~~THIS DISCLOSURE STATEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND PROVISIONS OF THE BANKRUPTCY CODE. ACCEPTANCES OR REJECTIONS OF THE PLAN MAY NOT BE SOLICITED UNTIL THIS DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT HAVING JURISDICTION OVER THE BELOW-CAPTIONED CHAPTER 11 CASES.~~

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
TROPICANA ENTERTAINMENT, LLC, et al.,[1]	)	Case No. 08-10856 (KJC)
Debtors.	)	Jointly Administered

DISCLOSURE STATEMENT FOR THE FIRST AMENDED JOINT PLAN OF REORGANIZATION OF TROPICANA ENTERTAINMENT, LLC AND CERTAIN OF ITS DEBTOR AFFILIATES UNDER CHAPTER 11 OF THE BANKRUPTCY CODE

- Voting Record Date: March 10, 2009
- Plan Objection Deadline: April 10, 2009
- Voting Deadline: April 17, 2009 at 5:00 p.m., prevailing Pacific time
- Confirmation Hearing: April 27, 2009 at 10:00 a.m., prevailing Eastern time

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Dated: March ~~6,~~**20,** 2009

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: Adamar Garage Corporation (1225); Adamar of Nevada Corporation (4178); Argosy of Louisiana, Inc. (5121); Atlantic-Deauville Inc. (2629); Aztar Corporation (6534); Aztar Development Corporation (0834); Aztar Indiana Gaming Company, LLC (5060); Aztar Indiana Gaming Corporation (1802); Aztar Missouri Gaming Corporation (8819); Aztar Riverboat Holding Company, LLC (5055); Catfish Queen Partnership in Commendam (4791); Centroplex Centre Convention Hotel, L.L.C. (2613); Columbia Properties Laughlin, LLC (9651); Columbia Properties Tahoe, LLC (1611); Columbia Properties Vicksburg, LLC (0199); CP Baton Rouge Casino, L.L.C. (9608); CP Laughlin Realty, LLC (9621); Hotel Ramada of Nevada Corporation (8259); Jazz Enterprises, Inc. (4771); JMBS Casino LLC (6282); Ramada New Jersey Holdings Corporation (4055); Ramada New Jersey, Inc. (5687); St. Louis Riverboat Entertainment, Inc. (3514); Tahoe Horizon, LLC (9418); T ropicana Development Company, LLC (0943); Tropicana Enterprises (7924); Tropicana Entertainment Holdings, LLC (9131); Tropicana Entertainment Intermediate Holdings, LLC (9214); Tropicana Entertainment, LLC (9263); Tropicana Express, Inc. (0806); Tropicana Finance Corp. (4040); Tropicana Las Vegas Holdings, LLC (9332); Tropicana Las Vegas Resort and Casino, LLC (9355); and Tropicana Real Estate Company, LLC (1107). The location of the Debtors' corporate headquarters and the service address for all Debtors is: 3930 Howard Hughes P arkway, 4th Floor, Las Vegas, Nevada 89169.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 2016(b) AND IS NOT NECESSARILY IN ACCORDANCE WITH THE FEDERAL OR STATE SECURITIES LAWS OR SIMILAR LAWS. THIS DISCLOSURE STATEMENT CONTAINS SUMMARIES OF CERTAIN PROVISIONS OF THE OPCO DEBTORS' FIRST AMENDED JOINT PLAN OF REORGANIZATION OF TROPICANA ENTERTAINMENT, LLC AND CERTAIN OF ITS DEBTOR AFFILIATES UNDER CHAPTER 11 OF THE BANKRUPTCY CODE (THE "PLAN") AND CERTAIN OTHER DOCUMENTS AND FINANCIAL INFORMATION. THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS PROVIDED FOR THE PURPOSE OF SOLICITING ACCEPTANCES OF THE PLAN AND TO EXERCISE SUBSCRIPTION RIGHTS UNDER THE RIGHTS OFFERING AND SHOULD NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER AND HOW TO VOTE ON THE PLAN AND WHETHER TO EXERCISE SUBSCRIPTION RIGHTS. THE OPCO DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. THE SUMMARIES OF THE FINANCIAL INFORMATION AND THE DOCUMENTS THAT ARE ATTACHED TO, OR INCORPORATED BY REFERENCE INTO, THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH INFORMATION AND DOCUMENTS. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN, OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION INCORPORATED IN THIS DISCLOSURE STATEMENT BY REFERENCE, THE PLAN OR THE OTHER DOCUMENTS AND FINANCIAL INFORMATION, AS THE CASE MAY BE, SHALL GOVERN FOR ALL PURPOSES.

THE STATEMENTS AND FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAVE BEEN MADE AS OF THE DATE OF THIS DISCLOSURE STATEMENT UNLESS OTHERWISE SPECIFIED. HOLDERS OF CLAIMS AND INTERESTS REVIEWING THIS DISCLOSURE STATEMENT SHOULD NOT INFER AT THE TIME OF SUCH REVIEW THAT THERE HAVE BEEN NO CHANGES IN THE FACTS SET FORTH IN THIS DISCLOSURE STATEMENT SINCE THE DATE OF THIS DISCLOSURE STATEMENT. EACH HOLDER OF A CLAIM ENTITLED TO VOTE ON THE PLAN SHOULD CAREFULLY REVIEW THE PLAN, THIS DISCLOSURE STATEMENT, AND THE PLAN SUPPLEMENT IN THEIR ENTIRETY BEFORE CASTING A BALLOT **OR EXERCISING SUBSCRIPTION RIGHTS**. THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE LEGAL, BUSINESS, FINANCIAL, OR TAX ADVICE. ANY ENTITIES DESIRING ANY SUCH ADVICE OR ANY OTHER ADVICE SHOULD CONSULT WITH THEIR OWN ADVISORS.

NO ONE IS AUTHORIZED TO GIVE ANY INFORMATION WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS CONCERNING THE OPCO DEBTORS OR THE VALUE OF THEIR PROPERTY HAVE BEEN AUTHORIZED BY THE OPCO DEBTORS OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT. ANY INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN AN ACCEPTANCE OF THE PLAN OR A SUBSCRIPTION UNDER THE RIGHTS OFFERING THAT ARE OTHER THAN AS SET FORTH, OR INCONSISTENT WITH, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, THE DOCUMENTS ATTACHED TO THIS DISCLOSURE STATEMENT, THE PLAN, OR THE PLAN SUPPLEMENT SHOULD NOT BE RELIED UPON BY ANY HOLDER OF A CLAIM OR INTEREST.

WITH RESPECT TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER PENDING, THREATENED, OR POTENTIAL LITIGATION OR OTHER ACTIONS, THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE, AND MAY NOT BE CONSTRUED AS, AN ADMISSION OF FACT, LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN THE CONTEXT OF SETTLEMENT NEGOTIATIONS PURSUANT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE.

THE SECURITIES DESCRIBED IN THIS DISCLOSURE STATEMENT WILL BE ISSUED WITHOUT REGISTRATION UNDER THE SECURITIES ACT, AS AMENDED, OR ANY SIMILAR FEDERAL, STATE, OR LOCAL LAW, PURSUANT TO EITHER SECTION 1145 OF THE BANKRUPTCY CODE OR THE PRIVATE PLACEMENT EXEMPTION UNDER SECTION 4(2) OF THE SECURITIES ACT OR REGULATION D PROMULGATED THEREUNDER, AS MORE FULLY SET FORTH HEREIN. THE OPCO DEBTORS ARE NOT CURRENTLY A REPORTING CORPORATION AND REORGANIZED OPCO CORPORATION MAY

NOT BE A REPORTING CORPORATION AS OF THE EFFECTIVE DATE UNDER THE SECURITIES EXCHANGE ACT AND ITS SHARES WILL NOT BE LISTED ON ANY NATIONAL SECURITIES EXCHANGE. THE OPCO DEBTORS DO NOT ANTICIPATE THAT THERE WILL BE A PUBLIC MARKET FOR THE SECURITIES. THE OPCO DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF ANY SECURITIES PURSUANT TO THE PLAN SHOULD CONSULT THEIR OWN LEGAL COUNSEL CONCERNING THE SECURITIES LAWS AND STATE GAMING LAWS GOVERNING THE OWNERSHIP AND TRANSFERABILITY OF ANY SUCH SECURITIES.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN.

ALTHOUGH THE OPCO DEBTORS BELIEVE THAT THE PLAN COMPLIES WITH ALL APPLICABLE PROVISIONS OF THE BANKRUPTCY CODE, THE OPCO DEBTORS CANNOT ASSURE SUCH COMPLIANCE OR THAT THE BANKRUPTCY COURT WILL CONFIRM THE PLAN.

ALTHOUGH THE OPCO DEBTORS HAVE USED THEIR BEST EFFORTS TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT, THE FINANCIAL INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED, EXCEPT AS SPECIFICALLY INDICATED OTHERWISE.

CONSOLIDATED PROJECTED OPERATING AND FINANCIAL RESULTS (THE "FINANCIAL PROJECTIONS") PROVIDED IN THIS DISCLOSURE STATEMENT HAVE BEEN PREPARED BY THE OPCO DEBTORS. THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE OPCO DEBTORS, MAY NOT BE REALIZED, AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE OPCO DEBTORS' CONTROL. THE OPCO DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THE LIKELIHOOD THAT THE OPCO DEBTORS WILL ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

PLEASE REFER TO ARTICLE VII OF THIS DISCLOSURE STATEMENT, ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING," FOR A DISCUSSION OF CERTAIN CONSIDERATIONS IN CONNECTION WITH A DECISION BY A HOLDER OF AN IMPAIRED CLAIM TO ACCEPT THE PLAN OR EXERCISE SUBSCRIPTION RIGHTS UNDER THE RIGHTS OFFERING.

UNLESS OTHERWISE SPECIFICALLY INDICATED, THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED AND IS BASED ON AN ANALYSIS OF DATA AVAILABLE AT THE TIME OF THE PREPARATION OF THE PLAN AND THIS DISCLOSURE STATEMENT.

THE BANKRUPTCY COURT HAS SCHEDULED THE CONFIRMATION HEARING TO COMMENCE ON APRIL 27, AT 10:00 A.M. PREVAILING EASTERN TIME BEFORE THE HONORABLE KEVIN J. CAREY, UNITED STATES BANKRUPTCY JUDGE, IN THE UNITED STATES

BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, LOCATED AT 824 MARKET STREET, 5TH FLOOR, WILMINGTON, DELAWARE 19801. THE CONFIRMATION HEARING MAY BE ADJOURNED FROM TIME TO TIME BY THE BANKRUPTCY COURT WITHOUT FURTHER NOTICE EXCEPT FOR AN ANNOUNCEMENT OF THE ADJOURNED DATE MADE AT THE CONFIRMATION HEARING OR BY NOTICE OF ANY ADJOURNMENT OF THE CONFIRMATION HEARING FILED BY THE OPCO DEBTORS AND POSTED ON THEIR WEBSITE AT HTTP://WWW.KCCLLC.NET/TROPICANA.

TO BE COUNTED, THE BALLOTS UPON WHICH HOLDERS OF IMPAIRED CLAIMS ENTITLED TO VOTE SHALL CAST THEIR VOTE TO ACCEPT OR REJECT THE PLAN (EACH A "BALLOT") (OR MASTER BALLOTS (EACH A "MASTER BALLOT") WHERE ANY BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY, SAVINGS AND LOAN FINANCIAL INSTITUTION, OR OTHER PARTY IS ENTITLED TO CAST A VOTE TO ACCEPT OR REJECT THE PLAN ON BEHALF OF AN ENTITY HOLDING THE BENEFICIAL INTEREST IN SUCH CLAIM OF A NOMINEE'S HOLDER, AS APPLICABLE) INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED IN ACCORDANCE WITH THE INSTRUCTIONS ON SUCH BALLOT OR MASTER BALLOT. SUCH BALLOTS (OR MASTER BALLOTS, AS APPLICABLE) SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN ARTICLE IX OF THIS DISCLOSURE STATEMENT. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL BE COUNTED IN THE SOLE DISCRETION OF THE OPCO DEBTORS.

OBJECTIONS TO CONFIRMATION OF THE PLAN MUST BE FILED AND SERVED ON OR BEFORE APRIL 10, 2009, IN ACCORDANCE WITH THE SOLICITATION NOTICE AND SOLICITATION PROCEDURES ORDER, WHICH ARE DESCRIBED IN FURTHER DETAIL IN ARTICLE IX OF THIS DISCLOSURE STATEMENT. UNLESS OBJECTIONS TO CONFIRMATION ARE TIMELY SERVED AND FILED IN COMPLIANCE WITH THE SOLICITATION PROCEDURES AND SOLICITATION PROCEDURES ORDER, THEY MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD-LOOKING STATEMENTS (INCLUDING THE FINANCIAL PROJECTIONS) WITHIN THE MEANING OF SECTION 27A AND SECTION 21E OF THE SECURITIES ACT, AS AMENDED. SUCH STATEMENTS MAY CONTAIN WORDS SUCH AS "MAY," "WILL," "MIGHT," "EXPECT," "BELIEVE," "ANTICIPATE," "COULD," "WOULD," "ESTIMATE," "CONTINUE," "PURSUE," OR THE NEGATIVE THEREOF OR COMPARABLE TERMINOLOGY, AND MAY INCLUDE, WITHOUT LIMITATION, INFORMATION REGARDING THE OPCO DEBTORS' EXPECTATIONS REGARDING FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE INHERENTLY UNCERTAIN, PARTICULARLY IN LIGHT OF THE CURRENT WORLDWIDE FINANCIAL AND CREDIT CRISIS, AND ACTUAL RESULTS MAY DIFFER FROM THOSE EXPRESSED OR IMPLIED IN THIS DISCLOSURE STATEMENT AND THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN. IN PREPARING THIS DISCLOSURE STATEMENT, THE OPCO DEBTORS RELIED ON FINANCIAL DATA DERIVED FROM THEIR BOOKS AND RECORDS OR THAT WAS OTHERWISE MADE AVAILABLE TO THEM AT THE TIME OF SUCH PREPARATION AND ON VARIOUS ASSUMPTIONS REGARDING THE OPCO DEBTORS' BUSINESSES AND THEIR EXPECTED FUTURE RESULTS AND OPERATIONS. WHILE THE OPCO DEBTORS BELIEVE THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE OPCO DEBTORS AS OF THE DATE HEREOF AND THAT THE ASSUMPTIONS REGARDING FUTURE EVENTS REFLECT REASONABLE BUSINESS JUDGMENTS, NO REPRESENTATIONS OR WARRANTIES ARE MADE AS TO THE ACCURACY OF THE FINANCIAL INFORMATION CONTAINED HEREIN OR MANAGEMENT'S ASSUMPTIONS REGARDING THE OPCO DEBTORS' BUSINESSES AND THEIR FUTURE RESULTS AND OPERATIONS. THE OPCO DEBTORS EXPRESSLY CAUTION READERS NOT TO PLACE UNDUE RELIANCE ON ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN.

AMONG THE FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM CURRENT ESTIMATES OF FUTURE PERFORMANCE ARE THE FOLLOWING: (1) THE OPCO DEBTORS' ABILITY TO DEVELOP, PROSECUTE, CONFIRM, AND CONSUMMATE ONE OR MORE PLANS OF REORGANIZATION WITH RESPECT TO THESE CHAPTER 11 CASES; (2) THE POTENTIAL ADVERSE IMPACT OF THE CHAPTER 11 CASES ON THE OPCO DEBTORS' OPERATIONS, MANAGEMENT, AND EMPLOYEES; (3) THE OUTCOME AND TIMING OF THE OPCO DEBTORS' EFFORTS TO RESTRUCTURE AND/ OR SELL CERTAIN ASSETS; (4) THE EFFECTS OF THE APPOINTMENT OF JUSTICE GARY S. STEIN ("JUSTICE STEIN") TO MANAGE THE OPERATIONS OF THE TROPICANA AC AND OVERSEE ITS SALE AND, IF APPLICABLE, THE REORGANIZATION OF ADAMAR OF NEW JERSEY, INC. AND MANCHESTER MALL, INC.; (5) THE POSSIBILITY THAT A SALE OF THE TROPICANA AC MAY BE CONSUMMATED AND THE TERMS OF THE SALE MAY NOT BE ON SUFFICIENTLY FAVORABLE TERMS; (6) THE EFFECTS OF THE APPOINTMENT OF THE EVANSVILLE ATTORNEY IN FACT; (7) THE EFFECT OF THE CURRENT RECESSION AND THE TURMOIL IN THE CREDIT AND FINANCIAL MARKETS; (8) THE EFFECTS OF THE INTENSE COMPETITION THAT EXISTS IN THE GAMING INDUSTRY; (9) THE RISK THAT THE OPCO DEBTORS MAY LOSE OR FAIL TO OBTAIN OR RENEW GAMING OR OTHER NECESSARY LICENSES REQUIRED FOR THE OPERATION OF PROPERTIES OR MAY NOT OBTAIN A RENEWAL OF THEIR GAMING LICENSE IN INDIANA; (10) THE EFFECTS OF THE EXTENSIVE GOVERNMENTAL GAMING REGULATION AND TAXATION POLICIES THAT THE OPCO DEBTORS ARE SUBJECT TO, AS WELL AS ANY CHANGES IN LAWS AND REGULATIONS, INCLUDING INCREASED TAXES, WHICH COULD HARM THE OPCO DEBTORS' BUSINESSES; (11) THE EFFECTS OF EXTREME WEATHER CONDITIONS ON THE OPCO DEBTORS' FACILITIES AND THE GEOGRAPHIC AREAS WHERE THE OPCO DEBTORS DRAW CUSTOMERS, AND THEIR ABILITY TO RECOVER INSURANCE PROCEEDS FROM WEATHER RELATED DAMAGE (IF ANY); (12) THE RISKS RELATING TO MECHANICAL FAILURE AT ANY OF THE OPCO DEBTORS' FACILITIES; (13) THE RISKS RELATING TO REGULATORY COMPLIANCE AT ANY OF THE OPCO DEBTORS' FACILITIES; (14) THE EFFECTS OF EVENTS ADVERSELY IMPACTING THE ECONOMY OR THE REGIONS WHERE THE OPCO DEBTORS DRAW A SIGNIFICANT PERCENTAGE OF THEIR CUSTOMERS, INCLUDING THE EFFECTS OF WAR, TERRORISM, OR SIMILAR ACTIVITY OR DISASTERS IN, AT, OR AROUND THE OPCO DEBTORS' PROPERTIES; (15) THE EFFECTS OF ENERGY PRICE INCREASES ON THE OPCO DEBTORS' COST OF OPERATIONS AND REVENUES; (16) FINANCIAL COMMUNITY AND RATING AGENCY PERCEPTIONS OF THE OPCO DEBTORS' BUSINESSES, AND THE EFFECT OF ECONOMIC, CREDIT, AND CAPITAL MARKET CONDITIONS ON THE ECONOMY AND THE GAMING AND HOTEL INDUSTRY, PARTICULARLY IN LIGHT OF THE FILING OF THESE CHAPTER 11 CASES; ~~AND~~ (17) THE FACT THAT THE OPCO DEBTORS MAY BE UNABLE TO IMPLEMENT THEIR RENOVATION PROJECTS (INCLUDING ENHANCEMENTS TO IMPROVE PROPERTY PERFORMANCE) AND, IF THE OPCO DEBTORS ARE ABLE TO IMPLEMENT SUCH PROJECTS, THE PROJECTS ARE SUBJECT TO THE MANY RISKS INHERENT IN THE RENOVATION**; (18) THE EFFECTS OF MATERIAL WEAKNESSES IN INTERNAL CONTROLS OVER THE OPCO DEBTORS' FINANCIAL REPORTING; (19) THE EFFECTS OF WORK STOPPAGES, LABOR PROBLEMS, AND UNEXPECTED SHUTDOWNS; AND (20) THE EFFECTS OF INCREASED EXPENSES RELATED TO SLOT MACHINES**. A FURTHER LIST AND DESCRIPTION OF RISKS, UNCERTAINTIES, AND OTHER MATTERS CAN BE FOUND IN THE ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007 FILED BY TROPICANA AND TROPICANA FINANCE.

THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS AS OF THE FILING DATE OF THIS DISCLOSURE STATEMENT AND THE OPCO DEBTORS ARE UNDER NO OBLIGATION, AND EXPRESSLY DISCLAIM ANY OBLIGATION, TO PUBLICLY UPDATE ANY FORWARD-LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE.

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EXHIBITS

I. SUMMARY

The following summary of this Disclosure Statement is qualified in its entirety by the more detailed information contained in the Plan and elsewhere in this Disclosure Statement. **Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in Article I of the Plan.**

The Debtors operate one of the largest and most diversified privately-held hotel and casino gaming entertainment businesses in the United States. They are a leading domestic casino operator and currently own, operate, or have interests in eleven casino facilities in eight distinct gaming markets. The Debtors consist of the OpCo Debtors and the LandCo Debtors. The OpCo Debtors own, operate, or have an interest in ten of the Debtors' casinos. The eleventh casino, the Tropicana Las Vegas Hotel and Casino (the "Tropicana LV"), is owned and operated by the LandCo Debtors.

On the Petition Date, each of the Debtors commenced their Chapter 11 Cases. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in their Chapter 11 Cases. On May 6, 2008, the Bankruptcy Court entered an order jointly administering the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b) under the lead case: Tropicana Entertainment, LLC; Docket No. 08-10856.

As the Debtors have progressed toward an exit from the Chapter 11 Cases, however, the Debtors have determined that, given their capital structure and the claims arising thereunder, as well as the nature of their business operations, two separate plans of reorganization are warranted. Accordingly, the Debtors are proposing a separate plan for the OpCo Debtors and a separate plan for the LandCo Debtors.

The NJCCC has extended to March 18, 2009, the deadline by which Justice Stein must dispose of the Tropicana AC. The NJCCC suggested that the New Jersey Entities may file for chapter 11 bankruptcy relief to consummate the sale. The OpCo Lenders may serve as the stalking horse for the assets of the New Jersey Entities and certain related assets owned by the Debtors with a "credit bid" pursuant to section 363(k) of the Bankruptcy Code. The Plan contemplates that the OpCo Debtors will reorganize their operations under the Plan without the Tropicana AC. The ultimate determination of the Tropicana AC is not known at this time.

The OpCo Debtors submit this Disclosure Statement, pursuant to section 1125 of the Bankruptcy Code, to Holders of Claims and Interests in the OpCo Debtors in connection with the solicitation of votes to accept or reject the Plan, the Rights Offering, and the Confirmation Hearing, which is scheduled for April 27, 2009 at 10:00 a.m., prevailing Eastern time. A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

The Creditors Committee is the fiduciary representative of general unsecured creditors in connection with these Chapter 11 Cases. The proposed treatment of general unsecured creditors under the Plan is a result of vigorous negotiations among the OpCo Debtors, the OpCo Lenders, and the Creditors Committee. Due to the facts and circumstances of these Chapter 11 Cases, in particular, the litigation risk and uncertainty associated with challenging valuation and confirmation of the Plan, and as a result of negotiations among the Creditors Committee, the OpCo Debtors, and the OpCo Lenders, the Creditors Committee supports Confirmation of the Plan and recommends that general unsecured creditors vote to accept the Plan.

A. RULES OF INTERPRETATION, COMPUTATION OF TIME, AND REFERENCES TO MONETARY FIGURES

1. Rules of Interpretation

For purposes of this Disclosure Statement: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (b) unless otherwise specified, any reference in this Disclosure Statement to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document

shall be substantially in such form or substantially on such terms and conditions; (c) unless otherwise specified, any reference in this Disclosure Statement to an existing document, schedule, or exhibit, whether or not Filed, shall mean such document, schedule, or exhibit, as it may have been or may be amended, modified, or supplemented; (d) any reference to an Entity as a Holder of a Claim or Interest includes that Entity's successors and assigns; (e) unless otherwise specified, all references in this Disclosure Statement to Articles are references to Articles of this Disclosure Statement; (f) unless otherwise specified, all references in this Disclosure Statement to exhibits are references to exhibits in the Plan Supplement; (g) the words "herein," "hereof," and "hereto" refer to this Disclosure Statement in its entirety rather than to a particular portion of this Disclosure Statement; (h) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release, or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with applicable federal law, including the Bankruptcy Code and Bankruptcy Rules; (i) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Disclosure Statement; (j) unless otherwise set forth in this Disclosure Statement, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (k) any term used in capitalized form in this Disclosure Statement that is not otherwise defined in the Plan but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (l) all references to docket numbers of documents Filed in the Chapter 11 Cases are references to the docket numbers under the Bankruptcy Court's CM/ECF system; (m) all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time, as applicable to the Chapter 11 Cases, unless otherwise stated; and (n) any immaterial effectuating provisions may be interpreted by the Reorganized OpCo Debtors in such a manner that is consistent with the overall purpose and intent of this Disclosure Statement all without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Additionally, except as otherwise specifically provided in this Disclosure Statement to the contrary, references in this Disclosure Statement to the OpCo Debtors or to the Reorganized OpCo Debtors shall mean the OpCo Debtors and the Reorganized OpCo Debtors, as applicable, to the extent the context requires.

2. Computation of Time

In computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply. If the date on which a transaction may occur pursuant to this Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day.

3. Reference to Monetary Figures

All references in this Disclosure Statement to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

B. OVERVIEW OF CHAPTER 11

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for similarly situated holders of claims and equity interests, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the commencement of the chapter 11 case. The Bankruptcy Code provides that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a plan of reorganization is the principal objective of a chapter 11 case. A bankruptcy court's confirmation of a plan binds the debtor, any entity acquiring property under the plan, any holder of a claim or equity interest in a debtor, and all other entities as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code, to the terms and conditions of the confirmed plan. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan provides for the treatment of claims and equity interests in accordance with the terms of the confirmed plan.

Prior to soliciting acceptances of a proposed chapter 11 plan, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the chapter 11 plan. This Disclosure Statement is being submitted in accordance with the requirements of section 1125 of the Bankruptcy Code.

C. THE PURPOSE AND EFFECT OF THE PLAN

After careful review of their current business operations and various liquidation and recovery scenarios, the OpCo Debtors have concluded that the recovery for Holders of Allowed Claims and Interests will be maximized by the OpCo Debtors' continued operation as a going concern pursuant to the restructuring described in the Plan. The OpCo Debtors believe that their businesses and assets have significant value that would not be realized in a liquidation scenario, either in whole or in substantial part.

The OpCo Debtors believe that the Plan provides the best recoveries possible for Holders of Allowed Claims and Interests and strongly recommend that, if such Holders are entitled to vote, they vote to accept the Plan. As discussed in further detail in this Disclosure Statement, the OpCo Debtors believe that any alternative to Confirmation, such as liquidation or attempts by another Entity to file an alternative plan of reorganization, could result in significant delays, litigation, and additional costs.

Several documents that will be included in the Plan Supplement are described in this Disclosure Statement, but these summaries are not a substitute for a complete understanding of such documents. Please review the full text of all such documents in the Plan Supplement.

~~The Creditors Committee believes that the Plan does not provide the best possible recovery for Holders of Allowed Claims and that the OpCo Debtors' conclusions as to Total Enterprise Value is substantially less than the actual total enterprise value, and, therefore, the Plan is not confirmable. The Creditors Committee, therefore, recommends that Holders of OpCo General Unsecured Claims and Holders of OpCo Noteholder Unsecured Claims vote to reject the Plan.~~

D. SUBSTANTIVE CONSOLIDATION

The Plan will serve as a motion by the OpCo Debtors seeking entry of a Final Order substantively consolidating all of the OpCo Estates into a single consolidated Estate for all purposes associated with Confirmation and Consummation.

If substantive consolidation of all of the OpCo Estates is ordered, then for all purposes associated with Confirmation and Consummation, all assets and liabilities of the OpCo Debtors will be treated as though they were merged into the Estate of Tropicana, and all guarantees by any OpCo Debtor of the obligations of any other OpCo Debtor will be considered eliminated so that any Claim and any guarantee thereof by any other OpCo Debtor, as well as any joint and several liability of any OpCo Debtor with respect to any other OpCo Debtor, will be treated as one collective obligation of the OpCo Debtors.

Substantive consolidation will not affect the legal and organizational structure of the Reorganized OpCo Debtors or their separate corporate existences or any prepetition or postpetition guarantees, Liens, or security interests that are required to be maintained under the Bankruptcy Code, under the Plan, or, in connection with contracts or leases that were assumed or entered into during the Chapter 11 Cases. Any alleged defaults under any applicable agreement with the OpCo Debtors or the Reorganized OpCo Debtors arising from substantive consolidation under the Plan will be deemed cured as of the Effective Date.

E. TREATMENT OF CLAIMS AND INTERESTS

1. Classification

The Plan divides all Claims, except DIP Facility Claims, Administrative Claims, and Priority Tax Claims, and all Interests into various Classes. Listed below is a summary of the Classes of Claims and Interests under the Plan.

Class	Claim	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	OpCo Credit Facility Secured Claims	Impaired	Entitled to Vote
4	OpCo General Unsecured Claims	Impaired	Entitled to Vote
5	OpCo Noteholder Unsecured Claims	Impaired	Entitled to Vote
6	OpCo Credit Facility Deficiency Claims	Impaired	Entitled to Vote
7	Insider Claims	Impaired	Entitled to Vote
8	Unsecured Convenience Class Claims	Impaired	Entitled to Vote
9	LandCo Stock Pledge Claims	Impaired	Deemed to Reject
10	Intercompany Claims	Impaired	Deemed to Reject
11	Yung Interests	Impaired	Deemed to Reject
12	JMBS Interests	Impaired	Deemed to Reject
13	Intercompany Interests	Impaired	Deemed to Reject

The following tables summarize the Classes of Claims and Interests under the Plan, as well as the treatment of such Classes. To the extent that any inconsistency exists between the summaries contained in this Disclosure Statement and the information set forth in the Plan, the Plan shall govern. The projected recoveries are based upon certain assumptions contained in the Valuation Analysis (defined below) prepared by the OpCo Debtors and their Professionals. As more fully described in this Disclosure Statement, the OpCo Debtors' assumed reorganization value of the Reorganized OpCo Common Stock was derived from commonly accepted valuation techniques and is not an estimate of the trading value for such securities, nor is it anticipated that there will be a public market for the Reorganized OpCo Common Stock or the Reorganized OpCo Warrants. The ranges of recoveries listed below are based on various assumptions, including assumptions regarding the total amount of the Allowed OpCo General Unsecured Claims and assumptions concerning the value of the Reorganized OpCo Debtors.

~~The Creditors Committee believes that the Valuation Analysis is based on flawed assumptions and that the OpCo Debtors' conclusions as to Total Enterprise Value is substantially less than the actual total enterprise value, which may have a material impact on Creditor recoveries.~~

2. Unclassified Claims

Claim	Plan Treatment	Range of Claims	Projected Recovery Under the Plan
DIP Facility Claims	Paid in full in Cash	$66 million	100.0%
Administrative Claims	Paid in full in Cash	$5.3 million - $8.6 million	100.0%
Priority Tax Claims	Paid in full in Cash	$0.8 million - $11.4 million	100.0%

3. Summary of Classification, Treatment, and Projected Recoveries of Classified Claims and Interests

The classification, treatment, and the projected recoveries of classified Claims and Interests under the Plan are described in summary form below for illustrative purposes only and are subject to the more detailed and complete descriptions contained in Article IV of this Disclosure Statement.

Class	Claim/ Interest	Plan Treatment of Class	Range of Claims/ Interests	Projected Recovery Under the Plan
1	Other Priority Claims	Paid in full in Cash	$24,000 - $760,000	100.0%
2	Other Secured Claims	Reinstated; paid in full in Cash; or satisfied in full by a return of the collateral	$1.0 million - $16.8 million	100.0%
3	OpCo Credit Facility Secured Claims	Pro Rata share of (i) the Reorganized OpCo Common Stock, (ii) the OpCo Payment, (iii) the Reorganized OpCo Notes, and (iv) the Tropicana AC Sale Proceeds (if any)	$548 million - $703 million[2]	100%
4	OpCo General Unsecured Claims	Subscription Rights (to the extent they are Eligible Holders of OpCo Unsecured Claims) and~~, under certain circumstances,~~ a Pro Rata share of the **Unsecured Creditors** Litigation Trust Proceeds and the Reorganized OpCo Warrants	$16.4 million - $330.2 million[3]	Less than 1%[4]
5	OpCo Noteholder Unsecured Claims	Subscription Rights (to the extent they are Eligible Holders of OpCo Unsecured Claims) and~~, under certain circumstances,~~ a Pro Rata share of the **Unsecured Creditors** Litigation Trust Proceeds and the Reorganized OpCo Warrants	$998.5 million	Less than 1%
6	OpCo Credit Facility Deficiency Claims	Pro Rata share of the **OpCo Lenders** Litigation Trust Proceeds	$608 million - $763 million[5]	Less than 1%
7	Insider Claims	Pro Rata share of the Insider Claim Distribution	$23.8 million	Less than 1%[6]
8	Unsecured Convenience Class Claims	~~Under certain circumstances,~~ Paid in Cash equal to 2% of such Allowed Claim	$10.9 million to $13.1 million	2.0%
9	LandCo Stock Pledge Claims	Deemed canceled	N/A	0.0%
10	Intercompany Claims	No distributions; OpCo Debtors or Reorganized OpCo Debtors reserve rights to reinstate Intercompany Claims	N/A	0.0%

[2] The OpCo Credit Facility Secured Claims and the OpCo Credit Facility Deficiency Claims will be adjusted for any purchase of the Tropicana AC that is consummated with a credit bid of the OpCo Lenders.

[3] As set forth in more detail in Section III.E.7 and Section VII.B.7, any Park Cattle Default (as defined therein) may affect recoveries to Holders of Unsecured Claims (as defined herein). Also, exclusive of any Rejection Damages Claims that could result from any Park Cattle Default, the OpCo Debtors do not believe that Allowed Rejection Damages Claims will exceed $10 million.

[4] The listed recoveries for Holders of Allowed OpCo General Unsecured Claims**,** Allowed OpCo Noteholder Unsecured Claims, and Allowed OpCo Credit Facility Deficiency Claims reflect no Litigation Trust Proceeds (to which each such Holder may, in certain circumstances, be entitled a Pro Rata share) because the value of such proceeds are not reasonably calculable at this time.

[5] The OpCo Credit Facility Secured Claims and the OpCo Credit Facility Facility Deficiency Claims will be adjusted for any purchase of the Tropicana AC that is consummated with a credit bid of the OpCo Lenders.

[6] As noted herein and in the Plan, the Insider Claims shall be subject to the right of setoff against the total aggregate value of the Insider Causes of Action.

Class	Claim/ Interest	Plan Treatment of Class	Range of Claims/ Interests	Projected Recovery Under the Plan
0.0%		0.0%		
12	JMBS Interests	Deemed canceled	N/A	0.0%
13	Intercompany Interests	No distributions; remain unaltered	N/A	0.0%

F. CLAIMS ESTIMATES

As of February ~~2,~~**20,** 2009, the Claims and Solicitation Agent had received approximately 1996 Proofs of Claim against the OpCo Debtors. The total amounts of Claims remaining on the Claims Register against one or more of the OpCo Debtors were as follows: 134 Secured Claims in the total amount of $70,265,111,980; 103 Administrative Claims in the total amount of $4,622,786; 61 Priority Tax Claims in the total amount of $297,033,400; 266 Other Priority Claims in the total amount of $7,013,617; and 1311 Claims in Classes 4, 5, 6, 7, 9, and 10 (the "Unsecured Claims") in the total amount of $26,920,153,351. The OpCo Debtors believe that many of the Filed Proofs of Claim are invalid, untimely, duplicative, or overstated, and, therefore, the OpCo Debtors are in the process of objecting to such Claims.

As set forth in further detail in the chart above, the OpCo Debtors estimate that at the conclusion of the Claims objection, reconciliation, and resolution process, Allowed OpCo Credit Facility Secured Claims will range from approximately $~~552~~**548** million to $~~707~~**703** million, Allowed Other Secured Claims will range from approximately $1.0 million to 16.8 million, Allowed Priority Tax Claims will range from approximately $0.8 million to $11.4 million, Allowed Other Priority Claims will range from approximately $24,000 to $~~0.8 million,~~**760,000,** Allowed OpCo General Unsecured Claims (including Unsecured Convenience Class Claims) will range from approximately $27.3 million to $343.3 million, Allowed **OpCo** Noteholder Unsecured Claims will be approximately $998.5 million. These estimates are based upon a number of assumptions, including applicable interest rates, and there is no guarantee that the ultimate total amount of Allowed Claims in each category will conform to the OpCo Debtors' estimates. The assumptions regarding Claims estimates are described in further detail below and in Article IV.

