



THE PERFECT FIT
RELEVANT EXPERIENCE. UNIQUE OPPORTUNITIES. READY TO GO.

THE PERFECT FIT

ROBERT HADDOCK

CHAIRMAN & CHIEF EXECUTIVE OFFICER

AZTAR CORPORATION



MARKET ASSESSMENT

SEBASTIAN SINCLAIR

CHIEF EXECUTIVE OFFICER

CHRISTIANSEN CAPITAL ADVISORS, LLC



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Sebastian Sinclair

BIOGRAPHY

Conducted Numerous Gaming Market Feasibility Studies

Specializes in Financial Analysis & Evaluation

Authored Numerous Trade & Professional Publications



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Christiansen Capital Advisors

Leading Analysts on Economics of Gaming

Performed Numerous Studies of
Feasibility of Gaming Projects

Published in Respected Economic Journals



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Scope of Engagement

Hired 10/06 at Lenders' Request

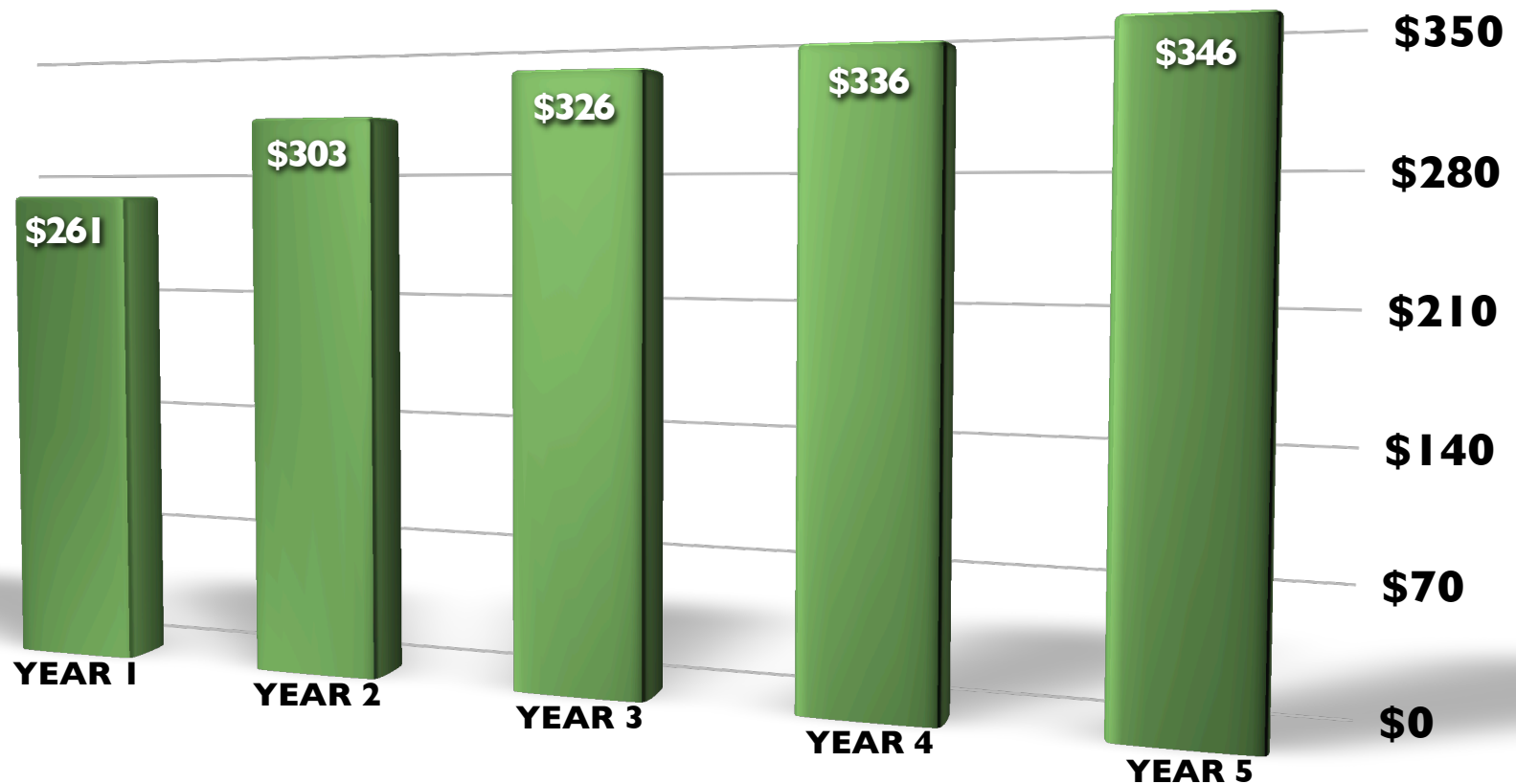
Tasked to Analyze Management's Revenue Projections

