection with this agreement.

Promptly after receipt by any Indemnified Person of notice of commencement of any Action against any Indemnified Person, Moelis shall, if a claim for indemnification in respect thereof is to be made against the Company under this Annex B, notify the Company of such Action. Failure by Moelis to so notify the Company shall not relieve the Company from the obligation to indemnify an Indemnified Person under this Annex B, or otherwise, except with respect to the indemnification obligations hereunder (but not the contribution obligations) to the extent that the Company is materially prejudiced as a result of such failure or such failure otherwise results in the forfeiture by the Company of substantial rights or defenses or the Company is otherwise materially prejudiced as a result of such failure. If any Indemnified Person seeks indemnification under this Annex B, the Company shall be entitled to assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Person. Upon assumption by the Company of the defense of any such Action, the Indemnified Person shall have the right to participate therein and to retain its own counsel but the Company shall not be liable for any legal expenses of other counsel incurred by such Indemnified Person in connection with the defense thereof unless (i) the

Company has agreed in writing to pay such fees and expenses, (ii) the Company shall have failed to employ counsel reasonably satisfactory to the Indemnified Person, or (iii) the named parties to any such claim, action, suit or proceeding include both an Indemnified Person and the Company and representation of such Indemnified Person and the Company by the same counsel shall result in an actual or potential conflict of interest or there are one or more legal defenses available to the Indemnified Person that are different from or additional to those available to the Company if such defenses would make it inappropriate or inadvisable for the same counsel to represent both the Indemnified Person and the Company (in which case Moelis or the Indemnified Person shall control the defense of such Indemnified Person); provided, however, that the Company shall not, in connection with any one such Action or separate but substantially similar Actions, arising out of the same general allegations, be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Persons, including Moelis, except to the extent that local counsel or counsel with specialized expertise, in addition to regular counsel, is required in order to effectively defend against such Action or a conflict of interest requires separate counsel for particular Indemnified Persons. The Company will not, without our prior written consent (not to be unreasonably withheld), settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate (a "Settlement") any Action in respect of which indemnification is or may be sought hereunder (whether or not an Indemnified Person is a party) unless such Settlement includes a release of each Indemnified Person from any Losses arising out of such Action. The Company will not permit any such Settlement to include a statement as to, or an admission of, fault or culpability by or on behalf of an Indemnified Person without such Indemnified Person's prior written consent. No Indemnified Person seeking indemnification, reimbursement or contribution under this agreement will agree to the Settlement of any Action without the Company's prior written consent (not to be unreasonably withheld).

Prior to effecting any proposed sale, exchange, dividend or other distribution or liquidation of all or substantially all of its assets or any significant recapitalization or reclassification of its outstanding securities that does not explicitly or by operation of law provide for the assumption of the obligations of the Company set forth herein, the Company will notify Moelis in writing of its arrangements for the Company's obligations set forth herein to be assumed by another creditworthy party (for example through insurance, surety bonds or the creation of an escrow) upon terms and conditions reasonably satisfactory to the Company and Moelis.

ANNEX C

FINRA Suitability. Pursuant to FINRA Rule 2111, the Company acknowledges that (i) the Company is capable of evaluating investment risks independently, both in general and with regard to transactions and investment strategies involving a security or securities and will exercise independent judgment in evaluating recommendations (if any) of Moelis and its associated persons, and (ii) the Company is an Institutional Account as defined in FINRA Rule 4512(c).

USA Patriot Act. Moelis is required to obtain, verify, and record information that identifies the Company in a manner that satisfies the requirements of and in accordance with the USA Patriot Act.

Business Continuity. Moelis maintains a business continuity plan that is reviewed annually and is updated as necessary. Our disclosure statement is available on our website at www.moelis.com and a copy can be requested by contacting us at compliance@moelis.com.

EXHIBIT B

(October 2013 Engagement Letter)

October 17, 2013

CONFIDENTIAL

Revel AC, Inc.
500 Boardwalk
Atlantic City, NJ 08401

Attention: Terry Glebocki, Chief Financial Officer

Ladies and Gentlemen:

1. We are pleased to confirm that since October 1, 2013, Revel AC, Inc. (the “Company” or “you”) has engaged Moelis & Company LLC (“Moelis” or “we”) to act as its financial advisor in connection with (a) the sale of all or a majority of the equity securities of the Company to a third party (an “Acquirer”), (b) the merger or combination of the Company with that of an Acquirer, (c) an Acquirer’s acquisition of all or a significant portion of the assets, properties or business of the Company or (d) a joint venture, strategic alliance or similar transaction with an Acquirer that is a strategic partner where the Acquirer acquires or receives a minority, majority or equal stake in the joint venture entity, excluding any transaction described in the foregoing clauses (a) through (c) (a “Joint Venture” and each, (a) through (d), a “Transaction”).

As part of our engagement, we will, if appropriate and requested:

- (a) assist the Company in conducting a business and financial analysis of the Company;
- (b) assist the Company in preparing illustrative financial projections to illustrate a hypothetical scenario whereby the Company was owned and operated by a well-established casino operator (the “Illustrative Projections”), such projections will represent the Company’s management’s best estimates of what such a hypothetical operator might project for the operations and financial performance of the Company as part of the operator’s business, including potential synergies;
- (c) based on the Illustrative Projections, provide a confidential illustrative valuation analysis using three standard investment banking valuation methodologies (Selected Company Analysis, Selected Transaction Analysis and Discounted Cash Flow Analysis) (the “Presentation”) to be used to assist the Company in negotiations with potential Acquirers;
- (d) meet with your Board of Directors to review the Presentation;
- (e) subject to each attending lender executing in favor of Moelis a Release and Indemnity Letter in the form of *Exhibit 1* hereto (the “Release Letter”), assist the Company in meeting with the Company’s lenders to review the Release Letter Presentation;
- (f) meet with the Company’s lenders to provide updates, as and when reasonably requested by the Company, on the factual details of the Transaction process and address questions posed by the lenders related thereto, subject to any applicable confidentiality obligations;
- (g) assist the Company in identifying and evaluating candidates for a Transaction;

- (h) contact and meet with potential Acquirers that the Company has agreed may be appropriate for a Transaction and provide such potential Acquirers with such information about the Company as appropriate and acceptable to the Company, subject to customary business confidentiality (or, in the case of non-public information, a customary confidentiality agreement approved in advance by the Company);
- (i) assist the Company in preparing a marketing plan and information materials describing the Company (the "Information Memo") for distribution to potential Acquirers, subject to a customary confidentiality agreement, in each case as approved in advance by the Company;
- (j) assist the Company in developing a strategy to effectuate a Transaction;
- (k) assist the Company in structuring and negotiating a Transaction and participate in such negotiations;
- (l) meet with your Board of Directors to discuss a proposed Transaction and its financial implications; and
- (m) provide such other financial advisory services (including other confidential financial analyses) in respect of a potential Transaction and related matters as the Company and Moelis may mutually agree upon, both acting reasonably.

In connection with the services to be provided by Moelis hereunder, Moelis will report to and take direction from the Board of Directors of the Company and will communicate only with members of the Board of Directors and management of the Company regarding the Company or a Transaction, except as otherwise authorized by the Board of Directors or management of the Company. Please note that Moelis does not provide legal, tax, accounting or actuarial advice.

If you request, we will undertake an investigation and analysis to enable us to render an opinion (the "Opinion") to your Board of Directors addressing the fairness, from a financial point of view, to the Company (all of its shareholders and creditors taken as a whole) of the aggregate consideration to be received in the Transaction taken as a whole. If we believe in our professional judgment that we are unable to render such an Opinion using traditional financial analyses, we may elect not to render the Opinion. The Opinion will not address the fairness or relative fairness to any shareholders or creditors of the Company of the consideration to be received by such shareholders or creditors. The nature and scope of our investigation and analysis, as well as the scope, form and substance of any such Opinion, shall be such as we deem appropriate in our professional judgment. The Opinion will be addressed to and prepared solely for the use of your Board of Directors, and may not be relied upon by any other person. If you request, the Opinion shall be delivered in written form. Depending on the circumstances of the Transaction, the Company and Moelis may agree to a different form of Opinion than agreed to in this paragraph.

If the Company requests an Opinion from Moelis and Moelis determines not to provide such Opinion and the Company engages another financial advisor to provide the Opinion, Moelis shall not have any liability or responsibility for the actions or omissions of such other financial advisor.

If the Company requests a Presentation, the Company shall inform Moelis whether the Presentation is intended to be used by the Company for internal purposes or whether the Presentation is intended to be provided to the Company's lenders who have executed the Release Letter (a "Release Letter Presentation", for the avoidance of doubt a Release Letter Presentation is a Presentation hereunder). The

nature and scope of our investigation and analysis, as well as the scope, form and substance of any such Presentation, shall be such as we deem appropriate. The Presentation will be addressed to and prepared solely for the use of the Company's Board of Directors and may not be relied upon by any other person. The Company may provide a copy of the Release Letter Presentation to the Company's lenders who have executed the Release Letter.

2. As compensation for our services hereunder, the Company agrees to pay us the following non-refundable cash fees:

Retainer Fee

(a) A retainer fee of \$200,000 (the "Retainer Fee"), payable promptly upon execution of this agreement.