As of the date of this Disclosure Statement, the Debtors have filed four omnibus objections to Proofs of Claim and anticipate filing more. Among other objections, on January 16, 2009, the Debtors filed an objection to multiple Proofs of Claim filed by the Internal Revenue Service alleging Priority Tax Claims against the OpCo Debtors [Docket No. 1374]. The basis of the Debtors' objection is that the Debtor Entities against which the Proofs of Claim were filed do not have separate filing responsibilities for income tax purposes and do not have employees that would generate a withholding obligation, a payroll tax liability, or a tax filing responsibility. The Internal Revenue Service objected to the relief requested by the Debtors [Docket No. 1449]. The objection to the Internal Revenue Service's Proofs of Claim is currently scheduled for a status hearing before the Bankruptcy Court on March 18, 2009.

The OpCo Debtors estimate that at the conclusion of the Claims objection, reconciliation, and resolution process, estimated Allowed Administrative Claims will range from approximately $5.3 million to $8.6 million. The estimate of Allowed Administrative Claims includes obligations to pay Cure Claims and certain Administrative Claim requests reflected on the Claims Register and docket for which the OpCo Debtors reasonably expect there to be a recovery. The estimate of Allowed Administrative Claims does not include ordinary course obligations incurred postpetition such as trade payables, the OpCo Debtors' employees' compensation, or Professional Claims.

The Yung Entities assert that they have filed Proofs of Claim against the Debtors in an aggregate amount of substantially over $200 million, and that they hold and intend to pursue payment of considerable Administrative Claims. The Yung Entities also assert that they do not agree with the proposed treatment of Insider Claims pursuant to the Plan, and that they intend to object to the Plan in its current form (or as may be amended, supplemented, or modified from time to time) at the Confirmation Hearing and reserve all rights with respect thereto. The OpCo

Debtors, the LandCo Debtors, the Creditors Committee, and all other parties reserve all of their rights with respect thereto.

For the period consisting of the Petition Date through and including December 31, 2008, the Debtors have incurred monthly fees, on average, of $3.1 million for Professionals, $1.28 million for counsel to the Creditors Committee, $419,000 for legal and financial advisors to the OpCo Lenders, and $305,000 for legal and financial advisors to the LandCo Lenders. **The amount of these fees and expenses that are properly allocable to each OpCo Debtor has not been determined.**

G. REORGANIZED OPCO DEBTORS

Except as otherwise provided in the Plan, each OpCo Debtor will continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable OpCo Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by, or in accordance with, the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be authorized pursuant to the Plan and require no further action or approval. The Plan contemplates certain amendments to the certificates of incorporation and bylaws (or other formation documents) of each OpCo Debtor. The OpCo Debtors anticipate that certain corporations, limited liability companies, partnerships, or other forms, may be converted to corporations, limited liability companies, partnerships, or other forms, as the case may be.

Except as otherwise provided in the Plan or any contract, instrument, release, indenture, or other agreement or document incorporated in the Plan, on the Effective Date, all property in each Estate, all Causes of Action (but not the Insider Causes of Action), and any property acquired by any of the OpCo Debtors pursuant to the Plan shall vest in each respective Reorganized OpCo Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens, if any, granted to secure the OpCo Exit Facility and Claims pursuant to the DIP Facility that by their terms survive termination of the DIP Facility). On and after the Effective Date, and except as otherwise provided in the Plan, each Reorganized OpCo Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Interests, or Causes of Action (but not the Insider Causes of Action) without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

H. TRANSACTIONS CONTEMPLATED BY THE PLAN

The Reorganized OpCo Debtors will fund distributions under the Plan with Cash on hand, including Cash from operations and existing assets, the OpCo Exit Facility, the Rights Offering, the issuance of the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, and the Reorganized OpCo Warrants, and the Litigation Trust Proceeds.

1. Restructuring Transactions of the OpCo Debtors

On or prior to the Effective Date, pursuant to section 1123(a)(5)(D) of the Bankruptcy Code, Reorganized OpCo Corporation will effect the Restructuring Transactions as described in the Plan Supplement. Pursuant to the Restructuring Transactions, Reorganized OpCo Corporation will, through one or more subsidiaries or affiliated partnerships, acquire the assets of Tropicana, the assets of certain of Tropicana's OpCo Debtor Affiliates, and the assets of certain other OpCo Debtors, in exchange for (a) the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, and the Reorganized OpCo Warrants, and (b) the assumption of liabilities of Tropicana and such Affiliates incurred after the Petition Date to the extent not paid on or prior to the Effective Date (other than liabilities for income taxes), in one or more taxable transactions. The Plan Supplement will contain a description of all relevant Restructuring Transactions that will occur pursuant to the Plan. Furthermore, on the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized OpCo Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan,

including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law, including, without limitation, amended certificates of incorporation, articles of incorporation, bylaws, certificates of formation, and limited liability company operating agreements or limited partnership agreements; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (c) the filing of appropriate certificates of incorporation (or other formation documents), merger, or consolidation with the appropriate governmental authorities pursuant to applicable law; and (d) all other actions that the Reorganized OpCo Debtors determine are necessary or appropriate.

2. OpCo Exit Facility

On the Effective Date, the Reorganized OpCo Debtors will enter into the OpCo Exit Facility in an amount and on terms to be described in the Plan Supplement. Confirmation will be deemed approval of the OpCo Exit Facility (including the transactions contemplated thereby, such as any supplementation or additional syndication of the OpCo Exit Facility, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized OpCo Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein) and authorization for the Reorganized OpCo Debtors to enter into and execute the OpCo Exit Facility documents and such other documents as the parties to the OpCo Exit Facility may reasonably require, as described in the Plan Supplement. The proceeds of the OpCo Exit Facility will be used as follows: (a) to repay the DIP Facility; (b) to pay Cash amounts required under the Plan; (c) to provide for the Reorganized OpCo Debtors' capital expenditure and liquidity needs; and (d) if excess proceeds are available, to fund the OpCo Payment.

On behalf of the OpCo Debtors, Lazard initiated discussions with more than a dozen lenders to gauge the interest of such lenders in providing the OpCo Exit Facility. Seven lenders signed confidentiality agreements and conducted due diligence. To date, Lazard has received five "best efforts" term sheets, and each prospective lender has indicated that it has a high degree of confidence in such lender's ability to raise a $150 million OpCo Exit Facility for Reorganized OpCo Corporation based on the OpCo Debtors' business plan. Subject to the prospective lenders completing due diligence, the OpCo Debtors and Lazard expect to commence further negotiations with one or more prospective lenders regarding the OpCo Exit Facility.

3. Rights Offering

The following serves as a summary of the terms of the Rights Offering contemplated under the Plan. A term sheet drafted in connection with the proposed Rights Offering (the "Rights Offering Term Sheet") is attached as **Exhibit 3** to the Plan and provides additional information. To the extent that the terms set forth below are inconsistent with those set forth in the Rights Offering Term Sheet, the terms set forth in the Rights Offering Term Sheet shall prevail.

Subject to the terms below, Eligible Holders of OpCo Unsecured Claims will have the right to purchase Reorganized OpCo Common Stock at a price per share equal to the Subscription Purchase Price. The Rights Offering Proceeds shall be used to redeem shares of Reorganized OpCo Common Stock from the Redeeming Holders. Subscription to the Rights Offering and election to opt-out of the stock redemption must occur on or before the Rights Offering Expiration Date. On the Effective Date, and provided aggregate subscriptions in an amount of at least $100 million are received, the Rights Offering Holding Period shall commence, and the Transfer Agent will withhold the Redemption Shares from any distributions, and Epiq Systems, Financial Balloting Group (the "Securities Voting Agent") will hold any Rights Offering Proceeds for the duration of the Rights Offering Holding Period. On the Tropicana AC Transfer Date, Reorganized OpCo Corporation shall consummate the Rights Offering by instructing the Securities Voting Agent to cause the distribution of the Redemption Shares to the Rights Offering Participants and to distribute the Rights Offering Proceeds to the Redeeming Holders, and excess proceeds from the Rights Offering, if any, will be distributed to Reorganized OpCo Corporation and used for general corporate purposes. If the Tropicana AC Transfer has not occurred within thirty days following the Effective Date (which is a condition precedent to the Rights Offering being effective), then as soon as practicable thereafter, the Securities Voting Agent shall cause the

distribution of the Redemption Shares to the Redeeming Holders and shall return the Rights Offering Proceeds to the Rights Offering Participants, without interest.

a. Subscription Procedures

To facilitate the exercise of the Subscription Rights, the OpCo Debtors are conducting the Rights Offering solicitation contemporaneously with the solicitation of votes to accept or ~~to~~ reject the Plan. The Rights Offering will only be made to Accredited Investors who are Holders of a liquidated, Allowed OpCo General Unsecured Claim or OpCo Noteholder Unsecured Claim in an amount of no less than $500,000 (each, a "Rights Offering Participant"). The OpCo Debtors previously distributed, or shall distribute, to all Holders of OpCo Noteholder Unsecured Claims and Holders of OpCo General Unsecured Claims in an amount of no less than $500,000 a form to determine whether such Holder of an OpCo Noteholder Unsecured Claim or an OpCo General Unsecured Claim is an Accredited Investor (each, an "Eligibility Questionnaire"). Eligible Holders of OpCo Unsecured Claims (i.e., those Holders of OpCo Noteholder Unsecured Claims or OpCo General Unsecured Claims who are Accredited Investors holding a Claim greater than $500,000) are being sent instructions, offering documents, and a form upon which it may exercise its Subscription Rights (the "Subscription Form") contemporaneously (but not together) with such Rights Offering Participant's Ballot to vote to accept or ~~to~~ reject the Plan. A Holder of an OpCo Noteholder Unsecured Claim or an OpCo General Unsecured Claim that did not receive an Eligibility Questionnaire because it was not a Holder at the time Eligibility Questionnaires were initially distributed, or who was a Holder but did not timely return the Eligibility Questionnaire, may contact counsel to the OpCo Debtors to receive an Eligibility Questionnaire.

b. Subscription Period

The OpCo Debtors will commence solicitation of the Rights Offering to Eligible Holders of OpCo Unsecured Claims on **or about** March ~~16,~~**17,** 2009 (the "Subscription Commencement Date"). The Rights Offering subscription period will end on the Rights Offering Expiration Date. The Rights Offering Payment Date will be set by the OpCo Debtors.

c. Exercise of Subscription Rights

The Rights Offering is conditioned on the OpCo Debtors receiving aggregate subscriptions of at least $100 million. Each Rights Offering Participant must: (i) return a duly completed Subscription Form to the Securities Voting Agent so that such form is **actually received** by the Securities Voting Agent on or before the Rights Offering Expiration Date; and (ii) pay or arrange for payment to the Securities Voting Agent on or before the Rights Offering Payment Date of such Holder's Subscription Purchase Price in the manner described below.

Payment is not being requested at this time. After the Confirmation Date and prior to the Effective Date, the OpCo Debtors will send to any Eligible Holder that has submitted a duly completed Subscription Form by the Rights Offering Expiration Date an invoice setting forth the Rights Offering Payment Date and the amount of payment due pursuant to the Rights Offering. The invoice will include all payment details, including wire transfer instructions for the deposit of the amount due with the Securities Voting Agent. If for any reason the Rights Offering is not consummated, any amounts paid in connection with the Rights Offering will be promptly refunded by the Securities Voting Agent to the Eligible Holder making such payment, without interest.

Each Rights Offering Participant intending to participate in the Rights Offering must affirmatively elect to exercise its Subscription Rights on or prior to the Rights Offering Expiration Date. If, for any reason, the Securities Voting Agent does not receive from a Rights Offering Participant both: (i) a duly completed Subscription Form on or prior to the Rights Offering Expiration Date; and (ii) payment in immediately available funds in an amount equal to such Rights Offering Participant's Subscription Purchase Price on or prior to the Rights Offering Payment Date, such Rights Offering Participant will be deemed to have relinquished and waived its right to participate in the Rights Offering.

The OpCo Debtors may use commercially reasonable efforts to give notice to any Rights Offering Participant regarding any defect or irregularity in connection with any purported exercise of Subscription Rights by such Rights

Offering Participant and may permit such defect or irregularity to be cured within such time as the OpCo Debtors may determine in good faith to be appropriate; provided, however, that the OpCo Debtors and the Securities Voting Agent will have no obligation to provide such notice, nor will they incur any liability for failure to give such notice.

d. Redemption Opt-Out Procedures

To facilitate the election to redeem Reorganized OpCo Common Stock by Holders of the OpCo Credit Facility Claims, the OpCo Debtors are soliciting preliminary indications of intent to opt-out contemporaneously with the solicitation of votes to accept or ~~to~~ reject the Plan. Holders of OpCo Credit Facility Claims are being sent the "Preliminary Intent to Opt-Out Questionnaire" together with such Holder's Ballot. All Preliminary Intent to Opt-Out Questionnaires must be returned to the ~~OpCo Debtors~~**Claims and Solicitation Agent** before the Rights Offering Expiration Date.

After the Rights Offering Expiration Date, and prior to the Confirmation Date, if there have been aggregate subscriptions of at least $100 million to the Rights Offering, then each Holder of an OpCo Credit Facility Claim who has submitted a Preliminary Intent to Opt-Out Questionnaire and who is a Holder of a Class 3 OpCo Credit Facility Secured Claim as of the Distribution Record Date, will be sent by e-mail, to the e-mail address indicated on the Holder's submitted Preliminary Intent to Opt-Out Questionnaire, the Opt-Out Form to confirm that each such Holder does not wish to redeem its Reorganized OpCo Common Stock. In order to opt-out, such Holder must then return, by e-mail, a duly completed Opt-Out Form to the ~~OpCo Debtors~~**Claims and Solicitation Agent** so that such form is **actually received** by the ~~OpCo Debtors~~**Claims and Solicitation Agent** at the e-mail address indicated on such Holder's Opt-Out Form on or before the Opt-Out Due Date. If, for any reason, the ~~OpCo Debtors do~~**Claims and Solicitation Agent does** not receive from a Holder of an OpCo Credit Facility Claim a duly completed Opt-Out Form on or prior to the Opt-Out Due Date, such Holder will be deemed to have relinquished and waived its right to the Opt-Out Election.

The OpCo Debtors may use commercially reasonable efforts to give notice to any Holder of a Class 3 OpCo Credit Facility Secured Claim regarding any defect or irregularity in connection with any purported submission of the Opt-Out Form by such Holder and may permit such defect or irregularity to be cured within such time as the OpCo Debtors may determine in good faith to be appropriate; provided, however, that the OpCo Debtors will not have any obligation to provide such notice, nor will the OpCo Debtors incur any liability for failure to give such notification.

Redeeming Holders who complete an Opt-Out Form will waive their right to receive Reorganized OpCo Common Stock to the extent of their allocated share of the Rights Offering Proceeds. Additionally, each Redeeming Holder will commit to advise any subsequent transferees of its OpCo Credit Facility Claim on the altered rights associated with any transferred OpCo Credit Facility Claim.

e. Redemption Procedures

Prior to the Effective Date, the OpCo Debtors will calculate the amount of Rights Offering Proceeds. Each Redeeming Holder will be allocated a Pro Rata share of the Rights Offering Proceeds (the "Pro Rata Portion") and shall have a corresponding amount of shares subtracted from such Holder's Pro Rata share of the Reorganized OpCo Common Stock (as more fully defined in the Plan, the "Redemption Shares"). On the Effective Date, each Redeeming Holder will receive its remaining Pro Rata share of Reorganized OpCo Common Stock that has not been withheld. On the Tropicana AC Transfer Date, each Redeeming Holder will receive its Pro Rata Portion. If the Tropicana AC Transfer has not occurred within thirty days following the Effective Date, then as soon as practicable thereafter, the Securities Voting Agent shall distribute the Redemption Shares to the Redeeming Holders and shall return the Rights Offering Proceeds to the Rights Offering Participants, without interest.

4. **Sale of the Tropicana AC**

As discussed in further detail in Section III.E.2, if the sale of Tropicana AC assets is consummated pursuant to a NJCCC-directed process, the proceeds of the sale of Tropicana AC assets will be distributed in Cash on a Pro Rata basis to Holders of Allowed OpCo Credit Facility Secured Claims.

~~The Creditors Committee believes that the sale of the Tropicana AC assets at this time is not in the best interests of creditors or the OpCo Debtors' Estates given, according to the Creditors Committee, current market conditions and the continued effects of prior mismanagement by Yung and Columbia Sussex Corporation. Furthermore, to the extent the Tropicana AC Sale occurs as a part of the Chapter 11 Cases (i.e., to the extent Adamar of New Jersey, Inc. ("Adamar") and Manchester Mall, Inc. (together with Adamar, the "New Jersey Entities") are jointly administered with the Debtors and become joint proponents of the Plan), the Creditors Committee has stated that it will oppose any proposed sale of the Tropicana AC for an amount that it believes to be below market value. The Creditors Committee has stated that it believes the Cordish Group's publicly disclosed offer or expression of interest (discussed in Section III.E.2) is far below the value of the Tropicana AC assets on a reorganized basis. The Creditors Committee believes that the removal of the Tropicana AC assets from the OpCo Debtors' portfolio (pursuant to a sale) could jeopardize the OpCo Debtors' ability to obtain financing on reasonable terms and conditions.~~

5. **Reorganized OpCo Common Stock**

Subject to applicable state gaming laws and regulations, Reorganized OpCo Corporation will issue the Reorganized OpCo Common Stock to Holders of Allowed OpCo Credit Facility Secured Claims in partial satisfaction of such OpCo Credit Facility Secured Claims. Shares of Reorganized OpCo Common Stock will also be offered and sold pursuant to the Rights Offering and, subject to applicable state gaming laws and regulations, shares will be reserved for issuance pursuant to the exercise of the Reorganized OpCo Warrants and the OpCo Management and Director Equity Incentive Program.