Completed Analysis & Report 11/06



REVENUE PROJECTIONS

LEHIGH VALLEY TROPICANA -- 3,000 MACHINES



SOURCE: CHRISTIANSEN CAPITAL ADVISORS, LLC

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Methodology

Utilized Constrained Gravity Model

Projections Based On Surrounding Population

Convenience & Accessibility are Key Factors



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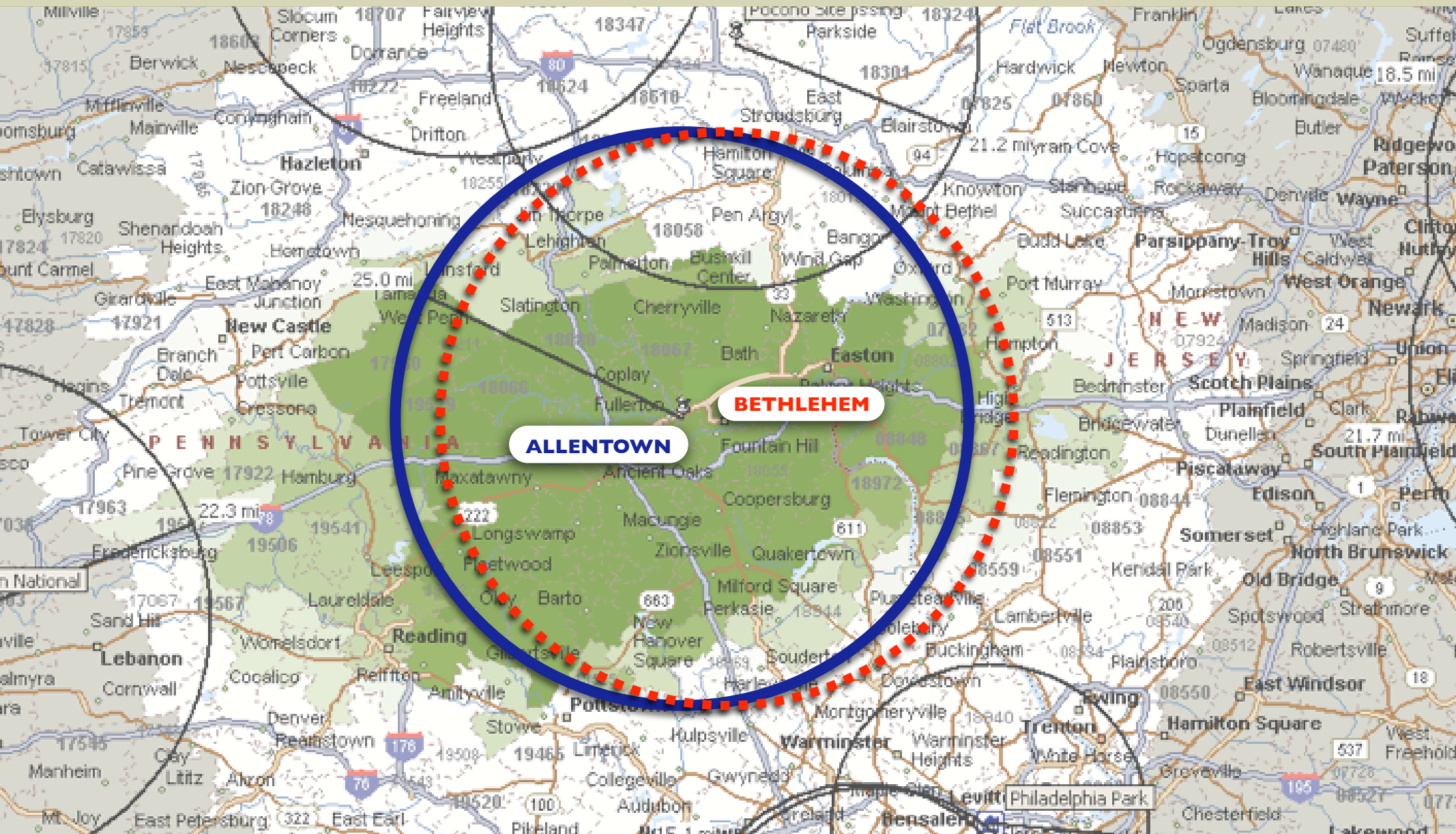


Validation by Financial Suitability Task Force

CCA's Numbers are Virtually Identical
-- within 1.4% -- of the Projections of the
Board's Financial Suitability Task Force