Release Letter Presentation Fee

(b) A presentation fee of \$1,000,000 (the "Release Letter Presentation Fee"), payable promptly upon delivery of a Release Letter Presentation to the Company's Board of Directors following the prior request for such delivery by the Company's Board of Directors. \$250,000 of the Release Letter Presentation Fee will be creditable against the Transaction Fee.

Transaction Fee

(c) A transaction fee (the "Transaction Fee"), payable promptly at the closing of a Transaction, in an amount equal to 0.75% of Transaction Value (as defined in *Annex A*); provided that with respect to the first Transaction that is consummated by the Company following the date of this agreement, the Transaction Fee shall be the greater of (i) 0.75% of Transaction Value and (ii) \$2,000,000, in each case, less \$256,000. It is understood that the Company will pay a separate Transaction Fee for each Transaction.

Termination Fee

(d) A termination fee equal to 10% (a "Termination Fee") of any "termination fee," "break-up fee," "topping fee," "expense reimbursement" or other form of compensation payable to the Company if, after the execution of a definitive merger, purchase and sale or similar agreement for a Transaction, such Transaction fails to close and the Company receives any such compensation. You will pay the Termination Fee if and when you receive any such compensation. If the Company receives any such compensation in the form of, or receives an option for, securities or assets, the value thereof shall be the fair market value on the day you receive such compensation or are able to exercise such option unless otherwise mutually agreed upon in good faith by the Company and Moelis.

Opinion Fee

(e) An opinion fee (the "Opinion Fee") equal to \$625,000, payable promptly upon our delivery of the Opinion upon the request of the Board of Directors of the Company.

In the event Moelis is asked by the Company to negotiate any amendments with lenders, the restructuring or refinancing of all or substantially all of the debt of the Company during the term of this agreement, the Company shall pay Moelis a separate fee at a market rate to be mutually agreed upon in good faith by

Moelis and the Company and set forth in a supplement to this agreement. Such supplement shall also include a representation from the Company that to the extent the securities laws are applicable to such amendment, the information provided to any such lenders by or on behalf of the Company, at the signing of such amendment, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; provided the foregoing representation shall not give Moelis a cause of action against the Company unless a claim is made against Moelis based on such information.

Moelis agrees that the Engagement Letter, dated March 11, 2013 (the "March 2013 Engagement Letter"), between Moelis and the Company shall be terminated and superseded in all respects by this agreement, that all obligations of the Company and Moelis under the March 2013 Engagement Letter are satisfied in full and that no further payments are required to be made by the Company to Moelis thereunder, including, without limitation, the remaining balance of \$1,000,000 on Moelis' Restructuring Fee as set forth in the March 2013 Engagement Letter; provided that the provisions of Annex B of the March 2013 Engagement Letter shall survive with respect to prior engagement pursuant to the March 2013 Engagement Letter.

Whether or not any Transaction is consummated, you will reimburse us for reasonable out-of-pocket and documented expenses as they are incurred in performing services pursuant to this agreement, including the reasonable costs of our outside legal counsel; provided that the aggregate of such expenses reimbursable by the Company shall not exceed \$50,000 (plus an additional \$30,000 if a Presentation is requested and plus an additional \$75,000 if an Opinion is requested) without the prior written consent of the Company (not to be unreasonably withheld).

If, at any time prior to the expiration of 12 months following the termination or expiration of this agreement, the Company enters into a definitive merger, purchase and sale or similar agreement for a Transaction that subsequently results in such Transaction, or consummates such a Transaction, with a Covered Person (as defined below), then the Company will pay us the Transaction Fee specified above in cash promptly upon the closing of such Transaction. If, at any time prior to the expiration of 12 months following the termination or expiration of this agreement, the Company enters into a definitive merger, purchase and sale or similar agreement for a Transaction that subsequently fails to close and in respect of which the Company receives compensation as contemplated by Section 2(c) above, then the Company will pay us the Termination Fee specified above. "Covered Person" means any person (and its affiliates) who Moelis or the Company contacted or had discussions with during the term of this engagement with respect to a potential Transaction or who Moelis proposed to contact but which the Company directed Moelis not to contact.

3. The Company agrees that through September 30, 2014, we shall have a right of first refusal to act as exclusive financial advisor, exclusive placement agent or sole arranger, as the case may be, in connection with (a) any restructuring, recapitalization, refinancing or similar transaction, or (b) acquisition or other sale transaction in which the Company will engage a financial advisor or (c) any financing or offering, whether equity or debt. Unless otherwise specified in Section 2 above, the terms of any such engagements will be set forth in separate agreements providing for market-based fees to be mutually agreed upon by the Company and Moelis and containing such other customary terms and conditions, including, without limitation, appropriate indemnification provisions, as mutually agreed upon by the Company and Moelis.

4. The Company will furnish us with such information concerning the Company and, to the extent available to the Company, the Acquirer, as we reasonably deem appropriate (collectively, the

“Information”) and will provide us with access to the Company’s officers, directors, employees, accountants, counsel and other representatives and, as practicable, those of the Acquirer. To the Company’s knowledge, the Information relating to the Company provided to Moelis by the Company (as such Information may be updated from time to time) will be true and correct in all material respects and will not contain any material misstatement of fact or omit to state any material fact necessary to make the statements contained therein not misleading. The Company will advise us as soon as reasonably practicable upon becoming aware of any material event or change in the business, affairs, condition (financial or otherwise) or prospects of the Company that occurs during the term of this agreement. In performing our services hereunder, we will be entitled to use and rely upon the Information as well as publicly available information without independent verification. We will be entitled to assume that financial forecasts and projections the Company or any Acquirer makes available to us have been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of the Company or such Acquirer, as the case may be, as to the matters covered thereby (it being understood that such forecasts and projections are not assured of realization and that actual results may differ in material respects). The Company authorizes us, upon the Company’s prior approval, to transmit any Information Memo to potential parties to a Transaction. The Company will be solely responsible for the contents of the Information Memo.

We will not disclose to any third party nonpublic Information concerning the Company, the Acquirer or a potential Transaction provided to us in connection with this agreement as long as it remains nonpublic, except (i) as otherwise required by subpoena or court order (in which event, Moelis will provide the Company with reasonable advance notice and coordinate with the Company as appropriate in respect thereof) and for private disclosure to the extent required or requested to our financial regulatory authorities having jurisdiction over us and (ii) we may provide nonpublic Information to prospective Acquirers as contemplated by (and in accordance with) this agreement. This paragraph shall terminate one year following termination of this agreement.

5. The Company will not disclose, summarize or refer to any of our advice (or any Presentation or Opinion) publicly or to any third party, without our prior written consent provided, it is understood that the Company may (i) disclose the Release Letter Presentation to the Company’s lenders who have executed the Release Letter and (ii) disclose information and analysis provided by Moelis as the Company’s information and analysis without using Moelis’ name or attribution to Moelis. In the event disclosure is required by subpoena or court order, the Company will, to the extent reasonably practicable, provide us with reasonable advance notice and permit us to comment on the form and content of the disclosure. Subject to the Company’s prior approval, we may, at our option and expense and after announcement of the Transaction, place announcements and advertisements or otherwise publicize the Transaction and our role in it (which may include the reproduction of the Company’s logo and a hyperlink to the Company’s website) on our website and in such financial and other newspapers and journals as we may choose, stating that we have acted as the financial advisor to the Company in connection with the Transaction. If we request, the Company shall include a mutually acceptable reference to us in any public announcement of the Transaction.

We consent to the inclusion of the text of an Opinion and a summary of the financial analysis underlying the Opinion in any proxy statement or other document that the Company distributes to its shareholders in connection with a meeting of the shareholders of the Company relating to the Transaction; provided that (i) such Opinion is reproduced in full, (ii) such summary is in the form provided by Moelis and Moelis and its counsel have approved any references to Moelis in such proxy statement or document and (iii) such proxy statement or document contains information substantially similar in scope to that which would be included in a proxy statement filed with the SEC, including, without limitation, projections prepared

and provided by the Company which were used, at the direction of the Board, by Moelis in its financial analysis.

6. We are an independent contractor (and we are expressly not acting as a fiduciary) with the contractual duties described herein owing only to the Company. Since we will be acting on the Company's behalf, the Company and we agree to the indemnity and other provisions set forth in *Annex B*. The Company's obligations set forth therein shall be in addition to any rights that any Indemnified Person may have at common law or otherwise. Other than the Indemnified Persons, there are no third-party beneficiaries of this agreement. The Company hereby agrees to the acknowledgements and disclosures set forth in *Annex C*.

7. The term of this agreement shall commence on October 1, 2013 and continue until September 30, 2014, unless earlier terminated by either of us or extended upon mutual agreement. Either of us may terminate this agreement at any time, with or without cause, on written notice. In the event of any termination, we will continue to be entitled to the fees and expenses that became payable hereunder prior to termination and the right of first refusal described above. *Annex B*, the last paragraph of Section 2 and Sections 3 through 9 (other than Section 4) shall remain in full force and effect after the completion, termination or expiration of this agreement.