6. **Reorganized OpCo Warrants**

Subject to applicable state gaming laws and regulations, on the Distribution Date, Reorganized OpCo Corporation may~~, under certain circumstances,~~ issue the Reorganized OpCo Warrants to Holders of Allowed OpCo General Unsecured Claims and Allowed OpCo Noteholder Unsecured Claims pursuant to the terms set forth in the Reorganized OpCo Warrants term sheet, attached as **Exhibit 2** to the Plan. The Reorganized OpCo Warrants will give such Holders the right to purchase, in the aggregate, an amount of Reorganized OpCo Common Stock equal to 15% of the total number of shares of Reorganized OpCo Common Stock to be issued to Holders of Class 3 Claims prior to any redemption at an exercise price equal to the Exercise Price (as defined in **Exhibit 2** of the Plan), with a term of four years. The terms and conditions of the Reorganized OpCo Warrants will be described more fully in the OpCo Warrant Agreement, which will be filed as part of the Plan Supplement and will include customary anti-dilution provisions other than as to dilution by the issuance of Reorganized OpCo Common Stock in connection with the OpCo Management and Director Equity Incentive Program. The transfer and exercise of the Reorganized OpCo Warrants will be subject to applicable state gaming laws and regulations.

7. **Limitations on the Issuance of Reorganized OpCo Common Stock and Reorganized OpCo Warrants**

Reorganized OpCo Corporation will not distribute Reorganized OpCo Common Stock or Reorganized OpCo Warrants to any Entity in violation of the gaming laws and regulations in the states in which Reorganized OpCo Corporation may operate. Consequently, no Holder will be entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants unless and until such Holder has been licensed, qualified, found suitable, or has obtained a waiver or exemption from such license, qualification, or suitability requirements as applicable under the laws and regulations of each of such states.

Holders in Classes entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants should consult with their respective counsel to determine whether they are required to be licensed, qualified, or found suitable or whether such Holder may obtain a waiver or is otherwise exempt from such license, qualification, or suitability requirements under the gaming laws and regulations of the states in which Reorganized OpCo corporation may operate.

To the extent a Holder is not entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants on the Effective Date because the Holder has not yet complied with applicable gaming laws and regulations in each of the states, Reorganized OpCo Corporation will not distribute Reorganized OpCo Common Stock or Reorganized OpCo Warrants to such Holder, unless and until such Holder complies with applicable gaming laws and regulations. Until such Holder has complied with applicable gaming laws and regulations, such Holder will have an equity interest in Reorganized OpCo Corporation and will have no voting rights or other rights of a Holder of an equity interest in Reorganized OpCo Corporation.

If a Holder is entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants under the Plan and is required under applicable gaming laws to undergo a suitability investigation and determination and such Holder either (a) refuses to undergo the necessary application process for such suitability approval or (b) after submitting to such process, is determined to be unsuitable to hold Reorganized OpCo Common Stock or Reorganized OpCo Warrants or withdraws from the suitability investigation prior to its completion, then, in that event, Reorganized OpCo will hold the Reorganized OpCo Common Stock or Reorganized OpCo Warrants and (x) such Holder will only receive such distributions from Reorganized OpCo Corporation as are permitted by the applicable gaming authorities, (y) the balance of Reorganized OpCo Common Stock or Reorganized OpCo Warrants to which the Holder would otherwise be entitled will be marketed for sale by Reorganized OpCo Corporation, as agent for Holder, and (z) the proceeds of any such sale will be distributed to Holder as soon as practicable after such sale can be facilitated and subject to regulatory approval. In addition, in the event that the applicable gaming authorities object to the possible suitability of any Holder, Reorganized OpCo Common Stock or Reorganized OpCo Warrants will be distributed only to such Holder upon a formal finding of suitability. If a gaming authority subsequently issues a formal finding that a Holder lacks suitability or such Holder withdraws from or does not fully cooperate with the suitability investigation, then the process for the sale of that Holder's Reorganized OpCo Common Stock or Reorganized OpCo Warrants will be as set forth in (x), (y), and (z) of this paragraph.

8. **Reorganized OpCo Notes**

On the Effective Date, Reorganized OpCo Corporation will issue the Reorganized OpCo Notes for distribution to Holders of Allowed OpCo Credit Facility Secured Claims. A term sheet drafted in connection with the Reorganized OpCo Notes is attached as **Exhibit 1** to the Plan and provides additional information.

9. **Issuance and Distribution of the Reorganized OpCo Securities**

On or prior to the Effective Date, Reorganized OpCo Corporation shall issue or reserve for issuance all Reorganized OpCo Securities required to be issued pursuant hereto. On the Distribution Date, and subject to state gaming laws and regulations, the Reorganized OpCo Debtors will distribute any Reorganized OpCo Securities required to be distributed pursuant hereto. The Reorganized OpCo Securities to be issued pursuant to the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code; provided, however, that Subscription Rights issued under the Plan (and the Reorganized OpCo Common Stock to be issued pursuant to such Subscription Rights) will be issued in reliance on the exemption set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder.

The OpCo Debtors are not currently a reporting corporation, and, on the Distribution Date, Reorganized OpCo Corporation may not be a reporting corporation under the Securities Exchange Act and its shares will not be listed on any national securities exchange. All of the Reorganized OpCo Securities issued pursuant to the Plan shall be duly authorized, validly issued, and, if applicable, fully paid and non-assessable. Each distribution and issuance referred to in Article VII of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to

such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

10. **Securities Registration Exemption**

Except as set forth below, the Reorganized OpCo Common Stock to be issued to Holders of Allowed Class 3 OpCo Credit Facility Secured Claims, the Reorganized OpCo Warrants to be issued to Holders of Allowed Class 4 OpCo General Unsecured Claims ~~(under certain circumstances)~~, and the Reorganized OpCo Common Stock to be issued pursuant to the Reorganized OpCo Warrants will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code.

The Reorganized OpCo Common Stock to be issued to Eligible Holders of OpCo Unsecured Claims pursuant to the Subscription Rights will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance on the exemption set forth in section 4(2) of the Securities Act or Regulation D promulgated thereunder. The Reorganized OpCo Debtors intend to make awards under the OpCo Management and Director Equity Incentive Plan without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemption set forth in section 701 of the Securities Act or as a result of the issuance or grant of such equity award not constituting a "sale" under section 2(3) of the Securities Act.

a. Section 1145 of the Bankruptcy Code

Section 1145(c) of the Bankruptcy Code provides that securities issued pursuant to a registration exemption under section 1145(a)(1) of the Bankruptcy Code are deemed to have been issued pursuant to a public offering. Therefore, the securities issued pursuant to a section 1145 exemption may generally be resold by any holder thereof without registration under the Securities Act pursuant to the exemption provided by section 4(1) thereof, unless the holder is an "underwriter" with respect to such securities, as such term is defined in section 1145(b)(1) of the Bankruptcy Code. In addition, such securities generally may be resold by the recipients thereof without registration under state securities or "blue sky" laws pursuant to various exemptions provided by the respective laws of the individual states. However, recipients of securities issued under the Plan are advised to consult with their own counsel as to the availability of any such exemption from registration under federal securities laws and any relevant state securities laws in any given instance and as to any applicable requirements or conditions to the availability thereof.

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" for purposes of the Securities Act as one who, subject to certain exceptions, (a) purchases a claim with a view to distribution of any security to be received in exchange for such claim, or (b) offers to sell securities offered or sold under the plan for the holders of such securities, or (c) offers to buy securities issued under the plan from the holders of such securities, if the offer to buy is made with a view to distribution of such securities, and if such offer is under an agreement made in connection with the plan, with the consummation of the plan or with the offer or sale of securities under the plan, or (d) is an issuer, as used in section 2(11) of the Securities Act, with respect to such securities.

The term "issuer," as used in section 2(11) of the Securities Act, includes any person directly or indirectly controlling or controlled by, an issuer of securities, or any person under direct or indirect common control with such issuer. "Control" (as defined in Rule 405 under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be "in control" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. Moreover, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns at least ten percent (10%) of the voting securities of a reorganized debtor may be presumed to be a "control person."

To the extent that persons deemed "underwriters" receive securities under the Plan, resales of such securities would not be exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other

applicable law. Holders of such restricted securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act.

b. Section 4(2) of the Securities Act/Regulation D

Section 4(2) of the Securities Act provides that the issuance of securities by an issuer in transactions not involving any public offering are exempt from registration under the Securities Act. Regulation D is a non-exclusive safe harbor promulgated by the United States Securities and Exchange Commission under the Securities Act related to, among others, section 4(2) of the Securities Act.

The term "issuer," as used in section 4(2) of the Securities Act, means, among other things, a person who issues or proposes to issue any security.

Securities issued pursuant to the exemption provided by section 4(2) of the Securities Act or Regulation D promulgated thereunder are considered "restricted securities." As a result, resales of such securities may not be exempt from the registration requirements of the Securities Act or other applicable law. Holders of such restricted securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act.

c. Rule 701 of the Securities Act

Rule 701 of the Securities Act provides that securities issued to, among others, employees, directors, general partners, and officers of an issuer pursuant to written compensatory benefit plan may, under certain circumstances, be exempt from registration under the Securities Act. Rule 701 is available to any issuer that is not subject to the reporting requirements of the Exchange Act and is not an investment company registered or required to be registered under the Investment Company Act of 1940.

The term "compensatory benefit plan," as used in Rule 701 of the Securities Act means any purchase, savings, option, bonus, stock appreciation, profit sharing, thrift, incentive, deferred compensation, pension or similar plan, The term "issuer," as used in Rule 701 of the Securities Act, means, among other things, a person who issues or proposes to issue any security.

To the extent that securities are issued pursuant to the exemption provided by Rule 701 of the Securities Act, resales of such securities may not be exempted from registration under the Securities Act or other applicable law. Holders of such restricted securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act.

d. "No Sale" Under Section 2(3) of the Securities Act

To the extent that securities issued pursuant to the OpCo Manager and Director Equity Incentive Program do not involve cash payments or other consideration from the recipients of those securities, the grants of those securities will not involve a "sale" of securities for purposes of section 2(3) of the Securities Act and, consequently, would not require registration under the Securities Act. Any such securities may not be resold unless registered under the Securities Act or on reliance on an exemption under the Securities Act or other applicable law. Holders of such securities may, however, be able, at a future time and under certain conditions described below, to sell securities without registration pursuant to the resale provisions of Rule 144 and Rule 144A under the Securities Act.

e. Rule 144 and Rule 144A

Under certain circumstances, affiliated holders of restricted securities may be entitled to resell their securities pursuant to the limited safe harbor resale provisions of Rule 144. Generally, Rule 144 provides that if certain conditions are met (e.g., that the availability of current public information with respect to the issuer, volume

limitations, and notice and manner of sale requirements), specified persons who resell restricted securities or who resell securities which are not restricted but who are "affiliates" of the issuer of the securities sought to be resold, will not be deemed to be "underwriters" as defined in section 2(11) of the Securities Act. Rule 144 provides that: (i) a non-affiliate who has not been an affiliate during the preceding three months may resell restricted securities after a six-month holding period if at the time of the sale there is current public information regarding the issuer and after a one year holding period if there is not current public information regarding the issuer at the time of the sale; and (ii) an affiliate may sell restricted securities after a six month holding period if at the time of the sale there is current public information regarding the issuer and after a year holding period if there is not current public information regarding the issuer at the time of the sale, provided that in each case the affiliate otherwise complies with the volume, manner of sale and notice requirements of Rule 144.

Rule 144A provides a non-exclusive safe harbor exemption from the registration requirements of the Securities Act for resales to certain "qualified institutional buyers" of securities that are "restricted securities" within the meaning of the Securities Act, irrespective of whether the seller of such securities purchased its securities with a view towards reselling such securities, if certain other conditions are met (e.g., the availability of information required by paragraph 4(d) of Rule 144A and certain notice provisions). Under Rule 144A, a "qualified institutional buyer" is defined to include, among other persons, "dealers" registered as such pursuant to section 15 of the Exchange Act, and entities that purchase securities for their own account or for the account of another qualified institutional buyer and that, in the aggregate, own and invest on a discretionary basis at least $100 million in the securities of unaffiliated issuers. Subject to certain qualifications, Rule 144A does not exempt the offer or sale of securities that, at the time of their issuance, were securities of the same class of securities then listed on a national securities exchange (registered as such pursuant to section 6 of the Exchange Act) or quoted in a United States automated inter-dealer quotation system.

Pursuant to the Plan, certificates evidencing shares of Reorganized OpCo Common Stock received by (i) restricted holders or holders of five percent or more of the outstanding Reorganized OpCo Common Stock, (ii) holders that request legended certificates and who certify that they may be deemed to be underwriters within the meaning of section 1145 of the Bankruptcy Code, or (iii) Eligible Holders of OpCo Unsecured Claims pursuant to the Rights Offering will bear a legend substantially in the form below:

> **THE SHARES OF COMMON STOCK EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION AND MAY NOT BE SOLD, OFFERED FOR SALE OR OTHERWISE TRANSFERRED UNLESS REGISTERED OR QUALIFIED UNDER SAID ACT AND APPLICABLE STATE SECURITIES LAWS OR UNLESS THE COMPANY RECEIVES AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH REGISTRATION OR QUALIFICATION IS NOT REQUIRED.**

Any person, other than recipients of awards under the OpCo Management and Directors Equity Incentive Program, that would receive legended securities as provided above may instead receive certificates evidencing Reorganized OpCo Common Stock without such legend if, prior to the Effective Date, such person or entity delivers to the OpCo Debtors (i) an opinion of counsel reasonably satisfactory to the OpCo Debtors to the effect that the shares of Reorganized OpCo Common Stock to be received by such person or entity are not subject to the restrictions applicable to "underwriters" under section 1145 of the Bankruptcy Code and may be sold without registration under the Securities Act and (ii) a certification that such person or entity is not an "underwriter" within the meaning of section 1145 of the Bankruptcy Code.

Any holder of a certificate evidencing shares of Reorganized OpCo Common Stock bearing such legend may present such certificate to the transfer agent for the share of Reorganized OpCo Common Stock for exchange for one or more new certificates not bearing such legend or for transfer to a new holder without such legend at such times as

(i) such shares are sold pursuant to an effective registration statement under the Securities Act or (ii) such holder delivers to the Reorganized OpCo Debtors an opinion of counsel reasonably satisfactory to the Reorganized OpCo Debtors to the effect that such shares are no longer subject to the restrictions applicable to "underwriters" under section 1145 of the Bankruptcy Code or (iii) such holder delivers to the Reorganized OpCo Debtors an opinion of counsel reasonably satisfactory to the Reorganized Debtors to the effect that such shares are no longer subject to the restrictions pursuant to an exemption under the Securities Act and such shares may be sold without registration under the Securities Act, in which event the certificate issued to the transferee will not bear such legend.

In addition, all Reorganized OpCo Common Stock will bear such legends as are required by state gaming laws and regulations.

IN VIEW OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A RECIPIENT OF REORGANIZED OPCO COMMON STOCK MAY BE AN UNDERWRITER OR AN AFFILIATE OF THE REORGANIZED OPCO DEBTORS, THE REORGANIZED OPCO DEBTORS MAKE NO REPRESENTATIONS CONCERNING THE RIGHT OF ANY PERSON TO TRADE THE REORGANIZED OPCO COMMON STOCK OR THE REORGANIZED OPCO WARRANTS TO BE DISTRIBUTED PURSUANT TO THE PLAN. ACCORDINGLY, THE OPCO DEBTORS RECOMMEND THAT POTENTIAL RECIPIENTS OF SECURITIES UNDER THE PLAN CONSULT THEIR OWN COUNSEL CONCERNING WHETHER THEY MAY FREELY TRADE SUCH SECURITIES.

11. Litigation Trust

There will be a single Litigation Trust that will hold all of the Insider Causes of Action held by either the OpCo Debtors or the LandCo Debtors. The Litigation Trust will operate solely for the purpose of pursuing such Insider Causes of Action and distributing the Litigation Trust Proceeds from any judgments, settlements, or recoveries; the Litigation Trust will have no objective to engage in the conduct of any trade or business. The Litigation Trust **shall be governed by the Litigation Trust Committee pursuant to the terms of the Litigation Trust Agreement. The Litigation Trust** Proceeds will be allocated to the Creditors of the OpCo Debtors and the Creditors of the LandCo Debtors **as agreed to by (all of the following or their assignees) the OpCo Litigation Trust Subcommittee and the LandCo Litigation Trust Subcommittee or as determined** by a court of competent jurisdiction ~~and such~~**. Holders of Class 4 General Unsecured Claims and Class 5 Noteholder Unsecured Claims will receive their Pro Rata share of the Unsecured Creditor** Litigation Trust Proceeds ~~allocated to the Creditors of the OpCo Debtors shall be distributed Pro Rata to the Litigation Trust Beneficiaries with Claims against the OpCo Debtors~~**, and Holders of Class 6 OpCo Credit Facility Deficiency Claims will receive their Pro Rata share of the OpCo Lenders Litigation Trust Proceeds** in full or partial satisfaction of such Claims, and the Litigation Trust will terminate upon complete distribution of the trust corpus. Due to the complex nature of the matters involved, the Litigation Trust Proceeds are not reasonably calculable at this time.

The Trust Beneficiaries will receive periodic reports from the Litigation Trust Committee. No certificates will be issued to represent the beneficial interests of the Trust Beneficiaries in the Litigation Trust and the beneficial interests will not be transferable. Due to the restriction on transfer, there will be no market for the beneficial interests.

The Creditors Committee states that following an extensive investigation of potential Claims and Causes of Action against any or all of the Yung Entities, which investigation was approved by the Bankruptcy Court pursuant to Bankruptcy Rule 2004, counsel to the Creditors Committee has determined that potential Claims and Causes of Action by the Estates against any or all of the Yung Entities may exist.