COMPARATIVE MARKET AREAS



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Atlantic City Impact

Competitive Advantage

Established Regional Customer Base

Atlantic City Too Far from Lehigh Valley
to Siphon Business



TROPICANA FACILITY

RICHARD RUDEN

EXECUTIVE DIRECTOR OF DEVELOPMENT

AZTAR CORPORATION



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Richard Ruden

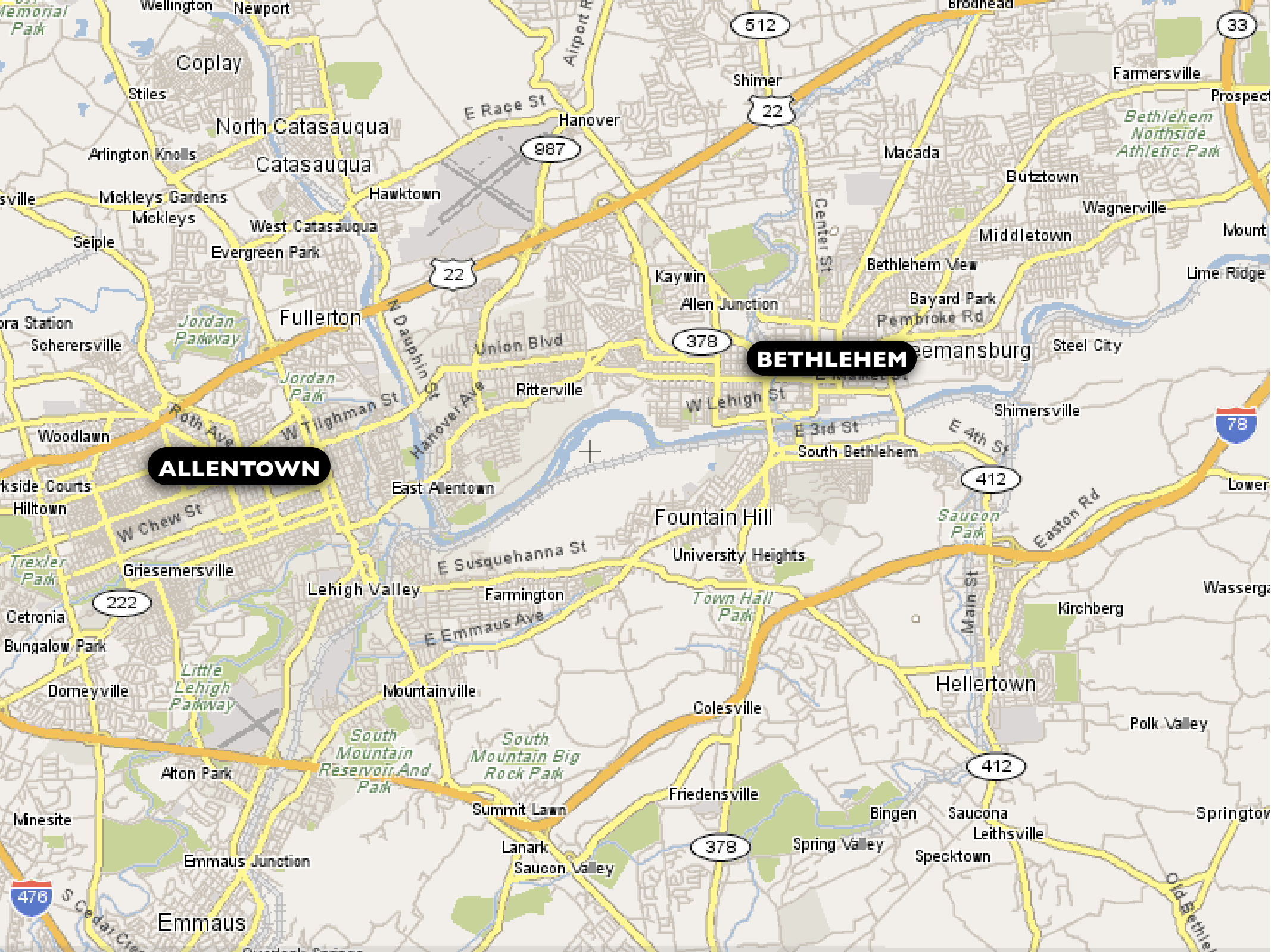
BIOGRAPHY

Aztar Corporation & Predecessor Ramada, Inc. since 1988

Key Individual for Lehigh Valley Tropicana Development

Vast Experience in All Phases of Development





ALLENTOWN

BETHLEHEM



AIRPORT ROAD

AMERICAN PARKWAY



UNION BOULEVARD

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The Site

24 Acres

Zoned for Gaming

No Environmental Problems

Land Development Plan Approved

Adjoins Open Acreage for Future Development





Pennsylvania Department of Environmental Protection

Rachel Carson State Office Building
P.O. Box 8471
Harrisburg, PA 17105-8471
December 6, 2006

Community Revitalization and
Local Government Support

717-783-7816

Mr. Rich Ruden
Tropicana Pennsylvania, LLC
609 Hamilton Mall, Suite #1
Allentown, PA 18101

RE: Remedial Investigation Report/Cleanup Plan
Lehigh Valley Tropicana
eFacts Site #675598
1115 American Parkway NE
City of Allentown, Lehigh County

Dear Mr. Ruden:

The Department has completed its review of the Remedial Investigation Report/Cleanup Plan (RIR/CP) for the Lehigh Valley Tropicana located in the City of Allentown, Lehigh County, dated November 2006, submitted to us by Geo-Technology Associates, Inc. on behalf of Tropicana Pennsylvania, LLC. The Department approves the RIR/CP submitted pursuant to the requirements of 25 Pa. Code 250 and Section 304 of the Land Recycling and Environmental Remediation Standards Act (Act 2). The Departmental approval of the RIR/CP demonstrates consistency with the requirements of both Act 2 and the regulations.

It is the Department's understanding, based on projected site development plans, is that the entire site will essentially be 'capped' with physical barriers such as buildings, parking lots, roads, soil covers, etc. which will ultimately eliminate the potential for any long-term direct contact exposure pathways. With respect to short-term exposure conditions, the Department also understands that restrictive covenants will be in place as to control future use of the site, which will be referred to in a deed, that establishes protocols for subsurface activities and the maintenance of existing and newly established pathway elimination features.

Thank you for your cooperation in working with the Department on this project. If you need any additional information regarding this approval, please contact me anytime.

Sincerely,

David E. Hess
Director
Land Recycling Program

An Equal Opportunity Employer

www.dep.state.pa.us

Printed on Recycled Paper



“The Departmental approval of the RIR/CP demonstrates consistency with the requirements of both Act 2 and the regulations.”

-David E. Hess, Director

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The Vision











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Phase 1

3,000 Slot Machines

250 Room full-service Marriott Hotel

13 Restaurants & Lounges

Showroom

Executive Conference Center

3,000 Space Parking Garage with 400 Valet Spaces

400 Surface Parking Spaces

8 Motor Coach Bays







■ CASINO
 ■ HOTEL
 ■ LOUNGES/BARS
 ■ RESTAURANTS
 ■ SHOWROOM
 ■ EXECUTIVE CONFERENCE CENTER
 ■ PARKING



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Phase 2

5,000 Slot Machines

500 Room Hotel

Over 20 Restaurants & Lounges

Showroom

Executive Conference Center

Spa

10,000 sq. ft. of Retail Space

4,500 Covered Parking Spaces

8 Motor Coach Bays





- CASINO
- HOTEL
- LOUNGES/BARS
- RESTAURANTS
- SHOWROOM
- EXECUTIVE CONFERENCE CENTER
- PARKING
- RETAIL



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PROJECT BUDGET IN MILLIONS	PHASE 1	PHASE 2	TOTAL
LICENSE	\$50.0	—	
LAND	\$10.8	—	
CONSTRUCTION	\$150.0	\$121.0	
FURNITURE & EQUIPMENT	\$71.0	\$ 49.4	
PRE-OPENING & CONTINGENCIES	\$43.2	\$ 29.6	
SUB-TOTAL	\$325	\$ 200	\$ 525
FINANCING COSTS & WORKING CAPITAL	\$27.0	\$23.0	
TOTAL	\$352	\$223	\$ 575