8. We are a securities firm engaged in a number of merchant banking, asset management and investment banking activities. We have no duty to disclose to the Company or use for the Company's benefit any nonpublic information acquired in the course of providing services to any other person, engaging in any transaction (on our own account or otherwise) or carrying on our other businesses. Our affiliates, employees, officers and partners may at any time own the Company's securities or those of a prospective Acquirer or other entity involved in a Transaction; provided that Moelis shall promptly inform the Company of any holdings in, prospective Acquirers who sign confidentiality agreements with the Company by Moelis (excluding any asset management affiliates of Moelis separated from Moelis by information barriers) or any member of the deal team assisting the Company with a potential Transaction or any relationship of such a deal team member with such a prospective Acquirer that Moelis reasonably believes is material, and shall cooperate with the Company in implementing appropriate guidelines or other steps or procedures (if any) that the Company reasonably determines, should be undertaken as a result thereof. We recognize our obligations under applicable securities laws in connection with the purchase and sale of such securities. With respect to any prospective Acquirers that submit bids, Moelis shall inform the Company of engagements (excluding any confidential aspects of the engagement) of Moelis by such Acquirers within the past two years.

9. This agreement shall be governed by and construed in accordance with the internal laws of the State of New York, embodies the entire agreement and supersedes any prior written or oral agreement relating to the subject matter hereof, and may only be amended or waived in writing signed by both the Company and us. If any part of this agreement is judicially determined to be unenforceable, it shall be interpreted to the fullest extent enforceable so as to give the closest meaning to its intent and the remainder of this agreement shall continue in full force and effect. Any proceeding arising out of this agreement shall be heard exclusively in a New York state or federal court sitting in the city and county of New York, to whose jurisdiction and forum Moelis and the Company irrevocably submit. The Company also irrevocably consents to the service of process in any such proceeding by mail to the Company's address set forth above. This agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. This agreement shall be binding upon the Company and us and its and our respective successors and assigns. WE AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY


APPLICABLE LAW, ON BEHALF OF ITS SECURITY HOLDERS) WAIVE ANY RIGHT TO TRIAL
BY JURY WITH RESPECT TO ANY PROCEEDING ARISING OUT OF THIS AGREEMENT.

(Signature page follows)

We are delighted to accept this engagement and look forward to working with the Company. Please sign and return the enclosed duplicate of this agreement. The individuals signing this agreement each represent that he or she is authorized to execute and deliver it on behalf of the entity whose name appears above his or her signature.

Very truly yours,

MOELIS & COMPANY LLC

By: 
Name: FELIX AUGUSTO SASSO
Title: MANAGING DIRECTOR

Accepted and agreed to as of the date first written above:

REVEL AC, INC.

By: _____
Name:
Title:

We are delighted to accept this engagement and look forward to working with the Company. Please sign and return the enclosed duplicate of this agreement. The individuals signing this agreement each represent that he or she is authorized to execute and deliver it on behalf of the entity whose name appears above his or her signature.


Very truly yours,

MOELIS & COMPANY LLC

By: _____
Name:
Title:

Accepted and agreed to as of the date first written above:

REVEL AC, INC.

By:  _____
Name: TERRY GLEDAKI
Title: TREASURER

ANNEX A

“Transaction Value” shall equal the sum of, without duplication, (A) in the case of the sale, issuance or exchange of equity securities, the total consideration received or to be received for such securities (including amounts payable to holders of options, warrants and convertible securities and amounts held in escrow), plus payments made in installments, amounts payable in connection with the Transaction under consulting agreements, agreements not to compete or similar arrangements (including such payments to management in excess of customary amounts), and contingent payments (whether or not related to future earnings or operations); (B) in the case of a sale or disposition of assets, the total consideration paid or received or to be paid or received for such assets (including amounts held in escrow and installment payments), plus contingent payments (whether or not related to future earnings or operations); and (C) (i) in the case of the sale, issuance or exchange of equity securities that results in a Change of Control of the Company (as defined below), the principal amount of all indebtedness for borrowed money as set forth on the most recent consolidated balance sheet (the “Balance Sheet”) of the Company prior to the consummation of the Transaction (less the amount of cash and cash equivalents up to but not exceeding the total amount of indebtedness set forth on the Balance Sheet) and (ii) in the case of a sale or disposition of assets, the principal amount of all indebtedness for borrowed money as set forth on the Balance Sheet that the Acquirer assumes or acquires; and (D) in the case of the sale, issuance or exchange of equity securities that results in a Change of Control of the Company, the value implied in the Transaction of any equity retained by the security holders of the Company upon consummation of the Transaction (such equity to be valued at the same price per share as paid in the Transaction).

Notwithstanding the foregoing, (i) in the case of a Joint Venture that results in a Change of Control of the Company, Transaction Value shall be calculated based on an enterprise value to be mutually agreed upon by the Company and Moelis in good faith and (ii) in the case of a Joint Venture that does not result in a Change of Control of the Company, Transaction Value shall be calculated based on the value of the total consideration received by the Company or its shareholders in connection with the formation of such Joint Venture.

A “Change of Control of the Company” shall be deemed to have occurred when shareholders of the Company who, as a group, owned 100% of the issued and outstanding shares of the Company immediately prior to the consummation a Transaction either (i) no longer beneficially own at least 50% of the issued and outstanding shares of the Company immediately following the consummation of such Transaction or (ii) no longer control at least 50% of voting power of the issued and outstanding shares of the Company immediately following the consummation of such Transaction.

Transaction Value also shall include any (i) dividends or other distributions paid on the acquired company’s securities, other than normal recurring cash dividends in amounts not materially greater than currently paid; and (ii) amounts the acquired company pays to repurchase any of its securities (excluding repurchases pursuant to and consistent with any current stock repurchase program of the acquired company).

The Company will pay any portion of the Transaction Fee attributable to contingent payments constituting Transaction Value upon consummation of the Transaction, based on the present value of such amounts, using a discount rate and probability of payment that the Company and we mutually agree; provided amounts paid into escrow with respect to representational indemnities shall be deemed paid at closing.

For purposes of calculating the Transaction Value, equity securities constituting a part of the consideration payable in the Transaction that are traded on a national securities exchange shall be valued at the volume-weighted average price thereof on the 30 trading days immediately prior to the closing of

the Transaction. Such equity securities that are traded in an over-the-counter market shall be valued at the mean between the latest bid and asked prices on the 30 trading days immediately prior to the closing of the Transaction. Any debt or other securities or other non-cash consideration shall be valued as the Company and we may mutually agree.

ANNEX B

In the event that Moelis & Company LLC or our affiliates or any of our or our affiliates' respective current or former directors, officers, partners, managers, agents, representatives or employees (including any person controlling us or any of our affiliates) (collectively, "Indemnified Persons") becomes involved in any capacity in any actual or threatened action, claim, suit, investigation or proceeding (an "Action") arising out of, related to or in connection with this agreement or any matter referred to herein, the Company will reimburse such Indemnified Person for the reasonable out-of-pocket and documented costs and expenses (including reasonable counsel fees) of investigating, preparing for and responding to such Action or enforcing this Annex B as they are incurred. The Company will also indemnify and hold harmless any Indemnified Person from and against, and the Company agrees that no Indemnified Person shall have any liability to the Company or its affiliates, or their respective owners, directors, officers, employees, security holders or creditors, for, any losses, claims, damages or liabilities (collectively, "Losses") (A) related to or arising out of oral or written statements or omissions made or information provided by the Company or its agents or (B) otherwise arising out of, related to or in connection with this agreement or our performance thereof, except that this clause (B) shall not apply to Losses that are finally judicially determined to have resulted primarily from the bad faith, willful misconduct or gross negligence of Moelis or any other Indemnified Person (such Losses under this exception to clause (B) being referred to as "Certain Losses"). In such event, Moelis will promptly refund any amounts previously advanced or otherwise reimbursed by the Company are subsequently determined to be Certain Losses.

If such indemnification is for any reason not available or insufficient to hold an Indemnified Person harmless, the Company agrees to contribute to the Losses in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the Company, on the one hand, and by us, on the other hand, with respect to this agreement or, if such allocation is judicially determined to be unavailable and in the case of Certain Losses, in such proportion as is appropriate to reflect the relative benefits and relative fault of the Company on the one hand and of us on the other hand, and any other equitable considerations; provided, however, that, to the extent permitted by applicable law, in no event (other than with respect to Certain Losses) shall the Indemnified Persons be responsible for amounts that exceed the fees actually received by us from the Company in connection with this agreement. Relative benefits to the Company, on the one hand, and us, on the other hand, with respect to this agreement shall be deemed to be in the same proportion as (i) the total value paid or proposed to be paid or received or proposed to be received by the Company or its security holders, as the case may be, pursuant to the Transaction(s), whether or not consummated, bears to (ii) the fees actually received by us in connection with this agreement.