The Yung Entities deny that there is any basis for Claims and Causes of Action by the Estates against any or all of the Yung Entities and intend to vigorously defend against any such Claims and Causes of Action.

a. Creation of the Litigation Trust

As set forth in the Litigation Trust Agreement, to be Filed as part of the Plan Supplement, on the Effective Date, the Litigation Trust will be created pursuant to the Litigation Trust Agreement and will hold all the Insider

Causes of Action. The Litigation Trust Committee, which will consist of ~~a total of three members each of whom will be appointed by the OpCo Debtors in consultation with the OpCo Lenders, the LandCo Lenders, and the Creditors Committee~~ **the OpCo Litigation Trust Subcommittee and the LandCo Litigation Trust Subcommittee,** will oversee the activities of the Litigation Trust. The Litigation Trust Committee will satisfy its obligations under the Litigation Trust Agreement. **Pursuant to the Litigation Trust Agreement, any exercise of duties by the Litigation Trust Committee concerning Insider Causes of Action with respect to both the OpCo Estates and the LandCo Estates shall be decided by the Litigation Trust Committee.** In addition, the Litigation Trust Committee will retain counsel for the Litigation Trust to pursue the Insider Causes of Action. The Litigation Trust counsel will be retained on a contingency fee basis.

b. Investigative Funding and Proceeds

Upon formation of the Litigation Trust, Reorganized OpCo Corporation will provide a loan to the Litigation Trust (the "Litigation Trust Loan") pursuant to the terms contained in the Litigation Trust Agreement. The Litigation Trust Loan will furnish funds to the Litigation Trust to satisfy the necessary costs and expenses incurred by the Litigation Trust. As more fully set forth in the Litigation Trust Agreement, the Litigation Trust Committee will possess the authority to request draws on the Litigation Trust Loan from time-to-time to pay costs and expenses incurred in arrears, up to a maximum amount, as set forth in the Litigation Trust Agreement.

The Litigation Trust Loan will be a senior secured loan with priority over the rights of the Litigation Trust Beneficiaries to the Litigation Trust Proceeds—Litigation Trust Proceeds first will be applied towards amounts outstanding under the Litigation Trust Loan. Litigation Trust Proceeds applied to amounts outstanding under the Litigation Trust Loan will not increase the availability of borrowing thereunder; the Litigation Trust Loan is not a revolver. In addition, the Litigation Trust may not distribute Litigation Trust Proceeds to the Litigation Trust Beneficiaries until the Litigation Trust Loan is paid in full and terminated. Following satisfaction and termination of the Litigation Trust Loan, the remaining Litigation Trust Distributions will be made to the Litigation Trust Beneficiaries on a Pro Rata basis.

c. Litigation Trust Reserve

Any Litigation Trust Proceeds to be distributed to the Holders of Allowed LandCo General Unsecured Claims, Allowed LandCo Credit Facility Deficiency Claims, and Allowed Insider Claims against the LandCo Debtors will be kept in the Litigation Trust Reserve until such time as a LandCo Plan is confirmed and becomes effective providing for such distributions from the Litigation Trust. In the event that a LandCo Plan is confirmed, but does not provide for a distribution for Allowed LandCo General Unsecured Claims, Allowed LandCo Credit Facility Deficiency Claims, or Allowed Insider Claims against the LandCo Debtors from the Litigation Trust upon the terms set forth in the Plan, then any such amounts in the Litigation Trust Reserve will be distributed ~~on a Pro Rata basis~~ to the ~~other~~ Litigation Trust Beneficiaries **as set forth in the Plan**.

I. CONSUMMATION

Following Confirmation, the Plan will be consummated on the Effective Date, which is a date selected by the OpCo Debtors that is a Business Day after the Confirmation Date on which no stay of the Confirmation Order is in effect, and all conditions to Consummation have been satisfied or waived. Unless otherwise provided in the Plan, distributions to Holders of Claims Allowed as of the Effective Date will be made on the Distribution Date or as soon as practical thereafter, in accordance with the Plan. All other distributions under the Plan will be made in accordance with the distribution provisions contained in the Plan.

J. LIQUIDATION AND VALUATION ANALYSES

The OpCo Debtors believe that the Plan will produce a greater recovery for Holders of Allowed Claims against and Interests in the OpCo Estates than would be achieved in a liquidation pursuant to chapter 7 of the Bankruptcy Code because of, among other things, (1) the additional Administrative Claims generated by conversion to chapter 7 cases, (2) the administrative costs of liquidation and associated delays in connection with chapter 7

liquidations, (3) the negative impact on the market for the OpCo Debtors' assets resulting from attempts to sell a large number of hotel and casino gaming assets and contracts in a short time frame, and (4) regulatory concerns and impairment of value in connection with chapter 7 liquidations, each of which likely would diminish the overall value of the OpCo Debtors' assets available for distributions.

The OpCo Debtors, together with their Professionals, have prepared a liquidation analysis (the "Liquidation Analysis") and a valuation analysis (the "Valuation Analysis") to assist Holders of Claims in determining whether to vote to accept or reject the Plan. The Liquidation Analysis and Valuation Analysis compare the proceeds to be realized if the OpCo Debtors were to be liquidated in hypothetical cases under chapter 7 of the Bankruptcy Code with the distributions to Holders of Allowed Claims and Interests under the Plan. The analyses are based upon the value of the OpCo Debtors' assets and liabilities as of a certain date and incorporate various estimates and assumptions, including a hypothetical conversion to chapter 7 liquidations as of a certain date. Further, each analysis is subject to the possibility of material change, including changes with respect to economic and business conditions and legal rulings. Therefore, the actual liquidation value of the OpCo Debtors could vary materially from the estimates provided in the Liquidation Analysis, and the actual reorganization equity value of the Reorganized OpCo Debtors could vary materially from the estimates contained in the Valuation Analysis.

The Valuation Analysis is based on data and information as of January 2, 2009. The Debtors make no representations as to changes to such data and events that may have occurred, or any information that may have become available, since that date.

~~The Creditors Committee believes that the Valuation Analysis is based on flawed assumptions and that the OpCo Debtors' conclusions as to Total Enterprise Value is substantially less than the actual total enterprise value, which may have a material impact on Creditor recoveries.~~

K. CERTAIN FACTORS TO BE CONSIDERED PRIOR TO VOTING

Prior to voting to accept or reject the Plan, each Holder in a voting Class should carefully consider all of the information in this Disclosure Statement, especially the risk factors described in Article VII.

L. GOVERNMENTAL REGULATIONS

The gaming industry is highly regulated. Each of the OpCo Debtors' casinos and the Tropicana AC are subject to extensive regulation under the laws, rules, and regulations of their respective jurisdictions. Violations of these laws and regulations could result in disciplinary action, up to and including the loss of the OpCo Debtors' licenses to operate particular casinos. In addition, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. The governmental regulation of the gaming industry extends to persons with a financial interest in a gaming enterprise. Each of the states in which the OpCo Debtors operate regulates the ownership of equity interests in Reorganized OpCo Corporation. Consequently, the distribution of Reorganized OpCo Common Stock and Reorganized OpCo Warrants pursuant to the Plan is subject to the gaming laws and regulations of each respective jurisdiction. In particular, Holders of Claims entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants under the Plan may have to be found suitable or qualified by various state gaming regulators or obtain a waiver in connection therewith to hold Reorganized OpCo Common Stock or Reorganized OpCo Warrants. Failure to comply with these laws and regulations may result in a Holder of a Claim being barred from holding Reorganized OpCo Common Stock or Reorganized OpCo Warrants. Holders of Claims or Interests should consult their own counsel regarding these gaming laws and regulations. Please see Sections I.H.7 and VII.B.4, Article VI, and Exhibit E to this Disclosure Statement for a further discussion of regulation in the gaming industry.

M. VOTING AND CONFIRMATION

Holders of Claims in Classes 1 and 2 are Unimpaired and deemed to accept the Plan. Holders of Claims and Interests in Classes 9, 10, 11, 12, and 13 are wholly impaired and, therefore, deemed to reject the Plan. Accordingly, Holders of Claims or Interests in Classes 1, 2, 9, 10, 11, 12, and 13 are not entitled to vote on the Plan, and the vote of

such Holders of Claims and Interests shall not be solicited. Only Holders of Claims in Classes 3, 4, 5, 6, 7, and 8 are entitled to vote to either accept or reject the Plan.

Pursuant to section 1126(c) and 1126(d) of the Bankruptcy Code and except as otherwise provided in section 1126(e) of the Bankruptcy Code: (1) an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class actually voting have voted to accept the Plan; and (2) an Impaired Class of Interests has accepted the Plan if the Holders of at least two-thirds in amount of the Allowed Interests of such Class actually voting have voted to accept the Plan. The Debtors will tabulate all votes on the Plan on a consolidated basis for the purpose of determining whether the Plan satisfies section 1129(a)(8) and 1129(a)(10) of the Bankruptcy Code. All votes on account of Allowed Claims shall be counted as if filed against a single consolidated OpCo Estate.

Assuming the requisite acceptances are obtained, the OpCo Debtors intend to seek Confirmation at the Confirmation Hearing scheduled to commence on April 27, 2009, at 10:00 a.m., prevailing Eastern time, before the Bankruptcy Court. Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The OpCo Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests. The OpCo Debtors also reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code.

The Bankruptcy Court has established March 10, 2009, as the Voting Record Date for determining which Holders of Claims are eligible to vote ~~on~~**to accept or reject** the Plan. Ballots, along with this Disclosure Statement, the Plan, and the Solicitation Procedures Order, will be mailed to all registered Holders of Claims as of the Voting Record Date that are entitled to vote to accept or reject the Plan. An appropriate return envelope, postage prepaid, will be included with each Ballot, if appropriate. Beneficial Holders of Claims who receive a return envelope addressed to their bank, brokerage firm, or other Nominee (or its agent) should allow sufficient time for their votes to be received by the Nominee and processed on a Master Ballot before the Voting Deadline.

The OpCo Debtors have engaged the Claims and Solicitation Agent to assist in the voting process. The Claims and Solicitation Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation.

BALLOTS CAST BY HOLDERS OF CLAIMS AND MASTER BALLOTS CAST ON BEHALF OF BENEFICIAL HOLDERS IN CLASSES ENTITLED TO VOTE MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT OR THE SECURITIES VOTING AGENT, AS APPLICABLE, BY THE VOTING DEADLINE, WHETHER BY FIRST CLASS MAIL, OVERNIGHT COURIER, OR PERSONAL DELIVERY. THE BALLOTS AND THE PRE-ADDRESSED, POSTAGE PRE-PAID ENVELOPES ACCOMPANYING THE BALLOTS WILL INDICATE WHETHER THE BALLOT MUST BE RETURNED TO THE CLAIMS AND SOLICITATION AGENT OR THE SECURITIES VOTING AGENT (OR, IN THE CASE OF OPCO NOTEHOLDER UNSECURED CLAIMS, INSTRUCTIONS FOR THE PROPER RETURN OF BALLOTS, AS INDICATED ON THE ENCLOSED RETURN ENVELOPE). THE ADDRESS FOR BALLOTS RETURNABLE TO THE CLAIMS AND SOLICITATION AGENT IS: TROPICANA ENTERTAINMENT, LLC, C/O KURTZMAN CARSON CONSULTANTS LLC, 2335 ALASKA AVENUE, EL SEGUNDO, CA 90245, ATTN: BALLOT PROCESSING DEPARTMENT. THE ADDRESS FOR MASTER BALLOTS RETURNABLE TO THE SECURITIES VOTING AGENT IS: TROPICANA ENTERTAINMENT, LLC, C/O FINANCIAL BALLOTING GROUP LLC, 757 THIRD AVENUE – THIRD FLOOR, NEW YORK, N.Y. 10017, ATTN: BALLOTING PROCESSING DEPARTMENT.

FOR ANSWERS TO ANY QUESTIONS REGARDING SOLICITATION PROCEDURES, PARTIES MAY CALL THE CLAIMS AND SOLICITATION AGENT TOLL FREE AT (888) 733-1425. THOSE HOLDERS OF CLAIMS BASED ON PUBLICLY-TRADED SECURITIES MAY CONTACT THE SECURITIES VOTING AGENT DIRECTLY TOLL FREE AT (866) 734-9393, WITH ANY QUESTIONS RELATED TO THE SOLICITATION PROCEDURES APPLICABLE TO SECURITY-BASED CLAIMS.

TO BE COUNTED, THE BALLOTS CAST BY HOLDERS, AND MASTER BALLOTS CAST ON BEHALF OF BENEFICIAL HOLDERS, INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT OR THE SECURITIES VOTING AGENT, AS APPLICABLE, NO LATER THAN THE VOTING DEADLINE. SUCH BALLOTS (OR MASTER BALLOTS, AS APPLICABLE) SHOULD BE CAST IN ACCORDANCE WITH THE SOLICITATION PROCEDURES DESCRIBED IN FURTHER DETAIL IN ARTICLE IX OF THIS DISCLOSURE STATEMENT. ANY BALLOT OR MASTER BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL BE COUNTED IN THE SOLE DISCRETION OF THE DEBTORS.

To obtain an additional copy of the Plan, this Disclosure Statement, the Plan Supplement, or other Solicitation Package materials (except Ballots or Master Ballots), please refer to the Debtors' restructuring website at http://www.kccllc.net/tropicana or request a copy from the Claims and Solicitation Agent **(including Ballots and Master Ballots)**, by writing to Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, California 90245, Attn: Tropicana Entertainment Balloting; calling (888) 733-1425; or sending an e-mail to tropicanainfo@kccllc.com.

THE OPCO DEBTORS BELIEVE THAT THE PLAN IS IN THE BEST INTEREST OF ALL HOLDERS OF CLAIMS AND INTERESTS AND RECOMMEND THAT ALL SUCH HOLDERS WHOSE VOTES ARE BEING SOLICITED VOTE TO ACCEPT THE PLAN.

THE CREDITORS COMMITTEE BELIEVES THAT THE PLAN IS IN THE BEST INTERESTS OF THE GENERAL UNSECURED CREDITORS AND RECOMMENDS THAT SUCH CREDITORS VOTE TO ACCEPT THE PLAN.

II. BACKGROUND TO THE CHAPTER 11 CASES

The OpCo Debtors submit this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code, for use in the solicitation of (i) votes to accept the Plan and (ii) the Subscription Rights in connection with the Rights Offering.

This Disclosure Statement sets forth certain information regarding the OpCo Debtors' history before the Petition Date, significant events that have occurred during the Chapter 11 Cases, and the anticipated reorganization and post-reorganization operations and financing of the Reorganized OpCo Debtors. This Disclosure Statement also describes the terms and provisions of the Plan, including certain alternatives to the Plan, certain effects of Confirmation, certain risk factors associated with the Plan and certain securities to be issued under the Plan, and the manner in which distributions will be made under the Plan. In addition, this Disclosure Statement discusses the Confirmation process and the solicitation procedures that Holders of Claims must follow for their votes to be counted.

FOR A DESCRIPTION OF THE PLAN AND CERTAIN FACTORS TO BE CONSIDERED IN CONNECTION WITH THE PLAN, PLEASE SEE ARTICLE IV AND ARTICLE VI OF THIS DISCLOSURE STATEMENT.

THIS DISCLOSURE STATEMENT INCLUDES SUMMARIES OF CERTAIN PROVISIONS OF THE PLAN, CERTAIN STATUTORY PROVISIONS, CERTAIN DOCUMENTS RELATED TO THE PLAN, CERTAIN EVENTS TAKING PLACE DURING THE CHAPTER 11 CASES, AND CERTAIN FINANCIAL INFORMATION. ALTHOUGH THE OPCO DEBTORS BELIEVE THAT SUCH SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED IN THEIR ENTIRETY TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED, FACTUAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS BEEN PROVIDED BY THE OPCO DEBTORS. THE OPCO DEBTORS DO NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT ANY MATERIAL INACCURACY OR OMISSION.

A. THE DEBTORS' BUSINESSES

1. Summary of the OpCo Debtors' Business

The Debtors comprise one of the largest and most diversified privately-held hotel and casino gaming entertainment providers in the United States. They are a leading domestic casino operator, with approximately 540,000 square feet of gaming space and more than 8,300 hotel rooms, and employ more than 10,000 full- and part-time individuals. The Debtors currently own, operate, or have interests in eleven casino facilities in eight distinct gaming markets, with five casinos in Nevada, three casinos in Mississippi, and one casino in each of New Jersey, Indiana, and Louisiana. The Tropicana LV is owned and operated by the LandCo Debtors, the OpCo Debtors have an interest in the Tropicana AC, and the OpCo Debtors own and operate the remaining nine casino gaming properties. These casinos and resorts provide customers with a high-quality casino entertainment and hospitality experience through a comfortable gaming environment, a variety of hotel amenities, casual and fine dining choices, and non-gaming entertainment options.

The Debtors' casino and resort facilities are in a few of the largest casino markets in the United States, including in Las Vegas and Atlantic City. The Tropicana LV is located on 34-acres of real estate on the "Strip" in Las Vegas, Nevada. Together with the MGM Grand, the Excalibur, the Luxor, the Monte Carlo, and the New York-New York hotel casinos, the Tropicana LV is located at a prime intersection that collectively offers approximately 18,000 hotel rooms.

The Tropicana AC is situated along the Boardwalk in Atlantic City, New Jersey. The Tropicana AC is one of the largest casinos in Atlantic City, featuring more than 2,000 hotel rooms in three hotel towers, a casino occupying almost 150,000 square feet, a 200,000 square foot dining, entertainment, and retail center called "The Quarter," meeting, convention and banquet space, parking facilities, and many other amenities. As more fully described in Section III.A, the NJCCC appointed Justice Stein as conservator to operate and control a substantial portion of the assets of the Tropicana AC, with the OpCo Debtors having a beneficial interest therein, and the OpCo Debtors own and control the remaining assets of the Tropicana AC (as described herein).

2. Overall Revenue

For the 12 months ended December 31, 2008, the OpCo Debtors, excluding the New Jersey Entities, generated approximately $488.7 million in revenues. Of this amount, approximately 43% was attributed to casinos in Nevada; approximately 31% was attributed to casinos in Louisiana and Mississippi; approximately 26% was attributed to the Casino Aztar Evansville. As noted in Section III.A, the OpCo Debtors' right to receive income from the Casino Aztar Evansville and Tropicana AC is subject to various conditions and limitations.

3. The OpCo Debtors' Employees

As of December 18, 2008, the OpCo Debtors employed approximately 5,451 employees, including 739 salaried employees, 3,793 full-time employees, 479 part-time employees, and 440 full- and part-time union employees. The OpCo Debtors are party to two collective bargaining agreements and are in the process of negotiating a third collective bargaining agreement in connection with their Casino Aztar Evansville facility.[7]

B. THE DEBTORS' CORPORATE HISTORY AND STRUCTURE

The Debtors trace their roots to 1990, when William J. Yung III ("Yung"), the ultimate equity holder of the Debtors and certain non-Debtor affiliates, founded Wimar Tahoe Corporation ("Wimar") and its affiliates to begin purchasing, developing, and operating casinos. Through 2006, Wimar acquired a number of casinos and resorts, including the following:

[7] These numbers do not include employees of the Tropicana AC. As of December 31, 2007, the Tropicana AC employed approximately 3,485 employees. The OpCo Debtors are, however, currently unable to provide more detailed employee information for the Tropicana AC due to current circumstances existing in connection therewith, more fully described in section III.A.