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Construction Schedule



JANUARY 07
COMMENCE
CONSTRUCTION



DECEMBER 07
CASINO OPENS



SEPTEMBER 08
PHASE I COMPLETE

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Ready To Go

Site Ownership & All Approvals

Environmental Clearance

Overwhelming Community Support

Traffic Improvement Plan in Place



TRAFFIC IMPROVEMENTS

MATTHEW HAMMOND, P.E.

EXECUTIVE VICE PRESIDENT

TRAFFIC PLANNING & DESIGN, INC.



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Matthew Hammond, P.E.

BIOGRAPHY

Managed Over 250 Land Development Projects
in Pennsylvania, New Jersey & Delaware

Oversees the Completion of
Over 150 Traffic Impact Studies Annually

Played a Key Role in Relocation of
Olympus America Headquarters to Lehigh Valley



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Traffic Planning & Design, Inc.

Traffic-Specific Consulting Firm

Pennsylvania & New Jersey Offices

PennDOT Consultant

Thousands of Projects



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Scope Of Engagement

Site Evaluation March 2006

Prepared Traffic Impact Study

Evaluated Sands BethWorks Site



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Process

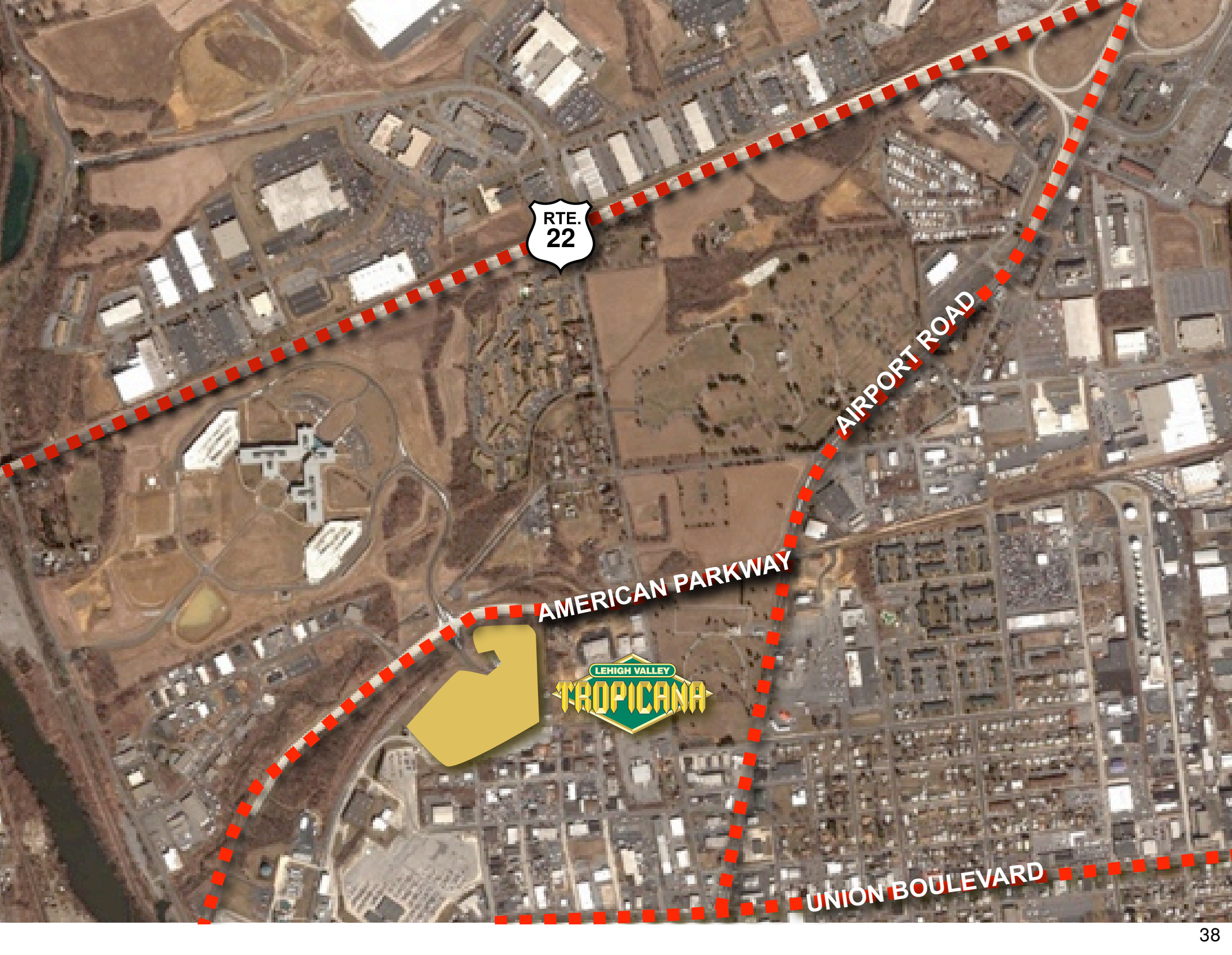
Traffic Counts During Peak Hours

Analyzed Surrounding Roadway Network

Prepared Traffic Model

Developed Improvement Plan





RTE.
22

AIRPORT ROAD

AMERICAN PARKWAY