Promptly after receipt by any Indemnified Person of notice of commencement of any Action against any Indemnified Person, Moelis shall, if a claim for indemnification in respect thereof is to be made against the Company under this Annex B, notify the Company of such Action. Failure by Moelis to so notify the Company shall not relieve the Company from the obligation to indemnify an Indemnified Person under this Annex B, or otherwise, except with respect to the indemnification obligations hereunder (but not the contribution obligations) to the extent that the Company is materially prejudiced as a result of such failure or such failure otherwise results in the forfeiture by the Company of substantial rights or defenses or the Company is otherwise materially prejudiced as a result of such failure. If any Indemnified Person seeks indemnification under this Annex B, the Company shall be entitled to assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Person. Upon assumption by the Company of the defense of any such Action, the Indemnified Person shall have the right to participate therein and to retain its own counsel but the Company shall not be liable for any legal expenses of other counsel incurred by such Indemnified Person in connection with the defense thereof unless (i) the Company has agreed in writing to pay such fees and expenses, (ii) the Company shall have failed to

employ counsel reasonably satisfactory to the Indemnified Person, or (iii) the named parties to any such claim, action, suit or proceeding include both an Indemnified Person and the Company and representation of such Indemnified Person and the Company by the same counsel shall result in an actual or potential conflict of interest or there are one or more legal defenses available to the Indemnified Person that are different from or additional to those available to the Company if such defenses would make it inappropriate or inadvisable for the same counsel to represent both the Indemnified Person and the Company (in which case Moelis or the Indemnified Person shall control the defense of such Indemnified Person); provided, however, that the Company shall not, in connection with any one such Action or separate but substantially similar Actions, arising out of the same general allegations, be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Persons, including Moelis, except to the extent that local counsel or counsel with specialized expertise, in addition to regular counsel, is required in order to effectively defend against such Action or a conflict of interest requires separate counsel for particular Indemnified Persons. The Company will not, without our prior written consent (not to be unreasonably withheld), settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate (a "Settlement") any Action in respect of which indemnification is or may be sought hereunder (whether or not an Indemnified Person is a party) unless such Settlement includes a release of each Indemnified Person from any Losses arising out of such Action. The Company will not permit any such Settlement to include a statement as to, or an admission of, fault or culpability by or on behalf of an Indemnified Person without such Indemnified Person's prior written consent. No Indemnified Person seeking indemnification, reimbursement or contribution under this agreement will agree to the Settlement of any Action without the Company's prior written consent (not to be unreasonably withheld).

Prior to effecting any proposed sale, exchange, dividend or other distribution or liquidation of all or substantially all of its assets or any significant recapitalization or reclassification of its outstanding securities that does not explicitly or by operation of law provide for the assumption of the obligations of the Company set forth herein, the Company will notify Moelis in writing of its arrangements for the Company's obligations set forth herein to be assumed by another creditworthy party (for example through insurance, surety bonds or the creation of an escrow) upon terms and conditions reasonably satisfactory to the Company and Moelis.

ANNEX C

FINRA Suitability. Pursuant to FINRA Rule 2111, the Company acknowledges that (i) the Company is capable of evaluating investment risks independently, both in general and with regard to transactions and investment strategies involving a security or securities and will exercise independent judgment in evaluating recommendations (if any) of Moelis and its associated persons, and (ii) the Company is an Institutional Account as defined in FINRA Rule 4512(c).

USA Patriot Act. Moelis is required to obtain, verify, and record information that identifies the Company in a manner that satisfies the requirements of and in accordance with the USA Patriot Act.

Business Continuity. Moelis maintains a business continuity plan that is reviewed annually and is updated as necessary. Our disclosure statement is available on our website at www.moelis.com and a copy can be requested by contacting us at compliance@moelis.com.

EXHIBIT 1

Moelis Release and Indemnity Letter

Confidential

October 17, 2013

Moelis & Company LLC
399 Park Avenue
New York, NY 10022

Revel AC, Inc. (the "Client" or the "Company") has engaged Moelis & Company LLC ("Moelis") as exclusive financial advisor to the Client in connection with a potential sale or other strategic transaction of the Client (the "Transaction"). In connection therewith, Moelis has prepared for the Board of Directors of the Client an illustrative valuation analysis of how a potential buyer might value the Client to be used in negotiations with potential buyers (the "Presentation"). The Undersigned lender to the Client has requested that the Client provide a copy of the Presentation to the Undersigned in connection with a due diligence review being conducted by the Undersigned.

The Undersigned acknowledges that the Presentation and any information and explanations with respect to thereto and the matters referred to therein (to the extent prepared by Moelis and not the Company, the "Information") (i) were prepared based on information provided by the Company (for which Moelis assumes no responsibility for independent verification) and in accordance with certain directions of the Company, (ii) are solely for the benefit of the Board of the Company and (iii) are subject to a number of assumptions, qualifications and limitation (not all of which are necessarily stated in the Presentation or the Information). The projections in the Presentation and the Information were prepared by the Company and Moelis assumes no responsibility for the reasonableness of such projections. The Presentation and the Information do not purport to be complete, are not sufficient for use by the Undersigned for any purpose and do not constitute any advice or recommendation to the Undersigned. The Undersigned agrees that it will not use or rely upon the Presentation or the Information for any purpose. The Undersigned agrees that it will do its own due diligence investigation and analysis of the Company and the matters referred to in the Presentation and will make any decisions based on such investigation and analysis without any reliance on the Presentation or the Information. Moelis assumes no duty or obligation to the Undersigned as a result of the Undersigned having access to the Presentation or the Information. The Undersigned agrees to keep the Presentation and any Information confidential and not to disclose the Presentation or any Information to any other person, except (i) for disclosure required by subpoena or Court order or other similar legal process after written notice to Moelis as far in advance of such disclosure as is reasonably practicable and (ii) for private disclosure to the Undersigned's regulatory or self-regulatory authorities.

The projections used in the Presentation are illustrative. Such projection were not prepared on the basis of what the Company's management believes the Company's management could achieve operating the Company on a stand-alone basis but rather were prepared to illustrate what the Company's management believes a hypothetical buyer might believe such buyer could potentially achieve if such buyer acquired the Company and operated the Company as part of the buyer's overall gaming business, including potential synergies. Moelis notes that potential buyers may have many buyer specific reasons why any particular buyer may not be interested in a transaction with the Company at this time and so the Presentation is not any assurance that any buyer would be interested in a transaction with the Company at this time. For these and other reasons, the valuation (if any) offered by a buyer may be fundamentally different from the valuation discussed in the Presentation.

The Undersigned agrees (i) that Moelis Persons (as defined below) shall not have any liability whatsoever to the Undersigned or any person asserting claims on behalf of or in right of the Undersigned in connection with or as a result of the Presentation or the Information, (ii) that the Undersigned will not make any claim of any kind against any Moelis Person in connection with or as a result of the Presentation or the Information and hereby releases all Moelis Persons from any and all such claims and (iii) to indemnify and hold harmless all Moelis Persons from any and all claims (and any expenses of Moelis Persons, including reasonable attorneys' fees, incurred in connection therewith as such expenses are incurred) arising out of or related to any breach of this letter by the Undersigned (including any claim made in violation of clause (ii)). "Moelis Persons" means Moelis, its affiliates, any person controlling Moelis or its affiliates and their respective directors, officers, employees and agents.

[Lender]

By: _____
Name:
Title:

EXHIBIT C

(Klein Declaration)

<p>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY Caption in compliance with D.N.J. LBR 9004-2(c)</p>	
<p>FOX ROTHSCHILD LLP (Formed in the Commonwealth of Pennsylvania) Michael J. Viscount, Jr., Esq. Raymond M. Patella, Esq. 1301 Atlantic Avenue, Suite 400 Atlantic City, NJ 08401 (609) 348-4515/fax (609) 348-6834 mviscount@foxrothschild.com rpatella@foxrothschild.com</p>	
<p>WHITE & CASE LLP John K. Cunningham, Esq. (<i>pro hac vice</i> pending) Richard S. Kebrdle, Esq. (<i>pro hac vice</i> pending) Kevin M. McGill, Esq. (<i>pro hac vice</i> pending) Southeast Financial Center 200 South Biscayne Blvd., Suite 4900 Miami, FL 33131 (305) 371-2700/fax (305) 358-5744 jcunningham@whitecase.com rkebrdle@whitecase.com kmcgill@whitecase.com</p>	
<p><i>Proposed Co-Counsel to the Debtors and Debtors in Possession</i></p>	
<p>In re:</p>	<p>Chapter 11</p>
<p>REVEL AC, INC., <u>et al.</u>,</p>	<p>Case No. 14-22654 (GMB)</p>
<p>Debtors.¹</p>	<p>Jointly Administered</p>

**DECLARATION OF BARAK M. KLEIN IN SUPPORT OF THE
DEBTORS' APPLICATION FOR ENTRY OF AN ORDER
AUTHORIZING DEBTORS TO EMPLOY AND RETAIN MOELIS &
COMPANY LLC AS FINANCIAL ADVISOR AND INVESTMENT
BANKER, EFFECTIVE NUNC PRO TUNC TO THE PETITION DATE**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Revel AC, Inc. (3856), Revel AC, LLC (4456), Revel Atlantic City, LLC (9513), Revel Entertainment Group, LLC (2321), NB Acquisition, LLC (9387) and SI LLC (3856). The location of the Debtors' corporate headquarters is 500 Boardwalk, Atlantic City, New Jersey 08401.

Upon being duly sworn, I, Barak M. Klein, state under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

1. I am a Managing Director of the Restructuring and Recapitalization Group of Moelis & Company LLC (“Moelis”), whose principal office is located at 399 Park Avenue, New York, NY 10022. If called and sworn as a witness, I could and would testify competently to the matters set forth herein.²

2. I am authorized to submit this declaration (the “Declaration”) in support of the application of the Debtors (the “Application”)³ for entry of an order authorizing the Debtors to employ and retain Moelis as financial advisor and investment banker to the Debtors in these Chapter 11 Cases, pursuant to the terms and conditions set forth in the engagement letter between Revel AC, Inc. and Moelis dated as of May 12, 2014 (such agreement together with all amendments, modifications, renewals thereof, and all documents ancillary thereto or otherwise entered into in connection therewith, the “Engagement Letter”), a copy of which is annexed to the Application as Exhibit “1” to Exhibit “A”.