- The Lake Tahoe Horizon Casino and Resort is located in South Lake Tahoe in Stateline, Nevada and is owned (subject to a ground lease) by Debtor Tahoe Horizon, LLC.

- The MontBleu Resort Casino and Spa is located across the street from the Lake Tahoe Horizon Casino and Resort and is owned (subject to a ground and facility lease) by Debtor Columbia Properties Tahoe, LLC.

- The Lighthouse Point Casino is a riverboat casino located in Greenville, Mississippi and is owned by non-Debtor affiliate Greenville Riverboat, LLC, in which Tropicana has a 79% voting interest and an 84% economic interest.

- The Bayou Caddy's Jubilee Casino is a riverboat casino located in Greenville, Mississippi and is owned by Debtor JMBS Casino, LLC.

- The River Palms Hotel and Casino is located in Laughlin, Nevada and is owned by Debtor Columbia Properties Laughlin, LLC, and is located on real estate owned by Debtor CP Laughlin Realty, LLC.

- The Vicksburg Horizon Casino is a riverboat casino located in downtown Vicksburg, Mississippi and is owned by Debtor Columbia Properties Vicksburg, LLC ("CP Vicksburg").

- The Belle of Baton Rouge is a riverboat casino is located on the Mississippi River in downtown Baton Rouge, Louisiana and is owned by Debtor CP Baton Rouge Casino, LLC and its Debtor-subsidiaries.

In 2006, Wimar sought to further expand its gaming and hospitality business. On May 19, 2006, Wimar entered into a definitive agreement and plan of merger with Columbia Sussex Corporation, under which Wimar would acquire all of the stock of Aztar Corporation, a holding company owning five casino properties (the "Aztar Acquisition"). On January 3, 2007, Wimar acquired all of the stock of the then publicly-traded Aztar Corporation for approximately $2.1 billion in cash pursuant to the Aztar Acquisition, and then merged Aztar Corporation into one of Wimar's subsidiaries. OpCo Debtor Aztar Corporation is now a direct subsidiary of Tropicana.

Subsequent to the merger, Wimar changed its name to Tropicana Casinos and Resorts, Inc. Through the Aztar Acquisition, non-Debtor Tropicana Casinos and Resorts, Inc. added to its gaming business the Tropicana LV and the Tropicana AC. In addition, the Aztar Acquisition also included the Casino Aztar Evansville riverboat located in Evansville, Indiana, which is owned by OpCo Debtor Aztar Riverboat Holding Company, LLC, as well as the Tropicana Express Hotel and Casino in Laughlin, Nevada (the "Tropicana Express"), which is owned by OpCo Debtor Tropicana Express, Inc. A fifth casino purchased as part of the Aztar Acquisition, located in Missouri, was sold by the Debtors prior to the Petition Date.

In total, as of the Petition Date, the corporate structure of the Tropicana Casinos and Resorts, Inc. and its subsidiaries and Affiliate Entities consisted of 49 legal Entities. Of these Entities, the OpCo Debtors consist of Tropicana Entertainment Holdings and 23 of its direct and indirect subsidiaries, of which Yung is the sole indirect shareholder, and three Affiliate Entities: JMBS Casino LLC; Columbia Properties Vicksburg, LLC; and CP Laughlin Realty, LLC. A chart depicting the corporate structure and indicating which Entities have filed for chapter 11 relief is attached to this Disclosure Statement as **Exhibit D**.

C. THE OPCO DEBTORS' PRINCIPAL ASSETS

1. Owned Casino Property

The OpCo Debtors wholly own the approximately 31 acre site, including all improvements thereon, on which the Tropicana Express is located and the riverboat in which the Casino Aztar Evansville conducts its operations. In addition, the OpCo Debtors own the riverboats on which the Belle of Baton Rouge, Vicksburg Horizon, and Jubilee Casino operate, as well as the 35 acre site in Laughlin, Nevada, including all improvements thereon, on which the

River Palms operates. Finally, as noted above, the OpCo Debtors have a majority voting and economic interest in the Lighthouse Point Casino riverboat.

2. Intellectual Property

The OpCo Debtors have registered several service marks and trademarks with the United States Patent and Trademark Office or otherwise acquired the licenses to use those which are material to the conduct of ~~our~~**the OpCo Debtors'** business.

D. SUMMARY OF THE DEBTORS' PREPETITION INDEBTEDNESS AND PREPETITION FINANCING

The Debtors incurred approximately $3.1 billion of secured and unsecured prepetition indebtedness in connection with the Aztar Acquisition.

1. The OpCo Credit Facility

The largest component of the Aztar Acquisition financing was the OpCo Credit Facility—an approximately $1.71 billion secured credit facility—which was memorialized in the OpCo Credit Agreement.

The OpCo Credit Facility includes a $1.53 billion term loan facility and, after the effect of the OpCo Forbearance Agreement, a $90.0 million revolving loan facility, which was originally $180.0 million. The revolving facility has a swingline sub-facility available for short-term borrowings and a letter of credit sub-facility available for the issuance of letters of credit. As of the Petition Date, approximately $1.3 billion of the principal amount was outstanding under the term facility, and approximately $21 million of the principal amount was outstanding under the revolving facility.

As of the Petition Date, the OpCo Debtors also had two $500 million interest rate swap agreements with Credit Suisse and Royal Bank of Scotland related to the OpCo Credit Facility. The OpCo Debtors' obligations under the OpCo swap agreements are secured *pari passu* with the OpCo Debtors' obligations under the OpCo Credit Facility. Credit Suisse terminated its swap agreement effective May 6, 2008, and has asserted a termination claim of approximately $26.2 million. Royal Bank of Scotland terminated is swap agreement effective May 6, 2008, and has asserted a termination claim of approximately $27 million.

The OpCo Debtors' obligations under the OpCo Credit Facility are secured by a perfected first priority security interest in substantially all of the assets of Tropicana and the OpCo Guarantors.[8] In addition, OpCo Debtor Aztar Corporation's Interest in LandCo Debtor Tropicana Las Vegas Holdings, LLC has been pledged to secure the OpCo Credit Facility; this pledge gives the OpCo Lenders the residual economics from the LandCo Debtors.

2. The LandCo Credit Facility

The Debtors also financed the Aztar Acquisition by entering into the LandCo Credit Facility by and between the LandCo Lenders, the LandCo Debtors, and the LandCo Guarantors.[9] As of the Petition Date, approximately $440.0 million of the principal amount was outstanding under the LandCo Credit Facility. LandCo Debtor Tropicana

[8] The "OpCo Guarantors" include: Adamar Garage Corporation; Argosy of Louisiana, Inc.; Atlantic Deauville, Inc.; Aztar Corporation; Aztar Development Corporation; Aztar Indiana Gaming Company, LLC; Aztar Indiana Gaming Corporation; Aztar Missouri Gaming Corporation; Aztar Riverboat Holding Company, LLC; Catfish Queen Partnership in Commendam; Centroplex Centre Convention Hotel, L.L.C.; Columbia Properties Laughlin, LLC; CP Tahoe; Columbia Properties Vicksburg, LLC; CP Baton Rouge Casino, L.L.C.; CP Laughlin Realty, LLC; Jazz Enterprises, Inc.; JMBS Casino LLC; Ramada New Jersey Holdings Corporation; Ramada New Jersey, Inc.; St. Louis Riverboat Entertainment, Inc.; Tahoe Horizon, LLC; and Tropicana Express, Inc. Two non-Debtor entities, Adamar of New Jersey, Inc. and Manchester Mall, Inc., are also OpCo Guarantors.

[9] The "LandCo Guarantors" include: Adamar of Nevada Corporation; Hotel Ramada of Nevada Corporation; Tropicana Development Company, LLC; Tropicana Enterprises Partnership; Tropicana Las Vegas Holdings, LLC; and Tropicana Real Estate Company, LLC.

Las Vegas Resort and Casino, LLC is the borrower under the LandCo Credit Facility. Each of the remaining LandCo Debtors serve as guarantors.

As of the Petition Date, the LandCo Debtors also had a $440 million swap with Credit Suisse related to the LandCo Credit Facility. The LandCo Debtors' obligations under the LandCo swap is secured *pari passu* with the LandCo Debtors' obligations under the LandCo Credit Agreement. As a result of the LandCo Debtors' chapter 11 filings, the LandCo Debtors' swap terminated automatically pursuant to its terms on May 4, 2008, and Credit Suisse has asserted a termination claim of approximately $2.7 million.

The LandCo Debtors' obligations under the LandCo Credit Facility are secured by a perfected first priority security interest in substantially all of the assets of the LandCo Debtors, including Tropicana LV. In addition, under the LandCo Stock Pledge, Tropicana Entertainment Holdings, LLC has provided a first priority pledge of its equity interest in Debtor Tropicana Entertainment Intermediate Holdings, LLC to the LandCo Lenders.

3. The Subordinated Notes

Finally, the Debtors also financed the Aztar Acquisition through the issuance of the Subordinated Notes—$960 million of 9-5/8% Senior Subordinated Notes due 2014—pursuant to the Subordinated Notes Indenture dated December 28, 2006, by and among the OpCo Debtors, as issuers or guarantors, and the Indenture Trustee. The OpCo Debtors' obligations with respect to the Subordinated Notes are unsecured and subordinate to their obligations under the OpCo Credit Facility. As of the Petition Date, approximately $960.0 million of the face amount of the Subordinated Notes remained outstanding, with approximately $36.2 million of interest accruing thereon.

E. MANAGEMENT OF THE OPCO DEBTORS

1. Directors, Executive Officers, and Corporate Governance

Set forth in the table below are the names, ages, position or positions, and biographical information of the current board of managers (each a "Director" and, collectively, the "Board of Managers") of OpCo Debtor Tropicana Entertainment Holdings and current key executive officers. The Board of Managers oversees the business and affairs of each of the OpCo Debtors.

Name	Age	Position
Thomas M. Benninger	51	Director (Chairman)
Michael G. Corrigan	51	Director
Bradford S. Smith	58	Director
Scott C. Butera	42	President, Chief Executive Officer, and Director
Robert Yee	59	Senior Vice President and Chief Operating Officer
Marc H. Rubinstein	47	Senior Vice President~~, Chief Legal Officer,~~ **Law** and **Administration &** Secretary
Richard L. Baldwin	36	Vice President, Chief Financial Officer, and Treasurer

Thomas M. Benninger. Mr. Benninger has served as Chairman of the Board of Managers of Tropicana Entertainment Holdings since June 6, 2008. Since that same time, he has also served as Chairman of the Litigation Committee. He was appointed to the boards of each of Tropicana Entertainment Holdings' direct and indirect Debtor-corporate subsidiaries on June 30, 2008. Mr. Benninger is a founding managing general partner of Global Leveraged Capital, a private merchant banking firm that actively pursues proprietary origination of leveraged corporate debt, distressed debt, and minority equity investments. Mr. Benninger has extensive financial, audit, and restructuring

experience at a variety of leading financial institutions, including UBS Investment Bank, Donaldson, Lufkin and Jenrette, Arthur Andersen & Co., and Smith Barney.

Michael G. Corrigan. Mr. Corrigan has served as a member of the Board of Managers of Tropicana Entertainment Holdings since June 6, 2008. He also serves as Chairman of the Audit Committee and as a member of on the Litigation Committee. He was appointed to the boards of each of Tropicana Entertainment Holdings' direct and indirect Debtor-corporate subsidiaries on June 30, 2008. Mr. Corrigan is a media and entertainment executive with experience in operations, strategic planning, and finance. Mr. Corrigan previously served as Co-Founder and Partner of Shelbourne Capital Partners LLC, a boutique financial advisory firm. He is a former Chief Financial Officer of Metro Goldwyn Mayer Inc. He serves as a Director of ACME Communications, Inc. and had been chairman of the Board of Directors for Atari, Inc.

Bradford S. Smith. Mr. Smith has served as a member of the Board of Managers of Tropicana Entertainment Holdings since June 6, 2008. He also serves as Chairman of the Regulatory Gaming Compliance Committee and is a member of both the Litigation Committee and the Audit Committee. He was appointed to the boards of each of Tropicana Entertainment Holdings' direct and indirect Debtor-corporate subsidiaries on June 30, 2008. Mr. Smith is a gaming and regulatory consultant who previously served as Chairman and Chief Executive Officer of the NJCCC. A former state Senator, Mr. Smith was a member of both the judiciary and law and public safety committees of the New Jersey state Senate. He serves on the Mt. Airy Casino Resort Independent Audit Committee.

Scott C. Butera. Mr. Butera joined Tropicana as President on March 19, 2008. In addition, on June 6, 2008, he was named Chief Executive Officer of Tropicana Entertainment Holdings and appointed a member of the Board of Managers of Tropicana Entertainment Holdings. He is a member of the Regulatory Gaming Compliance Committee. He was appointed to the boards of each of Tropicana Entertainment Holdings' direct and indirect Debtor-corporate subsidiaries on June 30, 2008. Prior thereto, Mr. Butera held a number of executive positions in the gaming industry, including as Chief Operating Officer of the Cosmopolitan Resort Casino in Las Vegas, Nevada, President of Metroflag Management LLC, a casino resort development company located in Las Vegas, and President, Chief Operating Officer, and Executive Vice President of Trump Hotels & Casino Resorts, Inc., during which time he was the principal architect of the company's financial and operational restructuring. Mr. Butera also served previously as an Executive Director for UBS Investment Bank, which culminated a fifteen-year career as an investment banker focused on the gaming, lodging, and real estate industries.

Robert Yee. Mr. Yee has served as Senior Vice President and Chief Operating Officer of Tropicana Entertainment Holdings since October 15, 2008. Prior to accepting his positions with the Debtors, Mr. Yee gained extensive experience in the gaming industry through a number of positions with other casino companies, including as President of Montreaux Development, President of Paris/ Bally's Hotels & Casinos Resorts, and President and Chief Operating Officer of the Casino Windsor.

Marc H. Rubinstein. Mr. Rubinstein has served as Senior Vice President, Chief Legal Officer, and Secretary of Tropicana Entertainment Holdings since July 28, ~~2008.~~**2008, which title was changed in March 2009 to Senior Vice President—Law and Administration & Secretary.** Prior to accepting his position with the Debtors, Mr. Rubinstein gained extensive experience in the gaming industry through a number of positions with other casino companies, including as General Counsel and corporate secretary for Cosmopolitan Resort & Casino, Las Vegas, Wynn Resorts, Limited, and the Nevada properties of Caesars World, Inc. — Caesars Palace, Caesars Tahoe, and The Desert Inn.

Richard L. Baldwin. Mr. Baldwin has served as Vice President, Chief Financial Officer, and Treasurer of Tropicana Entertainment Holdings since January 6, 2009. Prior to accepting his position with the Debtors, Mr. Baldwin gained extensive experience in the gaming technology industry through a number of positions with other casino companies, including Senior Vice President and Chief Financial Officer for Shuffle Master Gaming, Director of Corporate Finance and Investor Relations for International Game Technology, and Director of Corporate Finance for Anchor Gaming. Mr. Baldwin is also a Certified Public Account and previously was employed by Deloitte & Touche, LLP.

2. Board Committees of Tropicana Entertainment Holdings

On June 30, 2008, the Board of Managers established board committees to assist in the oversight of the affairs of Tropicana Entertainment Holdings and its subsidiaries. Each of these committees operates under a charter that has been approved by the Board of Managers.

a. Audit Committee

Tropicana Entertainment Holdings created an Audit Committee (the "Audit Committee"). The current members of the Audit Committee are Michael G. Corrigan (Chair) and Bradford S. Smith, both of whom were appointed as members on June 30, 2008. The Board of Managers has determined that Mr. Corrigan is an "Audit Committee Financial Expert," as such term is defined in Item 407 of Regulation S-K promulgated by the United States Securities and Exchange Commission. The Debtors' management, not the Audit Committee, is responsible for the preparation of the Debtors' financial statements and the Debtors' internal control over financial reporting and the financial reporting process. The Debtors' independent registered public accounting firm is responsible for performing an independent audit of the Debtors' financial statements in accordance with generally accepted auditing standards and to issue a report on those financial statements. The Audit Committee assists the Board of Managers in its oversight of the Debtors' financial statements and its internal accounting policies and procedures.

The Audit Committee reports regularly (but no less frequently than quarterly) to the entire Board of Managers on its activities, including any issues that arise with respect to the quality or integrity of the Debtors' financial statements, the performance and independence of the Debtors' independent auditors, and the performance of the internal audit function.

b. Regulatory Gaming Compliance Committee

Tropicana Entertainment Holdings has also created the Regulatory Gaming Compliance Committee to ensure that the Debtors are complying with gaming regulations in the jurisdictions in which they operate. The Regulatory Gaming Compliance Committee has been created to develop, implement, and oversee a program (the "Gaming Compliance Program"), to: (i) monitor compliance with gaming laws and regulations applicable to the Debtors' businesses and operations; (ii) perform due diligence with respect to compliance by the Debtors' employees, officers, directors, vendors, and others providing services to Tropicana Entertainment Holdings and its Debtor subsidiaries; (iii) perform due diligence with respect to certain proposed transactions and associations; and (iv) advise the Board of Managers of any gaming law compliance problems or situations which may adversely affect the regulatory good standing of the Debtors in any of the jurisdictions in which they operate. The current members of the Regulatory Gaming Compliance Committee are Bradford S. Smith (Chair) and Scott C. Butera, both of whom were appointed to the committee on June 30, 2008. The Regulatory Gaming Compliance Committee is responsible for the appointment, review, and replacement of the Gaming Compliance Officer to assist in the implementation and administration of the Gaming Compliance Program. It also is responsible for the review of information developed by the necessary departments of Tropicana Entertainment Holdings and its Affiliates and coordinated by the Gaming Compliance Officer.

c. Litigation Committee

Finally, Tropicana Entertainment Holdings has created a committee to review and evaluate potential causes of action that the Debtors might have against others (including, without limitation, the Insider Causes of Action) (the "Litigation Committee"). The current members of the Litigation Committee are Thomas M. Benninger (Chair), Bradford S. Smith, and Michael G. Corrigan, each of whom was appointed to the committee on June 30, 2008. The Litigation Committee is authorized to bring such actions on behalf of the Debtors and shall have the authority to retain, at the expense of the Debtors, such independent legal and other advisors as the Litigation Committee shall deem necessary to carry out its duties, without seeking approval of the Board of Managers. The Litigation Committee has retained independent legal advisors.

d. The Litigation Committee's Retention of Independent Legal Advisors

The Litigation Committee, with the assistance of its independent legal counsel, has conducted an investigation (the "Litigation Committee's Investigation") into whether the Debtors may have viable Insider Causes of Action.