LEHIGH VALLEY
TROPICANA

UNION BOULEVARD

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Improvement Plan

Limited in Scope

Signal Improvements

\$500,000 Total Cost

Wholly Funded by Tropicana



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Sands BethWorks Review

Reviewed Sands BethWorks Traffic Study

Utilized Standard PennDOT Criteria

Discussions with PennDOT



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Sands BethWorks Findings

Access Dependent on Route 412

Route 412 Inadequate Today

\$70 Million Upgrade Needed

Under Construction 2009-2011



PROJECT FINANCING

RICHARD FITZPATRICK

CHIEF FINANCIAL OFFICER

WIMAR TAHOE CORPORATION



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Borrowing Commitment

\$275M Senior Secured Loan
by Bank Of America & Wachovia Bank,
Consisting of:

\$265M 5-Year Term Facility

\$10M 5-Year Revolving Credit Facility



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Equity Commitment

\$76.2M Equity Commitment
from Wimar Tahoe Corporation,
underwritten by Columbia Sussex Corporation

\$10.8M Contribution of Equity Investment
in Allentown Site



CASINO AZTAR EVANSVILLE

JAMES BROWN

PRESIDENT & GENERAL MANAGER

CASINO AZTAR EVANSVILLE, IN



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James Brown

BIOGRAPHY

20 Years with Aztar

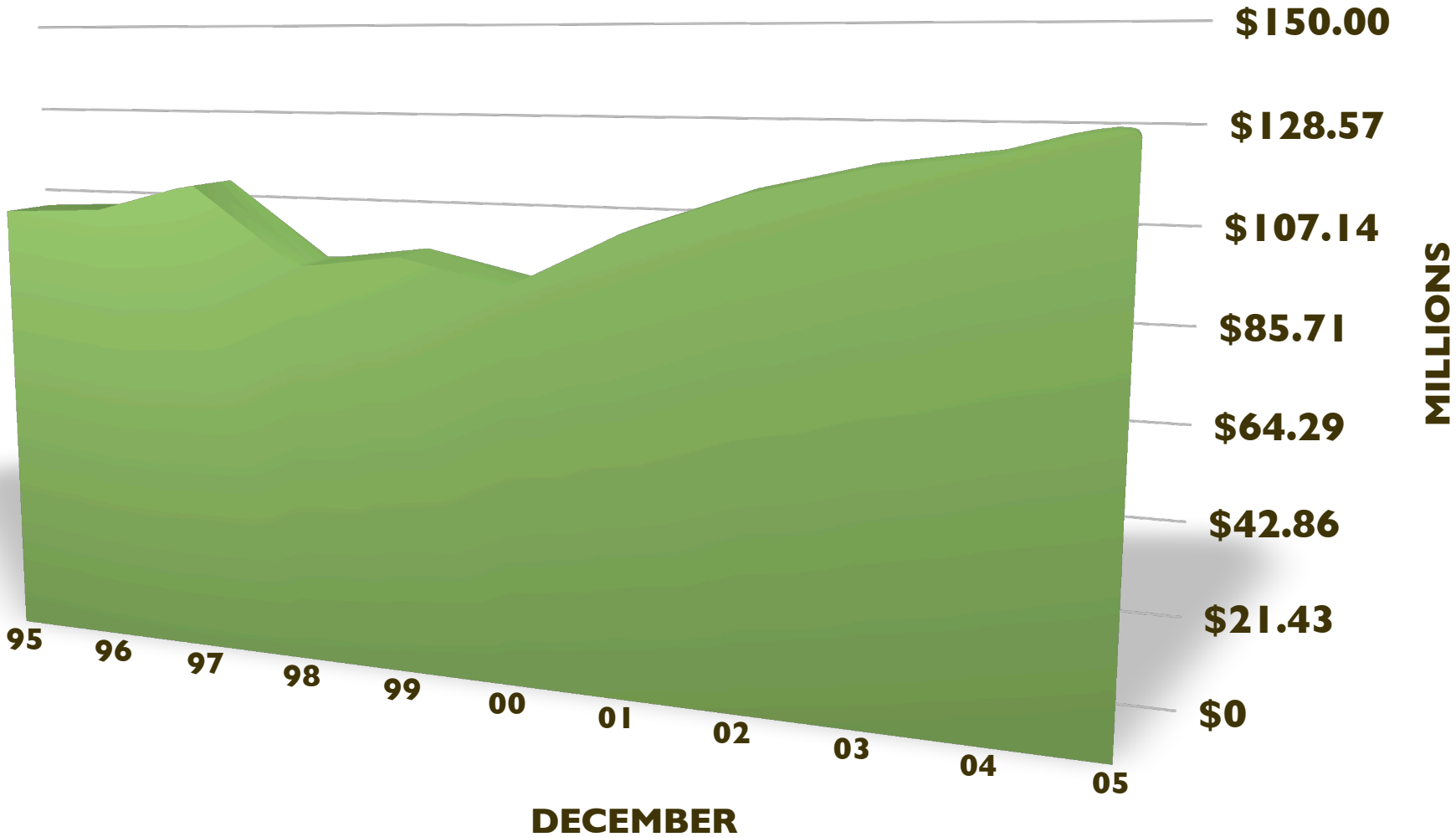
Has Run Casino Aztar Evansville since 1995

