

PGCB PRESENTATION
Split Rock Resort
03/23/07

Good morning Chairman Decker, and members of the Pennsylvania Gaming Control Board. Thank you for the opportunity to make this brief presentation to you this morning. My name is Charles Dickinson, Director of Special Projects for Vacation Charters Ltd., the owner/operator of Split Rock Resort and Mountain Laurel Resort & Spa in the Pocono Mountains of Northeast PA. While I have worked for the Company for the last 12 ½ years, my background includes having helped open and later operate as a Director of Operations at the Tropicana Hotel Casino in Atlantic City; so I am familiar with the trials and tribulations of the startup of gaming from my years in Atlantic City.

We've taken the liberty of providing you with a booklet highlighting the features of Split Rock Resort, a resort destination since 1941; which you will readily see is a perfect match to the description of an eligible Category 3 Applicant. Some of you had the opportunity to visit the Resort last fall when public hearings were held there. We've provided you a brief summary of our Company, which is owned primarily by family stockholders, although a portion of the stock of VCL is also owned by the employees through their participation in an Employee Stock Ownership Plan (ESOP).

You'll see from a localized map we provided, that Split Rock sits on approximately 1,200 acres of land, and Mountain Laurel Resort located just 4.2 miles away adds an additional 138 acres. Both of the resorts are located close to the Intersection of Interstate 80 and the Northeast Extension of the Pennsylvania Turnpike; a convenient 90 minute trip from Philadelphia, two hours from New York City and three hours from Baltimore.

Split Rock features 509 suites and villas, with an additional 24 suites opening in June for a total of 557 units; while our sister resort, Mountain Laurel offers an additional 256 suites and rooms, for a combined total of 817 units by mid 2007. Accommodations at both properties vary from standard hotel rooms, to cottages, to one bedroom and two bedroom suites and villas.

In addition to its' guest rooms, the Resort features three distinct restaurants, two snack bars, pizza parlor, ice cream parlor, sports bar, beach

bar and three lounges offering live bands, comedy and magic shows. Meeting, banquet and exhibit facilities top out at 77,000 square feet of space that can accommodate over 1,000 guests for dinner in one room, presently the largest available in Northeast Pennsylvania. Split Rock has adequate facilities to host three annual festivals, including the annual Pennsylvania Wine and Food Festival with attendance over 10,000 guests, held on the last weekend in June.

Substantial amenities are available on site including a 27 hole championship golf course with 9 more holes under construction, first run movie theater, 2 indoor & 1 outdoor pool, 3 indoor and 8 outdoor tennis courts, indoor and outdoor basketball, 8 lane bowling alley; video arcade, fitness center, racquetball, aerobics room, 18 hole miniature golf course, softball field, sand volleyball courts, bocci ball, shuffleboard, children, adult and family activity programs. Also, with great excitement, we are currently constructing a 48,000 square foot indoor waterpark scheduled to open in 2008.

And now, on to our true reason for making these presentations this morning; which are our concerns that relate to the existing language of Act 71, which, unto itself, does not clearly provide adequate definition.

The primary concerns of Vacation Charters Ltd. relate to:

1. The PGCB aligning with other Departments of Pennsylvania government, such as the Department of Revenue, and the Liquor Control Board in providing a unified definition of a “resort hotel”.
2. Acknowledgement by the PGCB that registered guests at the Mountain Laurel facility would have access to the gaming area at Split Rock; which are both under common management, maintenance and reservations.
3. The PGCB acknowledging a “timeshare” room or suite as the equivalent to a hotel room or suite. Timeshare subscribers do not have any deeded rights or any greater rights than traditional hotel reservation guests. Timeshare guests simply operate under an advance reservation agreement; and they also pay applicable hotel occupancy taxes. Act 71 does not indicate that the term “hotel” is intended to be defined as more restrictive than the tax or liquor codes.

The inclusion of a guest who reserves through a Timeshare agreement is paramount in the viability of this project.

4. The PGCB, defining a “patron of the amenities” in a way that not only recognizes the different types of patrons, but the different forms and duration of participation. For example, we offer annual and seasonal memberships to many of our amenities. We believe that an individual paying \$1,600 for a golf membership should be considered a “patron of the amenities”, having access to the gaming facility. Timeshare members, after paying thousands for their membership also pay an annual maintenance fee which entitles them to use of the amenities while not in residence. This member should also be considered a patron of the amenities. Gaming patrons cannot, and should not, be determined on what they spent, or what amenity they used on a particular day. The current interpretation of Act 71 severely restricts the Cat 3 Applicant from allowing access to these patrons into the gaming area. The definition of “Patron of the Amenity”, which takes into consideration various amenity scenarios, is critical for all interested parties, in determining the feasibility of a Cat 3 license.

We believe that it is important to the process that the definitions be clearly detailed now, before more resources are expended by the applicants and the Board. Further, defining “patron of the amenities” in a way that meets the clear requirements of the Act, but which does not unnecessarily restrict traffic, will make the projects economically feasible to the potential Applicants, and better realize the public benefits envisioned by the General Assembly.

Thank you again for your time this morning. We look forward to a positive and prudent reaction from the Board that will serve the public and the applicants.