(1) Conduct of the Litigation Committee's Investigation

The Litigation Committee retained Paul, Hastings, Janofsky & Walker LLP ("Paul Hastings") on July 28, 2008, to assist with the conduct of the Litigation Committee's Investigation, and the Bankruptcy Court subsequently approved the retention on September 16, 2008 [Docket No. 921]. In the course of the Litigation Committee's Investigation and in coordination with the Creditors Committee, Paul Hastings obtained information and documents through both formal procedures under the Bankruptcy Code and through more informal methods. As to the former, Paul Hastings participated in several examinations that were conducted pursuant to Bankruptcy Rule 2004. Paul Hastings also reviewed thousands of pages of documents produced pursuant to the Creditors Committee's own discovery requests pursuant to Bankruptcy Rule 2004, as well as documents produced and transcripts of Bankruptcy Rule 2004 examinations (including those of Yung and members of the management team of Entities he owns or controls) taken in connection with the Emergency Motion of the Ad Hoc Consortium of Senior Subordinated Noteholders for the Appointment of a Trustee Pursuant to 11 U.S.C. §§ 1104(a)(1) and 1104(a)(2) [Docket No. 37] that was filed and resolved prior to the start of the Litigation Committee's Investigation. Paul Hastings also has conducted interviews of and obtained documents through more informal means from the Debtors' senior management, their Professionals, and other outside advisors of the Debtors.

(2) Results of the Litigation Committee's Investigation

Based on evidence developed to date in the Litigation Committee's Investigation, the Debtors believe that the Estates may have legal claims against certain of the Yung Entities on account of, among other grounds, breach of fiduciary duty, gross negligence, and breach of contract claims. The Litigation Committee asserts that these claims would stem from numerous issues, including those relating to the loss of the license at the Tropicana AC, the related loss of control at Casino Aztar Evansville, gross mismanagement at the Debtors' casino operations and breach of the various service agreements entered into between certain of the Yung Entities and the Debtors. While the Debtors have not completed an analysis of the damages relating to these claims, they believe that, based upon the unprecedented loss of the license at the Tropicana AC, the similar effect upon the Casino Aztar Evansville, and the substantial deterioration of the related assets of the Debtors under the management and control of the Yung Entities, the damages relating to these claims, if proven, could be material.

The Yung Entities deny that there has been any breach of fiduciary duty, gross negligence, breach of contract, or other grounds on which the Estates would have a legal claim against any of the Yung Entities and intend to vigorously defend against any such Claims and Causes of Action.

As set forth elsewhere in this Disclosure Statement and in the Plan, a Litigation Trust will be created and will hold all Insider Causes of Action, including those that could be brought based on the evidence developed in the Litigation Committee's Investigation. The Litigation Committee and the Debtors believe that the Litigation Trust is the preferred mechanism for pursuing and resolving any Insider Causes of Action that may have arisen out of the Board Investigation. Once the Litigation Trust is created, the Litigation Committee will turn over to it the results of the Litigation Committee's Investigation. It cannot be predicted which claims, if any, the Litigation Trust will determine are viable or choose to pursue, nor can the outcome of any such litigation be predicted.

III. THE CHAPTER 11 CASES

The following is a general summary of the Chapter 11 Cases, including the events leading up to the chapter 11 filings, the stabilization of the Debtors' operations following the chapter 11 filings, certain administrative matters addressed during the Chapter 11 Cases, and the Debtors' restructuring initiatives since the chapter 11 filings.

A. EVENTS LEADING TO THE CHAPTER 11 CASES AND RELATED POSTPETITION EVENTS

1. Challenging Market Conditions

As discussed in Section II.D, the Debtors assumed and incurred approximately $3.1 billion of debt as part of the Aztar Acquisition. Almost immediately after the Aztar Acquisition closed, the Debtors were challenged with a downturn in the economy that impacted the Debtors' operations in three principal respects. First, as consumers experienced the downturn in the economy, they cut back on their traveling and gambling, which caused a material and unprecedented drop in the Debtors' revenue (as well as those of many of the Debtors' competitors in the gaming industry). Second, the value of real estate—the Debtors' primary assets—eroded across the country, sharply reducing the market value of the Debtors' total assets. Third, the nation's credit markets drastically tightened, severely limiting the Debtors' access to additional capital—especially given that the Debtors' collateral package is largely based on real estate—as well as severely limiting the Debtors' lenders' willingness to refinance the Debtors' existing indebtedness. This affected all aspects of the Debtors' casino financings, including those of the OpCo Debtors.

2. Loss of Control of Tropicana AC

One of the OpCo Debtors' most important assets acquired in the Aztar Acquisition was the Tropicana AC. Prior to the acquisition, the Debtors were granted temporary authority to operate the Tropicana AC, through the New Jersey Entities, and were required by New Jersey law to place the stock of Adamar in an interim casino authorization trust (the "ICA Trust"). In addition, the Debtors, their officers, and Yung were required to undergo a lengthy licensing process to own and operate the Tropicana AC on a permanent basis.

On December 12, 2007, the NJCCC denied Tropicana's application for plenary authorization as a casino holding company and declined to renew the existing license of Adamar (the "New Jersey License Denial"). Instead of granting Tropicana's application for plenary authorization and renewing Adamar's license, the NJCCC rendered operative the ICA Trust. Upon the ICA Trust becoming operative, Justice Stein was appointed trustee and was obligated to exercise all rights of ownership of the Adamar stock, to manage the operations of the Tropicana AC, and to arrange the transfer of the property.[10] Consequently, the capital stock of Adamar is controlled by the ICA Trust and the Tropicana AC is managed by Justice Stein.

The NJCCC's refusal to renew Adamar's license meant that the NJCCC was authorized to appoint a conservator for Adamar. The duties of the conservator essentially are the same as those of the trustee of the ICA Trust. Accordingly, on December 12, 2007, the NJCCC instituted a conservatorship and one week later, on December 19, 2007, the NJCCC issued an order appointing Justice Stein to serve as conservator of Adamar as well as trustee of the ICA Trust. For more information regarding the New Jersey License Denial, see the NJCCC's Opinion and Order in the Matter of Amended Petitions of Adamar of New Jersey, Inc. for Renewal of Its Casino and Casino Hotel Alcoholic Beverage Licenses, and Other Matters, Order No. 07-12-12-27, dated December 12, 2007.

3. Loss of Control of the Casino Aztar Evansville

Following the New Jersey License Denial, the Indiana Gaming Commission staff asserted that the Debtors' failure to renew their New Jersey license imperiled the Debtors' license to operate the Casino Aztar Evansville, another asset of the OpCo Debtors. Without conceding the point, the Debtors agreed to sell the Casino Aztar Evansville and further consented to enter into the Durable Power of Attorney for the Designation and Appointment of Attorney in Fact for the Purposes of Conducting Riverboat Gambling Operations and Related Activities entered into by Aztar Indiana Gaming Company, LLC on March 29, 2008 (the "Evansville Power of Attorney"), under which Mr. Robert Dingman (since succeeded by Trinity Hill Group, LLC, the entity that employs Mr. Dingman) was appointed as attorney in fact (the "Evansville Attorney in Fact").

[10] A number of parties have disputed whether a sale of the Tropicana AC is *per se* required under New Jersey law. The Creditors Committee opposes any further sale efforts of the Tropicana AC because it believes such efforts are unlikely to yield successful bids.

4. Defaults Under Prepetition Financing

As discussed above, at the time of the New Jersey License Denial, the Debtors already were under significant financial pressure given the depressed state of the gaming industry. That pressure was only exacerbated by the Debtors' loss of control over, and revenue from, the Tropicana AC, and the imposition of the expedited process to sell the Casino Aztar Evansville. The Debtors were then beset further by the actions of certain of their creditors, who asserted various defaults under the Debtors' prepetition indebtedness. This led to costly and distracting litigation, several forbearance agreements, and ultimately became the triggering event forcing the commencement of the Chapter 11 Cases.

a. Default Under the OpCo Credit Facility

The New Jersey License Denial constituted an immediate default under the OpCo Credit Facility that could have led to the acceleration of the debt under the OpCo Credit Facility (which, in turn, would have caused a cross-default under the LandCo Credit Facility and the Subordinated Notes Indenture). To avoid this, Tropicana, Tropicana Entertainment Intermediary Holdings, LLC, the OpCo Lenders, and the OpCo Guarantors entered into a forbearance agreement, effective December 12, 2007, pursuant to which certain of the OpCo Lenders agreed to, among other things, forbear, for up to one year, from declaring a default under the OpCo Credit Facility, arising out of, among other things, the New Jersey License Denial and certain other specified events (the "OpCo Forbearance Agreement").

In exchange for the OpCo Forbearance Agreement, the Debtors had to make monthly—rather than quarterly—interest payments under the OpCo Credit Facility. Moreover, certain terms of the OpCo Credit Facility were restricted, including the permanent reduction of both the OpCo Revolving Facility commitments from $180 million to $90 million and the swingline sub-facility commitments from $60 million to $10 million, further limiting the Debtors' access to capital. Finally, the Debtors had to comply with additional restrictions and reporting requirements contained in the OpCo Forbearance Agreement.

On April 30, 2008, the Debtors were scheduled to make an interest payment to the OpCo Lenders of approximately $9.2 million. Given their limited cash availability, the Debtors did not make that interest payment. On May 1, 2008, the administrative agent under the OpCo Credit Facility delivered a notice to the Debtors alleging that they were in default under the OpCo Forbearance Agreement on account of the failure to make the April 30, 2008 interest payment.

b. Default Under the LandCo Credit Facility

On April 21, 2008, the administrative agent under the LandCo Credit Facility delivered a notice to the Debtors alleging that there were outstanding defaults under the LandCo Credit Facility, including that the Debtors failed to deliver various information to the LandCo Lenders, including audited annual financial statements accompanied by an unqualified opinion of an independent public accountant, consolidated projections for fiscal year 2008, and certain other reports allegedly due under the LandCo Credit Facility. According to the notice, certain of the purported defaults constituted immediate events of default under the LandCo Credit Facility.

On May 2, 2008, the administrative agent under the LandCo Credit Facility delivered another notice to the Debtors alleging that there was an additional cross-default under the LandCo Credit Facility as a result of the Debtors' failure to make an interest payment due under the OpCo Credit Facility and for the failure to notify the LandCo Lenders of such event of default.

c. Default Under the Subordinated Notes Indenture and Subordinated Notes Forbearance Agreement

On January 28, 2008, Wilmington Trust Company, which serves as trustee to the Subordinated Notes Indenture (Wilmington Trust Company, or any successor in interest, the "Subordinated Notes Indenture Trustee"), issued a declaration of acceleration and notice of default, asserting that the New Jersey License Denial constituted an

event of default under the Subordinated Notes Indenture. On that same date, the Subordinated Notes Indenture Trustee filed an eleven-count complaint commencing an action in the Delaware Chancery Court against certain of the Debtors and certain of their former officers. In the complaint, the Subordinated Notes Indenture Trustee sought, among other things, judgment for the entire outstanding balance of the Subordinated Notes, a declaration that various other planned asset dispositions constituted events of default under the Subordinated Notes Indenture, the appointment of receivers, and a judgment (via a derivative action) against certain of the Debtors' former officers for their alleged breaches of their fiduciary duties in connection with the New Jersey License Denial.

The parties cross-moved for summary judgment with respect to the counts alleging that the New Jersey License Denial and subsequent transfer of assets to Justice Stein constituted events of default under the Subordinated Notes Indenture. On February 29, 2008, the Delaware Chancery Court ruled in favor of the Debtors on all issues except one—holding that the transfer of the assets of the Tropicana AC to Justice Stein was a breach of the Subordinated Notes Indenture, subject to a 60-day cure period.

While the litigation was proceeding in the Delaware Chancery Court, the Subordinated Notes Indenture Trustee issued a second declaration of acceleration and notice of default on February 20, 2008, in an attempt to remedy problems with its initial notice on January 28, 2008. With the Subordinated Notes Indenture Trustee alleging that the Debtors were in default under the Subordinated Notes and defaults having occurred under the OpCo Credit Facility and the OpCo Forbearance Agreement, the OpCo Lenders refused to honor the Debtors' draw requests under the OpCo Revolving Facility, further aggravating the Debtors' liquidity.

Shortly thereafter, on April 11, 2008, the Debtors, the Subordinated Notes Indenture Trustee, and certain Holders of the Subordinated Notes entered into the Subordinated Notes Forbearance Agreement, pursuant to which the Subordinated Notes Indenture Trustee agreed to a waiver of existing defaults and to forbear from all rights and remedies available under the Subordinated Notes Indenture, subject to conditions specified therein. The outside termination date for the Subordinated Notes Forbearance Agreement was April 30, 2008, but could be extended provided certain conditions were met or certain fees were paid. On April 30, 2008, counsel to the Subordinated Notes Indenture Trustee and certain Holders of Subordinated Notes agreed to further extend the forbearance period through May 5, 2008. Given the expiration of this forbearance period, the Debtors had no choice but to commence the Chapter 11 Cases to preserve their assets and the value of their estates.

B. INITIATION OF THE CHAPTER 11 CASES

On the Petition Date, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1008 of the Bankruptcy Code. On May 6, 2008, the Court entered an order jointly administering the Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b). No trustee or examiner has been appointed in the Chapter 11 Cases.

C. STABILIZATION OF OPERATIONS

Immediately following the Petition Date, the Debtors devoted substantial efforts to stabilizing their operations and preserving and restoring their relationships with vendors, customers, employees, landlords, and utility providers that had been impacted by the commencement of the Chapter 11 Cases. As a result of these initial efforts, the Debtors minimized the negative impacts resulting from the commencement of the Chapter 11 Cases.

On the Petition Date, in addition to the voluntary petitions for relief filed by the Debtors under chapter 11 of the Bankruptcy Code, the Debtors also filed a number of motions with the Bankruptcy Court (the "First Day Motions"). Within a few days, the Bankruptcy Court entered several orders in connection with the First Day Motions (the "First Day Orders") that, among other things: (1) prevented interruptions to the Debtors' businesses; (2) eased the strain on the Debtors' relationships with certain essential constituents; (3) provided access to much needed working capital; and (4) allowed the Debtors to retain certain advisors necessary to assist the Debtors with the administration of the Chapter 11 Cases.

1. **Procedural Motions**

To facilitate a smooth and efficient administration of the Chapter 11 Cases and to reduce the administrative burden associated therewith, the Bankruptcy Court entered procedural orders: (a) authorizing the joint administration of the Debtors' Chapter 11 Cases [Docket No. 109]; (b) granting the Debtors an extension of time to file their Schedules [Docket No. 198]; and (c) extending the deadline to remove actions to the Bankruptcy Court pursuant to 28 U.S.C. § 1452 to December 3, 2008 and subsequently extending the deadline to April 2, 2009 [Docket Nos. 586 and 1136, respectively]. On July 7, 2008, the Debtors filed their Schedules with the Bankruptcy Court.

2. **Employment and Compensation of Professionals**

To assist the Debtors in carrying out their duties as debtors in possession and to otherwise represent the Debtors' interests in the Chapter 11 Cases, the Bankruptcy Court entered First Day Orders authorizing the Debtors to retain and employ: (a) Kurtzman Carson Consultants LLC, as Claims and Solicitation Agent [Docket No. 52]; (b) Lazard Frères & Co. LLC, as investment banker and financial advisor [Docket No. 222] ("Lazard"); (c) AlixPartners, LLP as restructuring advisors [Docket No. 221]; (d) Kirkland & Ellis LLP, as counsel [Docket No. 223]; (e) Richards, Layton & Finger, P.A., as co-counsel [Docket No. 197]; (f) Ernst & Young LLP, as Independent Auditor and Accounting Advisor [Docket No. 265]; and (g) certain professionals utilized in the ordinary course of the Debtors' businesses [Docket No. 218]. On June 5, 2008 the Bankruptcy Court entered an order approving certain procedures for the interim compensation and reimbursement of Professionals in the Chapter 11 Cases [Docket No. 269].

3. **Customer Programs**

Prior to the Petition Date, the Debtors engaged in customer programs to develop customer loyalty, encourage repeat business, and ensure customer satisfaction. The Debtors believe that these customer programs assisted, and continue to assist, them in retaining current customers, attracting new customers, and, ultimately, increasing revenue. The continuation of these customer programs and retention of core customers is a critical element of the Debtors' successful reorganization. Accordingly, the Bankruptcy Court entered a First Day Order authorizing the Debtors to continue their customer programs and honor the prepetition commitments owed with respect thereto [Docket No. 50].

4. **Evansville Power of Attorney**

As set forth above in Section III.A.3, prior to the Petition Date, to alleviate concerns of the Indiana Gaming Commission, certain of the OpCo Debtors entered into the Evansville Power of Attorney for designation and appointment of the Evansville Attorney in Fact for the purpose of conducting gaming operations at the Casino Aztar Evansville. The Debtors sought a First Day Order, which the Bankruptcy Court granted, authorizing the Debtors to honor certain obligations arising under the Evansville Power of Attorney as well interim relief from certain requirements under the Bankruptcy Code regarding the return of property held by a custodian [Docket No. 51].

5. **Fees and Taxes**

The Debtors believed that, in some cases, certain authorities had the ability to exercise rights that would be detrimental to the Debtors' restructuring if the Debtors failed to meet the obligations imposed upon them to remit certain taxes and fees. Therefore, the Debtors felt that it was in their best interests to eliminate the possibility of any unnecessary distractions. Accordingly, the Debtors sought, and the Bankruptcy Court entered, a First Day Order authorizing the Debtors to pay fees and taxes, including sales and use, franchise, real property and annual report taxes, as necessary or appropriate, to avoid harm to the Debtors' business operations [Docket No. 53].