Chairman of Casino Association of Indiana

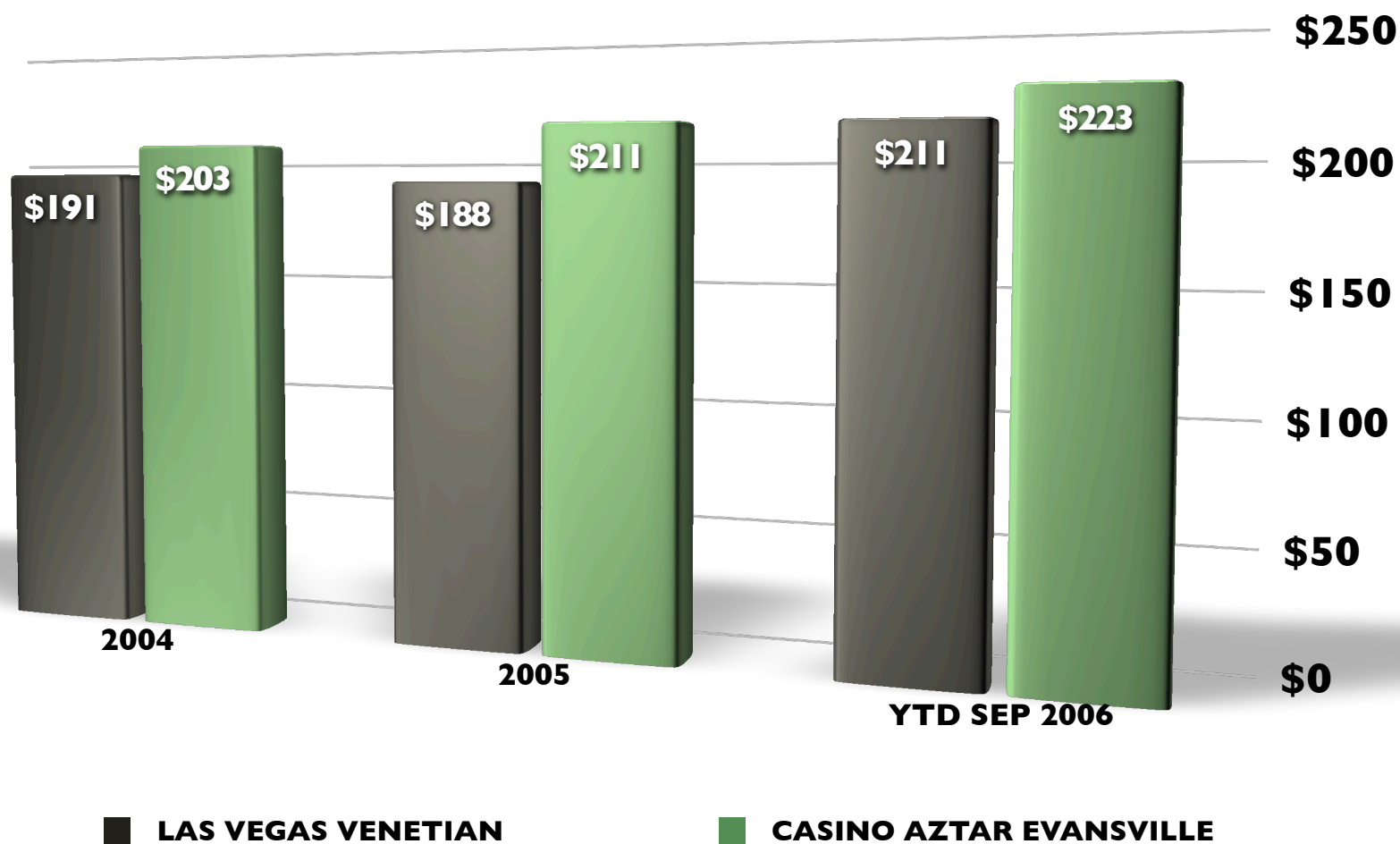


CASINO AZTAR EVANSVILLE

ROLLING 12 MONTH TOTAL WIN



SLOT WIN PER UNIT COMPARISON



The increase in win/unit at the Venetian in 2006 is driven by a 13% reduction in units since 2004. At Casino Aztar units have declined by less than 1% for the same period.

CASINO AZTAR EVANSVILLE

COMMUNITY IMPACT



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Evansville Awards & Recognition

More Than 50 Awards & Citations since 1995

11 United Way Awards since 1997

Evansville Chamber of Commerce
Business Of The Year 2006





CITY OF EVANSVILLE

ONE N.W. MARTIN LUTHER KING, JR. BLVD. - ROOM 302
EVANSVILLE, INDIANA 47708-1833
(812) 436-4962
FAX (812) 436-4968

OFFICE OF THE MAYOR
JONATHAN WEINZAPFEL

February 9, 2006

The Honorable Ed Pawlowski
Mayor
City of Allentown
435 Hamilton St.
Allentown, PA 18101

Dear Mayor Pawlowski:

Congratulations on your victory. You have an opportunity to do what all of us who enter public life seek: to make a real difference in peoples' lives. We wish you the best of luck.

Our reason for writing today is to tell you about our experience with Aztar Corporation, which recently announced its plan to apply for a gaming license in Allentown under its Tropicana brand name.

We have been fortunate to have had one of the Tropicana's sister companies, Casino Aztar, operating in our community for a decade. We can offer unqualified praise for how the company and its managers and employees have handled themselves here and their commitment to the community. They have been an outstanding corporate citizen, the kind more communities should have.