Moelis’s Qualifications

3. Moelis is an investment banking firm with an office located at 399 Park Avenue, 5th Floor, New York, New York 10022. Moelis is a registered broker-dealer with the United States Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. Moelis was founded in 2007 and is a wholly owned subsidiary of Moelis & Company Holdings LLC. Moelis was founded in 2007 and is a wholly owned subsidiary of

² Certain of the disclosures herein relate to matters within the personal knowledge of other professionals at Moelis and are based on information provided by them.

³ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

Moelis & Company Group LP. Moelis & Company Group LP, together with its subsidiaries, has approximately 500 employees based in 15 offices in North and South America, Europe, the Middle East, Asia and Australia. Moelis & Company Group LP is a subsidiary of Moelis & Company, a public company listed on the NYSE.

4. Moelis provides a broad range of advice to its clients, including, with respect to, among other things: (a) general corporate finance; (b) mergers, acquisitions and divestitures; (c) corporate restructurings; (d) special committee assignments; and (e) capital raising. Moelis and its senior professionals have extensive experience in the reorganization and restructuring of distressed companies, both out-of-court and in chapter 11 proceedings. Moelis's business reorganization professionals have served as financial advisors or investment bankers in numerous recent chapter 11 cases, including: In re Revel AC, Inc., No. 13-16253 (JHW) (Bankr. D. N.J. April 17, 2013); In re AMF Bowling Worldwide, Inc., No. 1236495 (KRH) (Bankr. E.D. Va. Dec. 20, 2012); In re Residential Capital, LLC, No. 12-12020 (MG) (Bankr. S.D.N.Y. May 14, 2012); In re AMR Corp., No. 11-15463 (SHL) (Bankr. S.D.N.Y. Nov. 29, 2011); In re General Maritime Corp., No. 11-15285 (MG) (Bankr. S.D.N.Y. Nov. 17, 2011); In re NewPage Corp., No. 11-12804 (KG) (Bankr. D. Del. Sept. 7, 2011); In re Jackson Hewitt Tax Service, Inc., No. 11-11587 (MFW) (Bankr. D. Del. June 30, 2011); In re Appleseeds Intermediate Holdings, LLC, No. 11-10160 (KG) (Bankr. D. Del. Feb. 23, 2011); In re Innkeepers USA Trust, No. 10-13800 (SCC) (S.D.N.Y. July 19, 2010); In re Neenah Enterprises, Inc., No. 10-10360 (MFW) (Bankr. D. Del. Feb. 3, 2010); In re Almatris B.V., No. 10-12308 (MG) (Bankr. S.D.N.Y. Apr. 30, 2010); In re International Aluminum Corp., No. 10-10003 (MFW) (Bankr. D. Del. Jan. 27, 2010); In re Atrium Corp., No. 10-10150 (BLS) (Bankr. D. Del. Jan. 20, 2010); In re Simmons

Bedding Co., No. 09-14037 (MFW) (Bankr. D. Del. Nov. 16, 2009); In re Reader's Digest Ass'n Inc., No. 09-23529 (RDD) (Bankr. S.D.N.Y. Aug. 24, 2009); In re NV Broadcasting LLC, No. 09-12473 (KG) (Bankr. D. Del. July 13, 2009); In re Fontainebleau Las Vegas Holdings LLC, No. 09-21481 (CAJ) (Bankr. S.D. Fla. June 9, 2009); In re ION Media Networks Inc., No. 09-13125 (JMP) (Bankr. S.D.N.Y. May 19, 2009); In re J.G. Wentworth LLC, No. 09-11731 (CSS) (Bankr. D. Del. May 19, 2009); In re Source Interlink Cos., No. 09-11424 (KG) (Bankr. D. Del. Apr. 27, 2009); In re Dayton Superior Corp., No. 09-11351 (BLS) (Bankr. D. Del. Apr. 19, 2009); In re Idearc Inc., No. 09-31828 (BJH) (Bankr. N.D. Tex. Mar. 31, 2009); In re Chemtura Corp., No. 09-11233 (REG) (Bankr. S.D.N.Y. Mar. 18, 2009); In re Aleris International Inc., No. 09-10478 (BLS) (Bankr. D. Del. Feb. 12, 2009); In re Muzak Holdings LLC, No. 09-10422 (KJC) (Bankr. D. Del. Feb. 10, 2009); In re Hartmarx Corp., No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 23, 2009); and In re Lyondell Chemical Co., No. 09-10023 (REG) (Bankr. S.D.N.Y. Jan. 6, 2009).⁴

Moelis's Prepetition Services

5. The Debtors have selected Moelis as their financial advisor and investment banker based upon, among other things, (a) the Debtors' need to retain a skilled financial advisory firm to provide advice with respect to the Debtors' complex restructuring activities and (b) Moelis's extensive experience and excellent reputation in providing financial advisory and investment banking services in complex chapter 11 cases such as these. In light of the size and complexity of these Chapter 11 Cases, the resources, capabilities and experience of Moelis in advising the Debtors are crucial to the success of these cases. An experienced

⁴ Because of the voluminous nature of the orders cited herein, such orders are not attached to this Declaration. Copies of these orders are available upon request of the Debtors' proposed counsel.

financial advisor, such as Moelis, fulfills a critical service that complements the services provided by the Debtors' other professionals. As discussed in detail below, Moelis will concentrate its efforts on serving as the Debtors' financial advisor and investment banker and, more specifically, in formulating strategic alternatives and assisting the Debtors in their efforts with regard to their overall restructuring efforts.

6. Moelis began advising the Debtors in February of 2013 on strategic and restructuring initiatives in connection with the Debtors' chapter 11 filing in May of 2013. Moelis advised the Debtors throughout their chapter 11 cases initiated last year, and have continued to do so as the Debtors unfortunately seek chapter 11 protection once again. Indeed, thus far Moelis has provided valuable prepetition services in preparation for the Debtors' restructuring efforts, including: (a) assisting management in conducting business and financial analysis of the Debtors; (b) conducting meetings with the Debtors' lenders; (c) assisting the Debtors in identifying and evaluating candidates for a potential sale transaction; (d) facilitating diligence for interested parties; (e) assisting management in analyzing and securing debtor in possession financing and negotiating its terms; (f) assisting the Debtors in structuring and negotiating a transaction and participating in negotiations in connection therewith; and (g) providing additional financial advisory services in preparation for the Debtors' chapter 11 filing.

7. As a result of its work with the Debtors to date, Moelis has developed valuable institutional knowledge about the Debtors' businesses, operations, capital structure and other material information. Accordingly, the Debtors believe Moelis is well-qualified and able to represent the Debtors in a cost-effective, efficient and timely manner, and the Debtors submit

that the employment and retention of Moelis is in the best interests of the Debtors, their creditors and all parties in interest.

Services Provided

8. I request that Moelis be employed and retained by the Debtors to provide financial advisory and investment banking services pursuant to the terms of the Engagement Letter and the Application.⁵

Professional Compensation

9. Moelis's decision to advise and assist the Debtors in connection with these Chapter 11 Cases is subject to its ability to be retained in accordance with the terms of the Engagement Letter pursuant to section 328(a), and not section 330, of the Bankruptcy Code, except this paragraph shall not prejudice the right of the U.S. Trustee to seek review under section 330 of the Bankruptcy Code.

10. Specifically, the Engagement Letter provides for the following compensation (the "Fee Structure"):

- (a) **Monthly Fee.** Starting from March 1, 2014, a fee of \$150,000 per month (the "Monthly Fee"), payable in advance of each month. The Debtors will pay the first three Monthly Fees (for March, April and May) immediately upon the execution of the Engagement Letter, and all subsequent Monthly Fees prior to each monthly anniversary of the date of the Engagement Letter. Whether or not a Restructuring or a Sale Transaction occurs, Moelis shall earn and be paid the Monthly Fee every month during the term of the Engagement Letter. To the extent that Monthly Fees beyond the seventh Monthly Fee are not reimbursed from a third party, Moelis shall credit 100% of those Monthly Fees earned beyond the seventh Monthly Fee against either the Sale Transaction Fee or the Restructuring Transaction Fee, whichever becomes first payable under the terms of the Engagement Letter.

⁵ To the extent that this Declaration and the terms of the Engagement Letter are inconsistent, the terms of the Engagement Letter shall control.

- (b) Sale Transaction Fee. A sale transaction fee (the “Sale Transaction Fee”), payable promptly at the closing of a Sale Transaction,⁶ in an amount equal to 0.75% of Transaction Value (as defined in Annex “A” to the Engagement Letter); provided that with respect to the first Transaction that is consummated by the Debtors following the date of the Engagement Letter, the Sale Transaction Fee shall be the greater of (i) 0.75% of Transaction Value and (ii) \$2,000,000, in each case, less \$256,000. The Debtors will pay a separate Sale Transaction Fee for each Transaction. Under no circumstances shall the Sale Transaction Fee be less than zero.
- (c) Restructuring Transaction Fee. At the closing of a Restructuring,⁷ a fee (the “Restructuring Transaction Fee”) of \$2,000,000, less \$256,000. Under no circumstances shall the Restructuring Transaction Fee be less than zero. If both the Sale Transaction Fee and the Restructuring Transaction Fee become payable, Moelis will be entitled to only one fee which is the higher of such fees.
- (d) Report Fee. A cash fee (the “Report Fee”) of \$1,000,000 if the Debtors request in writing (which request may not be rescinded) that Moelis prepare an expert report (the “Report”) on the valuation (including providing testimony with respect thereto) of (A) the Debtors, (B) the Debtors’ assets or (C) the bids for the Debtors’ assets, in the case of each of clauses (A) through (C), in connection with a contested matter in the Bankruptcy Case, which Report Fee shall be payable promptly upon Moelis’s confirmation that it is ready to deliver the Report. For the avoidance of doubt, the Report Fee shall not be payable to Moelis with respect to Testimony described in Section 1(i) of the Engagement Letter. The Report Fee shall be payable no more than one time under the Engagement Letter.

⁶ The Engagement Letter defines “Sale Transaction” as: “(a) the sale of all or a majority of the equity securities of the Company to a third party (an ‘Acquirer’), (b) the merger or combination of the Company with that of an Acquirer, (c) an Acquirer’s acquisition of all or a significant portion of the assets, properties or business of the Company or (d) a joint venture, strategic alliance or similar transaction with an Acquirer that is a strategic partner where the Acquirer acquires or receives a minority, majority or equal stake in the joint venture entity, excluding any transaction described in the foregoing clauses (a) through (c) a ‘Joint Venture’ ...”

⁷ The Engagement Letter defines “Restructuring” as “any restructuring, reorganization, rescheduling, or recapitalization of all or any material portion of the liabilities of the Company (or its subsidiaries), however such result is achieved, including, without limitation, through a plan of reorganization or liquidation (a ‘Plan’) confirmed in connection with a case (a ‘Bankruptcy Case’) commenced by or against the Company or any of its subsidiaries or affiliates under [the Bankruptcy Code], an exchange offer or consent solicitation, covenant relief, a rescheduling of debt maturities, a change in interest rates, a settlement or forgiveness of debt, a conversion of debt into equity, or other amendments to the Company’s debt instruments.”

11. To the extent the Debtors request that Moelis assist the Debtors with respect to any new money financing or refinancing other than the Covered Financings contemplated by the Engagement Letter, the Debtors shall pay Moelis a separate fee at a market rate to be mutually agreed upon in good faith by Moelis and the Debtors and set forth in a supplement to the Engagement Letter.

12. Moelis agrees that that certain Engagement Letter, dated October 17, 2013 (the "October 2013 Engagement Letter"), attached as Exhibit "B" to the Application, between Moelis and the Debtors shall be terminated and superseded in all respects with the Engagement Letter, that all obligations of the Debtors and Moelis under the October 2013 Engagement Letter are satisfied in full and that no further payments are required to be made by the Debtors to Moelis thereunder; provided that the provisions of Annex B of the October 2013 Engagement Letter shall survive with respect to the prior engagement pursuant to the October 2013 Engagement Letter.

13. If at any time before the expiration of 12 months following the termination of Moelis's engagement, the Debtors enter into a definitive merger, purchase and sale or similar agreement for a Sale Transaction or definitive agreement for a Restructuring that results in or consummates such Sale Transaction or Restructuring, the Debtors shall pay Moelis the appropriate fee or fees specified in the Engagement Letter immediately upon the closing of each such transaction.

14. In addition to any fees payable to Moelis, Moelis will charge the Debtors for all reasonable out-of-pocket expenses incurred in connection with the engagement. Such expenses include in-sourced document production costs, travel costs, meals and the fees,

disbursements, reasonable costs of outside counsel and other charges set forth in the Engagement Letter.

15. Moelis intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these Chapter 11 Cases. Moelis will maintain records in support of any actual, necessary costs and expenses incurred in connection with the rendering of its services in these Chapter 11 Cases. However, the Debtors are seeking approval of Moelis's fee arrangements under section 328(a) of the Bankruptcy Code and the Debtors understand that: (a) it is not the general practice of investment banking firms like Moelis to keep detailed time records similar to those customarily kept by attorneys; (b) Moelis does not ordinarily keep time records on a "project category" basis; and (c) Moelis's compensation is based on a fixed Monthly Fee and fixed transaction fees. Accordingly, I respectfully request that Moelis should not be required to maintain time records of its efforts and that Moelis not be required to provide or conform to any schedule of hourly rates. To the extent that Moelis would otherwise be required by the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Trustee Guidelines or other applicable procedures and orders of the Court to submit more detailed time records, I respectfully request that this Court waive such requirements, provided, however, that, at the Court's or the U.S. Trustee's request, Moelis will instead present to the Court and/or the U.S. Trustee, as applicable, records (in summary format) that contain reasonably detailed descriptions of those services provided to the Debtors.

16. I believe the Fee Structure is consistent with, and typical of, compensation arrangements entered into by Moelis and other comparable firms in connection with the rendering of similar services under similar circumstances. In determining the Fee Structure and

the reasonableness of such compensation, the Debtors compared Moelis's fee proposal to other proposals received by the Debtors in the investment banking selection process, as well as comparable precedent. After such comparison, followed by discussions and arm's-length negotiations, I believe that the Fee Structure is in fact reasonable, market-based and designed to compensate Moelis fairly for its work and to cover fixed and routine overhead expenses.

17. I understand that Moelis's strategic and financial expertise, as well as its capital markets knowledge, financing skills, restructuring capabilities and mergers and acquisitions expertise, some or all of which has and will be required by the Debtors during the term of Moelis's engagement, were all important factors to the Debtors in determining the Fee Structure. I believe that the ultimate benefit of Moelis's services hereunder cannot be measured by reference to the number of hours to be expended by Moelis's professionals in the performance of such services. The Debtors and Moelis have agreed upon the Fee Structure in anticipation that a substantial commitment of professional time and effort will be required of Moelis and its professionals in connection with these Chapter 11 Cases and in light of the fact that (a) such commitment may foreclose other opportunities for Moelis and (b) the actual time and commitment required of Moelis and its professionals to perform its services under the Engagement Letter may vary substantially from week-to-week and month-to-month, creating "peak load" issues for Moelis.

18. As of the Petition Date, the Debtors do not owe Moelis any fees for services performed or expenses incurred under the Engagement Letter. According to Moelis's books and records, during the 90-day period before the Petition Date, Moelis received \$600,000 for professional services performed and \$93,337.47 for expenses incurred.

Moelis's Disinterestedness

19. In connection with its proposed retention by the Debtors in these Chapter 11 Cases, Moelis undertook to determine whether it had any conflicts or other relationships that might cause it not to be disinterested or to hold or represent an interest adverse to the Debtors. Moelis then (a) researched its internal records to determine whether Moelis has any connections with the Debtors and the parties listed on Schedule "1" attached hereto (the "Potential Parties in Interest") and (b) issued a general inquiry to certain of its officers with respect to the Debtors and certain Potential Parties in Interest.

20. To the extent that I have been able to ascertain to date that Moelis has been engaged within the last two years or is currently engaged by any of the Potential Parties in Interest (or their affiliates, as the case may be) in matters unrelated to these Chapter 11 Cases, such facts are disclosed on Schedule "2" attached hereto. Schedule "2" also sets forth certain other relationships Moelis has with certain Potential Parties in Interest. In addition to the facts disclosed on Schedule "2", Moelis may in the future be engaged by Potential Parties in Interest in matters unrelated to these Chapter 11 Cases. As these cases progress, new parties may become parties in interest in these cases and similarly, Moelis may have been engaged, may be currently engaged, and may in the future be engaged by such new parties in interest in matters unrelated to these Chapter 11 Cases. Also Moelis may, in matters unrelated to these cases, have engaged or had mutual clients with, may have a current engagement or have mutual clients with, and may in the future engage or have mutual clients with the law firms, financial advisors, accounting firms, and other professionals that are Potential Parties in Interest or may become parties in interest, all in matters unrelated to these Chapter 11 Cases. In addition, Moelis may

have also been engaged by, be currently engaged by, or in the future be engaged by persons who are creditors or shareholders of the Debtors, otherwise have a business relationship with the Debtors, or who are competitors of or customers of the Debtors. Potential Parties in Interest, persons that may become parties in interest in these Chapter 11 Cases, and persons that have business relationships with the Debtors, that are competitors of the Debtors, or that are customers of the Debtors, may be: (a) parties in interest in other bankruptcy cases where Moelis is acting as financial advisor and investment banker to the debtors or to other parties in interest or (b) may be affiliates of or creditors of persons who may have engaged, have currently engaged, or may in the future engage Moelis. In the ordinary course of its business, Moelis may also purchase services or products from Potential Parties in Interest and other persons that are or may become parties in interest in these cases.

21. Given the large number of parties in interest in these Chapter 11 Cases, despite the efforts described above to identify and disclose Moelis's relationships with parties in interest in these Chapter 11 Cases, Moelis is unable to state with certainty that every client relationship or other connection has been disclosed. In particular, among other things, Moelis may have relationships with persons who are beneficial owners of parties in interest and persons whose beneficial owners include parties in interest or persons who otherwise have relationships with parties in interest. Moreover, Moelis employees may have relationships with Potential Parties in Interest, persons that may become parties in interest in this case, or persons that have business relationships with the Debtors, are competitors of the Debtors, or that are customers of the Debtors. If any new material facts or relationships are discovered or arise, Moelis will provide the Court with a supplemental declaration.