No one recognizes more than we do that the introduction of gaming has the potential to bring as many problems as it does benefits if it is not handled correctly and if responsible owners and operators are not selected. Like you, as Mayor, we had to be concerned with balancing a variety of pressing needs with no single issue dominating our actions or agenda. Bringing a casino to our community would not have been worth it if the social costs would have outweighed the financial benefits or if it would have fundamentally destroyed the fabric of our community.

But it has been our experience that Casino Aztar has been a positive addition to our community. It is not an understatement to say that it has helped spark a turnaround here. In the ten years since Casino Aztar opened in Evansville, it has invested more than \$160 million, generated almost \$350 million in tax revenues and now employs 1,200 people. It has exceeded the high targets the company itself set for local and minority hiring and vending. Recently, Aztar announced it would be expanding its commitment with a \$40 million expansion. Casino Aztar's

Page 2
The Honorable Ed Pawlowski
Re: Casino Aztar
February 9, 2006

employees from the top down are active in our community, serving on a large number of committees and boards. They have kept every promise they ever made to us, a rarity these days, as you know. We have included with this letter recent articles about Aztar's performance in our community for your review.

In closing, while we understand that every community is different, we believe our experience is an excellent example of what can be done with a strong, active and committed company like Aztar Corporation. The company and its management have helped us to take our community to a higher level and achieve the goals we have for our citizens.

Again, congratulations on your election and best of luck. If we can be of any further assistance, please let us know.

Sincerely,

Jonathan Weinzapfel
Mayor
2004 - Present

Russell Lloyd, Jr.
Mayor
2000 - 2003

Frank McDonald, II
Mayor
1988 - 1999

Enclosure(s)

DECLARATION

THIS DECLARATION, made this 30th day of November, 2006, by **TROPICANA PENNSYLVANIA, LLC**, a Pennsylvania limited liability company, with a mailing address of 609 Hamilton Mall, Allentown, Pennsylvania 18101 (hereinafter called "Tropicana"), is hereby given to and for the benefit of **THE CITY OF ALLENTOWN**, a city of the Third Class, domiciled by law in the County of Lehigh, Commonwealth of Pennsylvania (hereinafter called the "City").

WHEREAS, pursuant to the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S.A §1101 et seq. (the "Gaming Act"), Tropicana filed an application with the Pennsylvania Gaming Control Board ("PGCB") for a proposed Category 2 slots parlor facility location in the City on December 23, 2005 (the "Gaming Facility"); and

WHEREAS, as part of Tropicana's commitment to the City, Tropicana provided correspondence to The Honorable Edward Pawlowski, Mayor of the City of Allentown, dated March 3, 2006, wherein Tropicana pledged to provide the City with additional community enhancements beyond the requirements contained in the Gaming Act; and

WHEREAS, it is the intention of Tropicana to provide this Declaration to the City in order to confirm Tropicana's commitment to the City.

NOW, THEREFORE, in consideration of the covenants set forth herein and other good and valuable consideration, and intended to be legally bound, Tropicana hereby sets forth its commitment to the City as follows:

1. **Recitals.** The foregoing recitals are incorporated herein as a material part hereof.
2. **Commitment by Tropicana to the City.** Upon awarding and receipt of a final and unappealable Category 2 gaming license by the PGCB and receipt of all necessary building permits from the City and other governing agencies, Tropicana promises to make the following contributions to the City as evidence of Tropicana's dedication to the City's law enforcement and emergency services:
 - a. Upon substantial completion of the proposed Gaming Facility, a monetary contribution in the amount of One Million Two Hundred Fifty Thousand Dollars (\$1,250,000.00) to assist the City in the purchase of a new ambulance for Allentown EMS, a new ladder fire engine for Allentown Fire Department, and construction of a new police substation on the east side of the City; and

- b. A monetary contribution in the amount of Five Hundred Thousand Dollars (\$500,000.00) over a five (5) year period to local service agencies identified by the City to pay for programs to treat gambling addiction.

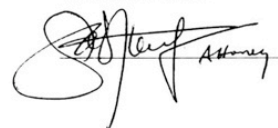
3. **Commitment by Tropicana to Employees Residing in the City.** In addition to the direct monetary contributions Tropicana will provide to the City as detailed above, Tropicana additionally commits to establish an internal fund in the amount of Two Hundred Fifty Thousand Dollars (\$250,000.00) to assist employees of Tropicana to become homeowners in the City, which is anticipated to be offered starting the second (2nd) year of operation of the Gaming Facility.

4. **Condition of License Award.** Tropicana agrees that its compliance with the terms and commitments of this Declaration is acceptable as a condition of licensure for a Category 2 gaming facility by the Pennsylvania Gaming Control Board.

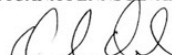
5. **Binding Effect.** This Declaration shall be for the benefit of the City and shall be binding on Tropicana and its respective successors in title.

IN WITNESS WHEREOF, Tropicana has caused this Declaration to be executed on the day and year first above written.

WITNESS/ATTEST:


Attorney

TROPICANA PENNSYLVANIA, LLC

By: 
Name: RICHARD ROSEN
Title: EXECUTIVE DIRECTOR DEVELOPMENT

I, The Honorable Edward Pawlowski, Mayor of the City of Allentown, do hereby acknowledge and accept, on behalf of the City, the commitments Tropicana Pennsylvania, LLC has set forth in this Declaration.