22. Moelis's parent company, Moelis & Company Group LP, is a subsidiary of Moelis & Company, a public company listed on the NYSE. Moelis & Company is controlled by Kenneth Moelis. Mr. Moelis also controls a separate private company, Moelis Asset Management LP ("Moelis Asset Management"). Moelis Asset Management is operated separately from the public company Moelis & Company and its subsidiaries, including Moelis. The executive officers of Moelis & Company are different from the executive officers of Moelis Asset Management.

23. Moelis Asset Management has a separate private equity business ("Moelis Capital Partners") which holds investment positions in various entities, some of which may be parties in interest in these Chapter 11 Cases. To the best of my knowledge, Moelis Capital Partners does not hold any investment positions that constitute a conflict of interest that would disqualify Moelis from providing services described in the Engagement Letter. The Moelis professionals providing services to the Debtors will not share confidential or otherwise non-public information they receive in the course of this engagement with Moelis Capital Partners. Accordingly, I believe that Moelis Capital Partners' investment activities do not constitute a conflict of interest that would disqualify Moelis from providing services described in the Engagement Letter.

24. Moelis Asset Management has a separate credit focused investment management business ("Gracie Credit"). Gracie Credit is operated as a separate business from Moelis, and Gracie Credit is operated in separate legal and operating entities from Moelis. Gracie Credit employees will not be working on these cases and Moelis employees working on these cases will not have any involvement in Gracie Credit's investment decisions. Moelis and

Gracie Credit will maintain strict compliance information barriers between Moelis on the one hand and Gracie Credit on the other hand to ensure that: (a) no Moelis employee will disclose any non-public information concerning the Debtors or these cases to any Gracie Credit employee and (b) no Gracie Credit employee will disclose any non-public information concerning a Gracie Credit position or Gracie Credit's intention with respect to any consent, waiver, tender or vote decision to any Moelis employee. Moelis and Gracie Credit currently have separate offices with access to the other's offices physically restricted and use the separate Internet email addresses (@moelis.com and @graciecap.com, respectively). Gracie Credit may in the ordinary course from time to time hold investment positions in the Debtors and parties in interest in these cases. Based on the business separation and compliance information barriers referred to above, Gracie Credit's investment activities do not constitute a conflict of interest that would disqualify Moelis from providing services described in the Engagement Letter.

25. Moelis Asset Management has a separate direct lending business, Freeport Financial Group ("Freeport"). Freeport is operated as a separate business from Moelis, and Freeport is operated in separate legal and operating entities from Moelis. Freeport employees will not be working on these cases and Moelis employees working on these cases will not have any involvement in Freeport's investment decisions. Moelis and Freeport will maintain strict compliance information barriers between Moelis on the one hand and Freeport on the other hand to ensure that: (a) no Moelis employee will disclose any non-public information concerning the Debtors or these cases to any Freeport employee and (b) no Freeport employee will disclose any non-public information concerning a Freeport position or Freeport's intention with respect to any consent, waiver, tender or vote decision to any Moelis employee. Moelis and Freeport both

currently have offices in Chicago in the same building with access to each other's offices physically restricted. The Moelis team on these Chapter 11 cases are not located in the Chicago office. Moelis and Freeport also currently use separate Internet email addresses (@moelis.com and @freeportfinancial.com, respectively). Freeport may in the ordinary course from time to time hold investment positions in the Debtors and parties in interest in these cases. Based on the business separation and compliance information barriers referred to above, Freeport's investment activities do not constitute a conflict of interest that would disqualify Moelis from providing services described in the Engagement Letter.

26. Moelis Asset Management has a business of managing collateralized loan obligations through a subsidiary Steele Creek Investment Management LLC ("Steele Creek"). Steele Creek is operated as a separate business from Moelis, and Steele Creek is operated in separate legal and operating entities from Moelis. Steele Creek employees will not be working on these cases and Moelis employees working on these cases will not have any involvement in Steele Creek's investment decisions. Moelis and Steele Creek maintain strict compliance information barriers between Moelis on the one hand and Steele Creek on the other hand to ensure that: (a) no Moelis employee will disclose any non-public information concerning the Debtors or these cases to any Steele Creek employee and (b) no Steele Creek employee will disclose any non-public information concerning a Steele Creek position or Steele Creek's intention with respect to any consent, waiver, tender or vote decision to any Moelis employee. Moelis and Steele Creek currently have separate offices. Moelis and Steele Creek also currently use separate Internet email addresses (@moelis.com and @freeportfinancial.com, respectively). Steele Creek may in the ordinary course from time to time hold investment positions in the

Debtors and parties in interest in these cases. Based on the business separation and compliance information barriers referred to above, Steele Creek's investment activities do not constitute a conflict of interest that would disqualify Moelis from providing services described in the Engagement Letter.

27. Moelis provides financial advice and investment banking services to an array of clients in the areas of restructuring and distressed debt. As a result, based upon my knowledge, information and belief, Moelis has represented, and may in the future represent, certain Potential Parties in Interest in matters unrelated to these Chapter 11 Cases, either individually (as a creditor or a debtor) or as part of representation of a committee of creditors or interest holders. To the best of my knowledge, information and belief, insofar as I have been able to ascertain after reasonable inquiry as described above, none of these representations are adverse to the Debtors' interests.

28. To the best of my knowledge, information and belief, some of Moelis's present and future employees may have, or may in the future have, personal investments in funds or other investment vehicles, over whose investment decisions such employees have no input or control. Such entities may have made, or may in the future make, investments in the claims or securities of the Debtors, or those of their creditors, or other parties in interest in these Chapter 11 Cases.

29. I am not related or connected to and, to the best of my knowledge, information and belief, no other professional of Moelis who will work on this engagement is related or connected to, any United States Bankruptcy Judge for the District of New Jersey, or any employee in the Office of the United States Trustee for the District of New Jersey.

30. To the best of my knowledge, information and belief, Moelis has no agreement with any other entity to share with such entity any compensation received by Moelis in connection with the Debtors' Chapter 11 Cases. In the ordinary course of its business, Moelis regularly retains the services of senior advisors with specific industry or other expertise to supplement the financial advisory and investment banking services offered by Moelis's regular employees to Moelis's clients. Upon Moelis's engagement on a particular assignment, one such senior advisor may be assigned to assist the other Moelis professionals for such engagement. Such advisor acts under the management of the Moelis Managing Director who retains the lead role and primary responsibility for such assignment. The fees and expenses of such senior advisor are paid solely by Moelis. The Debtors submit that such senior advisors are regular associates of Moelis within the meaning of section 504 of the Bankruptcy Code.

31. Accordingly, except as otherwise set forth herein, insofar as I have been able to determine based upon the inquiry described above, based upon my knowledge, information and belief, none of Moelis, I, nor any employee of Moelis who will work on the engagement holds or represents any interest adverse to the Debtors or their estates, and Moelis is a "disinterested person" as that term is defined in section 101(14) of the Bankruptcy Code in that Moelis, and its professionals and employees who will work on the engagement:

- (a) are not creditors, equity security holders, or insiders of the Debtors;
- (b) were not, within two years before the date of filing of the Debtors' chapter 11 petition, a director, officer, or employee of the Debtors; and
- (c) do not have an interest materially adverse to the interest of the Debtors' estate or any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with or interest in the Debtors, or for any other reason.

32. Accordingly, I believe Moelis is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code and does not hold or represent an interest adverse to the Debtors’ estates.

Indemnification

33. The Debtors have agreed to indemnify, hold harmless, and pay certain contributions and reimbursements to, Moelis in accordance with the terms and conditions set forth in Annex “B” of the Engagement Letter (the “Indemnification Agreement”). Under the Indemnification Agreement, the Debtors have, among other things, agreed to reimburse, indemnify and hold harmless Moelis and the other Indemnified Persons (as defined in the Engagement Letter) from and against, and the Debtors agree that no Indemnified Person shall have any liability to the Debtors or their affiliates, or their respective owners, directors, officers, employees, security holders or creditors for, any Losses (as defined in the Engagement Letter) (a) related to or arising out of oral or written statements or omissions made or information provided by the Debtors or their agents (including any information provided by or on behalf of the Debtors to any purchaser or seller of a security in any transaction contemplated by the engagement) or (b) otherwise arising out of, related to or in connection with Moelis’s engagement or its performance thereof, except that clause (b) shall not apply to Losses that are finally judicially determined to have resulted primarily from the bad faith, willful misconduct, or gross negligence of Moelis or such Indemnified Person (such Losses under this exception to clause (b) being referred to as “Certain Losses”). In such event, Moelis will promptly refund any amounts previously advanced or otherwise reimbursed by the Debtors that are subsequently determined to be Certain Losses.

34. I believe that the indemnification provisions are customary and reasonable terms of consideration for financial advisors such as Moelis in connection with in-court and out-of-court restructuring activities. Moelis negotiated the Engagement Letter, including the indemnification provisions, with the Debtors at arm's-length and in good faith.