Edward Pawlowski, Mayor

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The Lehigh Valley is not
Atlantic City, Las Vegas or Macau

Tropicana Knows This Market



ECONOMICS & URBAN PLANNING



STEPHEN MULLIN

PRINCIPAL & SENIOR VICE PRESIDENT

ECONSULT CORPORATION

TRACY DANDRIDGE

GIS SPECIALIST



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Stephen Mullin

BIOGRAPHY

University of Pennsylvania, M.A. (Economics)

Finance Director, City of Philadelphia, 1992-1993

Budget Director, City of St. Louis, 1982-1988



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Tracy Dandridge

BIOGRAPHY

University of Pennsylvania, M.C.P. (City & Regional Planning)

Geographic Information Systems (GIS) Specialist

Coordinates GIS Resources for City Planners
& Other City Agencies



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Introduction

Intra-Metropolitan Investment Location

“Holy Grail” of Economic Development

Urban Planning

Fiscal Assistance/Revitalization

Maximize Regional Economic Development



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Activity Systems Analysis

Socio-Economic Development Potential

Compatibility

Appropriateness

Regional Significance



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Comparative Fiscal Conditions

Structural Imbalance

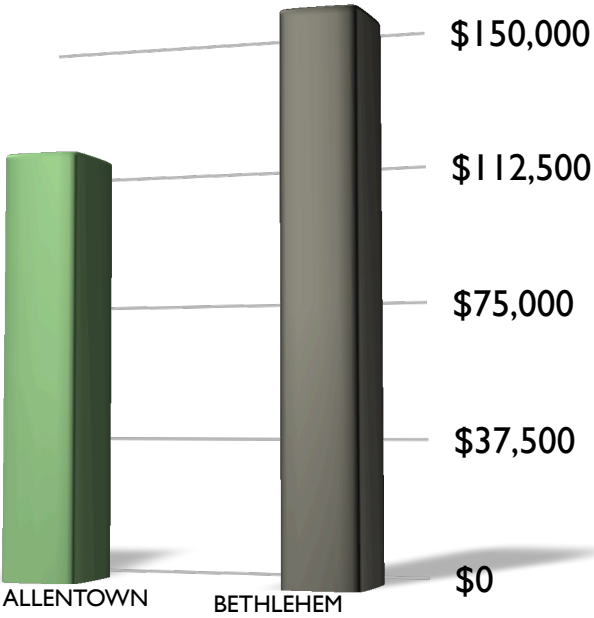
Financial Condition

Credit Rating

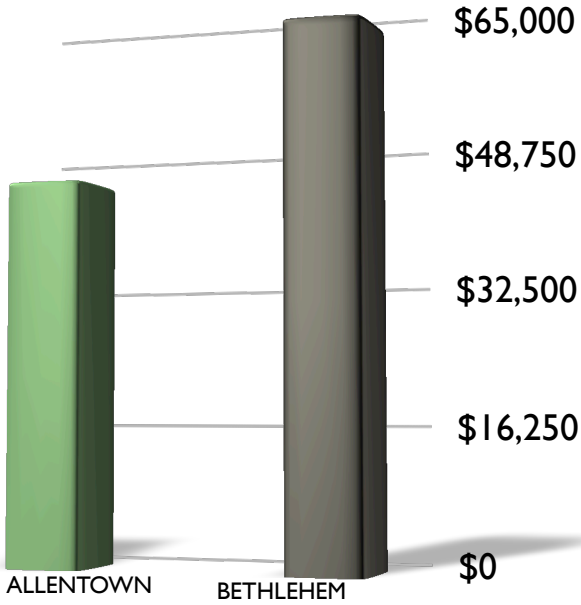
School District



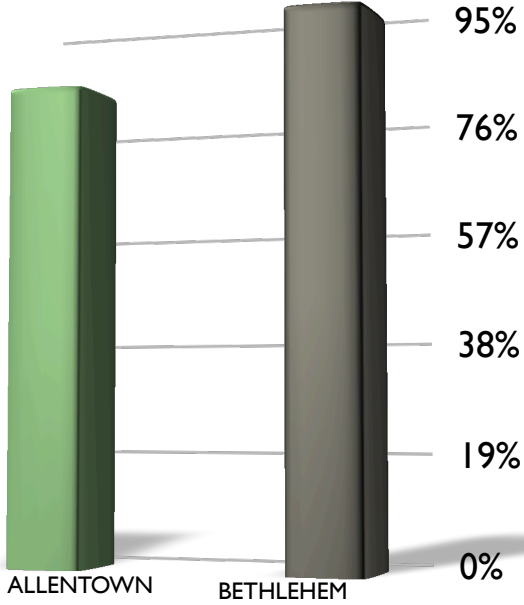
COMPARATIVE ECONOMIC OUTLOOK



HOUSING VALUE



HOUSEHOLD INCOME



ABOVE POVERTY LEVEL

■ ALLENTOWN ■ BETHLEHEM

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Conclusions

Tropicana Best Serves Urban Revitalization Efforts

Spurs Regional Economic Development

Solves Allentown's Structural Imbalance

Economic & Fiscal Benefits to Bethlehem



REVITALIZATION

HONORABLE
ED PAWLOWSKI

MAYOR

CITY OF ALLENTOWN



COMPLIANCE & DIVERSITY

DONNA MORE

VICE PRESIDENT, GENERAL COUNSEL & SECRETARY

COLUMBIA ENTERTAINMENT



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Background

Former Chief Legal Counsel Illinois Gaming Board

Making Productive Choices

Decision to Join Columbia Entertainment



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Responsibilities

Compliance

Diversity

Community Affairs



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Compliance

Conform to Best Industry Practices

Stringent Standards

Problem Gambling Treatment



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Diversity

Personal Experience

Enhancement of Existing Programs

Exceed Community Diversity Demographics



THE PERFECT FIT

WILLIAM YUNG

PRESIDENT & CHIEF EXECUTIVE OFFICER

COLUMBIA ENTERTAINMENT





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