Efforts to Avoid Duplication of Services

35. Moelis's services are intended to complement, and not duplicate, the services to be rendered by any other professional retained in the Debtors' Chapter 11 Cases. Moelis has informed the Debtors that it understands the Debtors have retained and may retain additional professionals during the term of the engagement and will use its reasonable efforts to work cooperatively with such professionals to integrate any respective work conducted by the professionals on behalf of the Debtors.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: June 30, 2014

By:



Barak M. Klein
Managing Director of the Restructuring and Recapitalization
Group
Moelis & Company, LLC

SCHEDULE 1

List of Schedules

<u>Schedule</u>	<u>Category</u>
1(a)	Debtors (including certain Prior Names)
1(b)	Officers & Directors of Debtors
1(c)	Lenders and Agents
1(d)	Top 30 Creditors
1(e)	Other Parties
1(f)	Utilities
1(g)	Insurance
1(h)	Bank Accounts
1(i)	Five Percent Shareholders
1(j)	Professionals
1(k)	Advisors
1(l)	Litigation Parties
1(m)	Judges of New Jersey Bankruptcy Court
1(n)	Office of the United States Trustee

SCHEDULE 1(a)

Debtors (including certain Prior Names)

NB Acquisition, LLC
Revel AC, Inc.
Revel AC, LLC
Revel Acquisition, LLC
Revel Atlantic City, LLC
Revel Entertainment Group, LLC
Revel Entertainment, LLC
SI LLC

SCHEDULE 1(b)

Officers & Directors of Debtors

Benninger, Thomas M.
Dahl, Jeffrey J.
Glebocki, Theresa
Kreeger, Scott
McBeath, William
Murphy, Peter E.
Pickus, Loretta
Roselli, Gregory M.

SCHEDULE 1(c)

Lenders and Agents

AAI Canyon Fund plc
American Funds Insurance Series
American High-Income Trust
Canyon - GRF Master Fund II, LP
Canyon - GRF Master Fund LP
Canyon - TCDRS Fund, LLC
Canyon Balanced Master Fund, Ltd.
Canyon Blue Credit Investment Fund LP
Canyon Distressed Opportunity Master Fund, LP
Canyon Value Realization Fund LP
Canyon Value Realization MAC 18 Ltd.
Capital Research American Funds
Capital Research American High Income Trust
Chatham Asset High Yield Master Fund Ltd
Chatham Eureka Fund, L.P.
Citi Canyon Ltd.
Credit Suisse Loan Funding LLC
Hartford Accident and Indemnity Company
Hartford Institutional Trust High Yield Series
Hartford Insurance Company of Illinois
Hartford International Life Reassurance Corporation
Hartford Life and Accident Insurance Company
Hartford Life and Annuity Insurance Company
Hartford Life Insurance Co
Hartford Fire Insurance Company
HIMCO Dynamic Allocation Fixed Income Fund LLC
J.P. Morgan Chase Bank, N.A.
J.P. Morgan Whitefriars Inc.
Omega Charitable Partnership, LP
Oppenheimer Global Strategic Income Fund
Oppenheimer Master Loan Fund, LLC
Oppenheimer Quest for Value Funds
Oppenheimer Senior Floating Rate Fund
Oppenheimer Variable Account Funds
Permal Canyon Fund Ltd.
The Canyon Value Realization Master Fund, LP
The Hartford Investment and Savings Plan Trust
Twin Haven Special Opportunities Fund IV, LP
Wells Fargo Principal Lending, LLC
Wilmington Trust, N.A.

SCHEDULE 1(d)

Top 30 Creditors

A Esposito Inc.
A&M Industrial
ACR Energy Partners LLC
Amada
American Cut
Atlantic City Alliance
Azure LLC
Bunzl
Casino Control Fund
Casino Lobster
CRDA
Encore Event Technologies
Exhale Mind Body Spa
Idea Boardwalk LLC
IGT
International Business Machine
Lugo AC LLC
National Union Fire Insurance of Pittsburg
NJ DOL & Workforce Development
Paris Produce Company
PHD Media LLC
Purchasing Management International
Schindler
SHFL Entertainment
Siemens Industry Inc.
Sobel Westex
Sysco Guest Supply LLC
The Media & Marketing Group
TY Group LLC
US Foods Inc.

SCHEDULE 1(e)

Other Parties

Block 73, LLC
DeSanctis, Kevin
Garrity, Michael
Maggs, James A.
Revel Group, LLC

SCHEDULE 1(f)

Utilities

ACR Energy Partners LLC
Atlantic City Sewerage Co.
Atlantic County Municipal Utilities Authority
Cellco Partnership, d/b/a Verizon Wireless
DCO Energy LLC
Energenic, LLC
HotWire Communications
Magellan Hill Technologies
Marina Energy LLC
Network Billing Systems
South Jersey Gas Co.
Verizon Wireless
Waste Management of New Jersey

SCHEDULE 1(g)

Insurance

American International Group, Inc.
Amerihealth Casualty
Arch Insurance Co.
Beazley Insurance Co.
Chubb Custom Market, Inc.
Continental Casualty
Continental Insurance Co. of New Jersey
Endurance American Insurance Company
Freedom Specialty Insurance Company
Lexington Insurance Corp.
Liberty Insurance Underwriters Inc.
Lloyd's of London
National Specialty Insurance Co.
Philadelphia Insurance Co.
Starr Aviation/Federal Insurance
XL Specialty Insurance Co.

SCHEDULE 1(h)

Bank Accounts

JPMorgan Chase Bank, N.A.

TD Bank, N.A.

SCHEDULE 1(i)

Five Percent Shareholders

American High-Income Trust
Canyon RC Holdings LLC
Chatham Revel VoteCo, LLC
Credit Suisse Securities (USA) LLC
Oppenheimer Senior Floating Rate Fund
The Income Fund of America
Trust under the Revel AC, Inc. 2013 Management Equity Incentive Plan

SCHEDULE 1(j)

Professionals

Aon Hewitt
Barley Snyder LLC
Cooper Levenson, P.A.
Ernst & Young
Kekst and Company, Inc.
Kirkland & Ellis LLP
Lisa Johnson Communications
Marsh USA Inc.
McAndrew Held & Malloy Ltd
Patchin, Thomas
Slater, Tenaglia, Fritz & Hunt P.A.
The Boardwalk Consulting Group

SCHEDULE 1(k)

Advisors

AlixPartners, LLP
Fox Rothschild LLP
Moelis & Company LLC
White & Case LLP
Winter Harbor LLC

SCHEDULE 1(I)

Litigation Parties

Barham, Rich
Denker, Kevin
Garcia, Alberto
Helmark Steel, Inc
Idea Boardwalk
Imperial Woodworking
Ingelido, Carlee
Lyndon Stockton
Ovation Live Inc. d/b/a Ovation Entertainment
Permasteelisa North America Co
Philadelphia D&M, Inc.
Ramos, Kimberly A.
Ravel Hotel LLC
Redling, Geri
Schumacker, Darlene M.
Sommers, Robin D.
Stone Concrete
Tishman Construction

SCHEDULE 1(m)

Judges of New Jersey Bankruptcy Court

Burns, Gloria M.
Ferguson, Kathryn C.
Gambardella, Rosemary
Gravelle, Christine M.
Kaplan, Michael B.
Steckroth, Donald H.
Stern, Morris
Winfield, Novalyn L.
Andrew B. Altenburg, Jr

SCHEDULE 1(n)

Office of the United States Trustee

Artis, Michael
D'Auria, Peter J.
Hausman, Mitchell B.
Hildebrandt, Martha
Hsu, Shining J.
MacMaster, Donald F.
Schneider, Jr., Robert J.
Sponder, Jeffrey
Steele, Fran B.
Teich, Benjamin

SCHEDULE 2

Relationships with Potential Parties in Interest

- Moelis has been engaged within the last two years or is currently engaged by the following Potential Parties in Interest (or one or more of their affiliates, as the case may be) in matters unrelated to these Chapter 11 cases (including where the Potential Party in Interest was only a member of an official or ad hoc creditor, lender or equity committee or group): Capital Research American High Income Trust, American International Group, Canyon, Capital Research American Funds, Credit Suisse Loan Funding LLC, J.P. Morgan Chase Bank, N.A., J.P. Morgan Whitefriars Inc., Oppenheimer Global Strategic Income Fund, Oppenheimer Master Loan Fund, LLC, Oppenheimer Quest for Value Funds, Oppenheimer Senior Floating Rate Fund, Oppenheimer Variable Account Funds, Permasteelisa North America Co., Revel AC, Inc., Revel Entertainment Group, LLC, Siemens Industry, Inc., TD Bank, N.A., Twin Haven Special Opportunities Fund IV, LP, Wells Fargo Principal Lending, LLC, Wilmington Trust.
- Three Potential Parties in Interest under Insurers and two under Lenders are investors in certain affiliates of Moelis as follows:
 - Two Potential Parties in Interest have a confidential passive limited partnership interest of less than 1% in the parent of Moelis Asset Management LP.
 - Three Potential Parties in Interest have a confidential limited partnership interest in certain private equity funds for which the General Partner is Moelis Capital Partners (“MCP”); MCP is separately operated from Moelis but is under common control with Moelis’s parent.
- Kevin DeSanctis was the Chief Executive Officer of Revel in March of 2013, at which time Moelis was engaged by Revel.
- Michael Garrity was the Chief Investment Officer of Revel in March of 2013, at which time Moelis was engaged by Revel.
- Sidney Taurel, a member of the Global Advisory Board of Moelis & Company Group LP, is a member of the Board of Directors of IBM.
- In April of 2014, Moelis made an initial public offering of 6,500,000 shares of common stock, which are currently traded on the New York Stock Exchange. As such, it is unknown at this time whether any Potential Party in Interest owns stock in Moelis.