6. **Employee Compensation**

The Debtors rely on their employees for their day to day business operations. The Debtors believed that without the ability to honor prepetition wages, salaries, benefits, commission, and the like, their employees might have sought alternative employment opportunities, perhaps with the Debtors' competitors, thereby depleting the Debtors'

workforce, hindering the Debtors' ability to meet their customer obligations, and likely diminishing stakeholder confidence in the Debtors' ability to reorganize successfully. The loss of valuable employees would have been distracting at a critical time when the Debtors were focused on stabilizing their operations. Accordingly, the Bankruptcy Court entered a First Day Order authorizing the Debtors to pay, among other amounts, prepetition Claims and obligations for (a) wages, salaries, bonuses, commissions, and other compensation, (b) deductions and payroll taxes, (c) reimbursable employee expenses, and (d) employee medical and similar benefits [Docket No. 54].

7. **Utilities**

Section 366 of the Bankruptcy Code protects debtors from utility service cutoffs upon a bankruptcy filing while providing utility companies with adequate assurance that the debtors will pay for postpetition services. The Debtors felt that the financing provided by the DIP Facility, along with a two week deposit and the Debtors' clear incentive to maintain their utility services, provided the adequate assurance required by the Bankruptcy Code. Consequently, the Bankruptcy Court entered an interim First Day Order and, ultimately, a Final Order approving procedures for, among other things, determining adequate assurance for utility providers and prohibiting utility providers from altering, refusing, or discontinuing services without further Bankruptcy Court order [Docket Nos. 55 and 217, respectively].

8. **Critical Trade Vendors, PACA Claims, and Lien Holders**

The Debtors purchase goods and services from approximately 1,200 outside vendors, some of whom provide the Debtors with goods or services that cannot be obtained elsewhere or cannot be obtained elsewhere except at exorbitant cost. These vendors include vendors that supply consumable goods to the Debtors (that do not fall under the Perishable Agricultural Commodities Act of 1930, as amended 7 U.S.C. § 499a *et seq*. ("PACA"), discussed below), vendors that supply certain hospitality-related goods and in-room amenities, and vendors that provide gaming equipment at the Debtors' properties. To prevent disruption in service from such critical vendors, on the Petition Date, the Debtors sought, and the Bankruptcy Court granted, authority to pay in the ordinary course of business the prepetition Claims of certain critical vendors from available funds up to the aggregate amount of $1.0 million on in interim basis and up to $2.4 million on a final basis.

In addition, the Debtors identified certain vendors that provided "perishable agricultural commodities" as defined under PACA. PACA affords certain unpaid vendors of perishable agricultural commodities the authority to impose a trust on certain of the Debtors' assets to enforce prompt payment of Claims Filed pursuant to PACA ("PACA Claims") ahead of Claims asserted by secured and unsecured creditors of the Debtors' estates. To facilitate the payment of the PACA Claims, the Debtors sought approval of certain procedures in connection therewith.

Finally, to address potential lien issues the Debtors identified certain vendors who were entitled under applicable state or other laws to exercise certain rights, such as of collection or "self help," against the Debtors' assets notwithstanding the automatic stay under section 362 of the Bankruptcy Code. The Debtors sought authority from the Bankruptcy Court to pay up to $5 million of lien Claims pursuant to lien procedures outlined in the motion. The Bankruptcy Court entered an interim First Day Order and, ultimately, a Final Order approving the procedures for payment of Claims asserted by critical trade vendors, PACA claimants, and lienholders [Docket Nos. 56 and 224, respectively]. To date, approximately $1.8 million has been disbursed pursuant to the terms of this Final Order.

9. **Cash Management Systems**

As part of a smooth transition into these Chapter 11 Cases, and in an effort to avoid administrative inefficiencies, maintaining the Debtors' cash management system with a multitude of banks and various depository functions was of critical importance. Thus, the Debtors sought and the Bankruptcy Court entered a First Day Order authorizing the Debtors to continue using the existing cash management system, bank accounts, and business forms. Further, the Court deemed the Debtors' bank accounts debtor in possession accounts and authorized the Debtors to maintain and continue using these accounts in the same manner and with the same account numbers, styles, and document forms as those employed before the Petition Date [Docket No. 58].

10. **Debtor in Possession Financing and Use of OpCo Lenders' Cash Collateral**

As of the Petition Date, the Debtors were faced with an inability to access adequate financing to fund operations and generate revenue to support their businesses. Due to various prepetition obligations, defaults, and excessive financial pressures, the Debtors had little choice but to file the Chapter 11 Cases. Access to financing was key to the long-term success of the Debtors' businesses and their overall ability to maximize value for all parties in interest. Indeed, because of the Debtors' financial distress, the Debtors required immediate access to funding.

Beginning in February 2008, Lazard began to explore strategic opportunities relating to the Debtors' capital structure. Following extensive arm's-length negotiations with Silver Point Finance ("Silver Point"), the Debtors were able to secure financing pursuant to the terms of the DIP Facility (subject to Bankruptcy Court approval).

On May 7, 2008, the Bankruptcy Court entered an interim order authorizing the Debtors to borrow up to $20 million under the DIP Facility on a superpriority administrative claim basis and secured by a first priority priming lien on the assets of the OpCo Debtors and second priority lien on the assets of the LandCo Debtors [Docket No. 72]. The DIP Facility bore interest at the Adjusted LIBO Rate (with a floor of 3.5%) plus 6.75% per annum for Eurodollar loans or the Alternate Base Rate (with a floor of 5.5%) plus 5.75% per annum for ABR loans. The Debtors also agreed to pay certain fees in connection with the DIP Facility, including a structuring fee of 2.0%, an unused line fee of 1.25% per annum, and a monthly administrative agent's fee of $13,958.33. The DIP Facility had an original maturity date of May 5, 2009. In addition to approving the interim financing, the Bankruptcy Court authorized the Debtors to use cash collateral pursuant to the terms and conditions set forth in the interim order and granted adequate protection to the OpCo Lenders for such use of cash collateral, including, without limitation: (a) adequate protection liens; (b) current cash payment of default interest and reasonable documented fees and expenses under the OpCo Credit Facility; and (c) a 0.25% adequate protection fee.

Following the entry of the interim order, the Creditors Committee and a group of Holders of Subordinated Notes (the "Ad Hoc Consortium") filed objections to the final approval of the DIP Facility. After extensive, arm's-length negotiations among the Debtors, the Ad Hoc Consortium, the Creditors Committee, and certain lenders under the DIP Facility, including Silver Point, the DIP Facility was modified to reduce the amount of the commitment fee to 0.75%, to reduce the interest rate by 0.5% per annum, and to extend the maturity by four months through September 5, 2009, and the adequate protection package was modified to include payment of interest at only the non–default rate and to eliminate the 0.25% adequate protection fee. Moreover, the parties reserved their rights to argue that the adequate protection payments were insufficient or that any payments made could be disgorged or recharacterized as payments on principal. On May 30, 2008, the Bankruptcy Court entered a Final Order (the "Final DIP Order") approving, among other things: (a) the DIP Facility, as amended, and the Debtors' access to the full $67 million thereunder; and (b) the revised cash collateral provisions and related adequate protection package for the OpCo Lenders [Docket No. 219].

The Final DIP Order granted the Creditors Committee and other parties in interest a 90–day period (the "OpCo Investigation Period") within which to investigate and challenge the extent, validity, priority, perfection, and enforceability of, or otherwise assert certain claims and defenses against the OpCo Agent or any of the OpCo Lenders or their respective affiliates, representatives, attorneys, or advisors in connection with matters related to certain of the OpCo Debtors' prepetition obligations or the OpCo Agent's or the OpCo Lenders' liens on prepetition collateral.

Pursuant to several stipulations entered into by the Debtors, the Creditors Committee, and the OpCo Agent, each of which was so-ordered by the Court, the OpCo Investigation Period was extended, solely with respect to the Creditors Committee, through and including the earlier of (a) the last date that a chapter 11 plan for each OpCo Debtors has become effective and (b) 30 days after the date a case of any OpCo Debtor is converted to a case under chapter 7 of the Bankruptcy Code with respect to any OpCo Debtor whose case is not so converted, with respect to the following (collectively, the "OpCo Reserved Challenges"): (i) an action under sections 544(a), 550, and 551 of the Bankruptcy Code to seek to avoid the OpCo Agent's purported lien on and security interest in any and all personal property otherwise perfected through the filing of a UCC-1 financing statement (and any necessary amendments thereto) under Article 9 of the Uniform Commercial Code of Tropicana Express, Inc. (formerly known as Ramada

Express, Inc.) acquired after November 17, 2007; and (ii) an action under sections 544(a), 550, and 551 of the Bankruptcy Code to seek to avoid the OpCo Agent's purported lien on the accounts that are listed on Schedule 1 attached thereto, to the extent such accounts are allegedly either not subject to account control agreements or in the possession or other control of the OpCo Agent or any OpCo Lender. The Creditors Committee is continuing to investigate the OpCo Reserved Challenges and reserves all rights in connection therewith.

The Debtors, following a comprehensive evaluation of all of their operations, finances, and properties, thereafter determined that the budget and projections, upon which the first amended DIP Facility was based, did not predict with sufficient accuracy the Debtors' financial needs on a going-forward basis, due to underlying inaccuracies in the data itself, as well as the challenging revenue environment faced by all casino operators and the impact of the chapter 11 filings on the Debtors' operations. The Debtors also determined that they would fail (and did in fact fail) to reach certain EBITDA requirements imposed under the DIP Facility. Accordingly, on or about August 20, 2008, the Debtors initiated a dialogue with the DIP Lenders, seeking a waiver of defaults and amendment to the DIP Facility. Following discussions with the DIP Lenders and creditor constituents of the Debtors, certain existing defaults were waived, and the DIP Facility was further amended to, among other things, provide $13 million of additional available borrowing thereunder [Docket No. 1015]. **In addition, on March 3, 2009, the Debtors filed a motion to further amend the DIP Credit Facility and pay certain amendment fees in connection therewith [Docket No. 1569], which the Court approved by an order entered on March 17, 2009 [Docket No. 1695].**

~~Subsequently, the~~**The** Debtors **also** determined that the OpCo Credit Facility collateral did not fully-secure the OpCo Credit Facility Claim and that, therefore, the OpCo Lenders were not entitled to payments of interest as part of their Adequate Protection Payments (as defined in the Final DIP Order) for use of their Cash Collateral (also as defined in the Final DIP Order). Accordingly, on January 28, 2009, the Debtors filed their Motion for Entry of an Order Modifying the OpCo Lenders' Adequate Protection, *Nunc Pro Tunc* to February 1, 2009 [Docket No. 1408] (the "OpCo Adequate Protection Motion"), seeking to modify the Final DIP Order to discontinue the interest component of the Adequate Protection Payments from and after February 1, 2009. On January 30, 2009, the steering committee of OpCo Lenders filed the Response of the Steering Committee of Senior Secured Lenders to the Debtors' Motion for Entry of an Order Modifying the OpCo Lenders' Adequate Protection, *Nunc Pro Tunc* to February 1, 2009 and Cross Motion for Further Modifications [Docket No. 1414] (the "OpCo Lenders' Cross Motion"), consenting to the OpCo Adequate Protection Motion and requesting that the Bankruptcy Court, among other things, increase the 20 percent interim Professional fee compensation holdback to 30 percent and impose a $10 million cap on reimbursement of Professional fees and expenses incurred by the Professionals for the OpCo Debtors, the LandCo Debtors, and the Creditors Committee from and after February 1, 2009. On February 10, 2009, the Creditors Committee filed the Response of the Official Committee of Unsecured Creditors to the Debtors' Motion for Entry of an Order Modifying the OpCo Lenders' Adequate Protection, Nunc Pro Tunc to February 1, 2009 and Objection to the OpCo Lenders' Cross Motion for Further Modifications [Docket No. 1459]. The ~~Debtors intend to file a reply in support of~~**Court approved** the OpCo Adequate Protection Motion ~~and in opposition to the OpCo Lenders' Cross Motion. The OpCo Adequate Protection Motion and the OpCo Lenders' Cross Motion *is scheduled to be heard* at the hearing to approve this Disclosure Statement~~**on March 17, 2009 [Docket No. 1695]**.

11. **Use of LandCo Lenders' Cash Collateral**

On the Petition Date, the Debtors also sought authority to use cash collateral of the LandCo Lenders to permit, among other things, the orderly continuation of the operation of the LandCo Debtors' businesses, to maintain business relationships with vendors, suppliers, and customers, to make payroll, to make capital expenditures, and to satisfy other working capital and operational needs.

On May 6, 2008, the Bankruptcy Court entered an interim order authorizing the LandCo Debtors to use cash collateral of the LandCo Credit Facility and granting adequate protection against diminution in value to the LandCo Lenders for such use of cash collateral [Docket No. 57]. The Creditors Committee and the Ad Hoc Committee subsequently filed objections to final approval of the terms of the LandCo cash collateral motion. Following extensive negotiations, the LandCo Debtors and the objectors reached agreement as to the adequate protection that the LandCo Debtors would provide to the LandCo Lenders, including: (a) adequate protection liens; (b) a section 507(b)

superpriority claim against the LandCo Debtors; (c) interest, fees, and expenses in the amount of all accrued and unpaid interest on the prepetition obligations, and all other accrued and unpaid fees and disbursements; and (d) certain reporting requirements. The Bankruptcy Court entered a Final Order granting such relief on May 30, 2008 [Docket No. 220] (the "LandCo Cash Collateral Order").

The LandCo Cash Collateral Order granted the Creditors Committee and other parties in interest a 90–day period (the "LandCo Investigation Period") within which to investigate and challenge the extent, validity, priority, perfection, and enforceability of, or otherwise assert certain claims and defenses against Credit Suisse (the "LandCo Prepetition Agent"), in its capacity as prepetition agent for the LandCo Lenders, or any of the LandCo Lenders or their respective affiliates, representatives, attorneys, or advisors in connection with matters related to certain of the LandCo Debtors' prepetition obligations or the LandCo Prepetition Agent's or the LandCo Lenders' liens on prepetition collateral.

On August 15, 2008, the Creditors Committee filed an Emergency Motion for an Order Extending the Deadline to Investigate and Challenge the Liens and Claims of the Prepetition LandCo Lenders [Docket No. 773] following the LandCo Prepetition Agent's refusal to consensually extend the LandCo Investigation Period for the Creditors Committee. On August 22, 2008, the Court overruled the LandCo Prepetition Agent objection and extended the LandCo Investigation Period, solely with respect to the Creditors Committee, through and including September 30, 2008.

Thereafter, the Creditors Committee, the Debtors and the LandCo Prepetition Agent entered into a stipulation, which was so-ordered by the Court on October 1, 2008, extending the LandCo Investigation Period until the earlier of (a) December 31, 2009 and (b) the date a chapter 11 plan for any of the LandCo Debtors becomes effective, with respect to the following (collectively, the "LandCo Reserved Challenges"): certain claims and defenses relating to the LandCo Prepetition Agent's purported liens and security interests in (x) property of the LandCo Debtors as to which a security interest in favor of the LandCo Prepetition Agent and the LandCo Lenders might have otherwise been perfected prior to the Petition Date through the filing of UCC-1 financing statements under Article 9 of the Uniform Commercial Code, and (y) funds existing at the Petition Date in certain specified accounts. The Creditors Committee is continuing to investigate the LandCo Reserved Challenges and reserves all rights in connection therewith.

The Debtors determined that the LandCo Credit Facility collateral did not fully-secure the LandCo Credit Facility Claim and that, therefore, the LandCo Lenders were not entitled to payments of interest as part of their adequate protection for use of their cash collateral. Accordingly, on March 3, 2009, the Debtors filed their Motion for Entry of an Order Modifying the LandCo Lenders' Adequate Protection, Nunc Pro Tunc to March 15, 2009 [Docket No. 1566], seeking to modify the LandCo Cash Collateral Order to discontinue the interest component of the adequate protection payments from and after March 15, ~~2009.~~**2009, which the Court entered on March 17, 2009 [Docket No. 1696].**

D. UNSECURED CREDITORS

1. Appointment of the Creditors Committee

On May 14, 2008, the United States Trustee appointed the Creditors Committee pursuant to section 1102 of the Bankruptcy Code. The members of the Creditors Committee include the following: (a) International Union, UAW; (b) Fixture Dimensions Inc.; (c) International Gaming Technology; (d) Park Cattle Co.; (e) Wilmington Trust Company; (f) U.S. Foodservice, Inc.; and (g) Mutual Shares Fund c/o Franklin Mutual Advisors.

The Creditors Committee retained Stroock & Stroock & Lavan LLP as counsel to the Creditors Committee and Morris, Nichols, Arsht & Tunnell LLP as co-counsel to the Creditors Committee. On November 13, 2008, the Bankruptcy Court entered Final Orders approving the retention of Stroock & Stroock & Lavan LLP and Morris, Nichols, Arsht & Tunnell LLP [Docket Nos. 602 and 600, respectively]. The Creditors Committee also retained Capstone Advisory Group, LLC, as its financial advisors, primarily to advise and consult with respect to the Plan and

any proposed alternative plan or the prospects therefor [Docket No. 742]. Subsequently, the Creditors Committee retained various gaming counsel in multiple jurisdictions.

Since its formation, the Creditors Committee and its advisors have played an active and important role in the Chapter 11 Cases.

2. Meeting of Creditors

The meeting of creditors pursuant to section 341 of the Bankruptcy Code was held on June 13, 2008 at the J. Caleb Boggs Federal Building, 844 King Street, 2nd Floor, Room 2112, Wilmington, Delaware 19801. In accordance with Bankruptcy Rule 9001(5) (which requires, at a minimum, that one representative of the Debtors appear at such meeting of creditors for the purpose of being examined under oath by a representative of the United States Trustee and by any attending parties in interest), Scott Butera, as well as John Castellano, of AlixPartners, LLP, and counsel to the Debtors, attended the meeting and answered questions posed by the United States Trustee and other parties in interest present.

E. SIGNIFICANT EVENTS DURING THE CHAPTER 11 CASES

1. Motion to Appoint a Chapter 11 Trustee and to Conduct Examinations Pursuant to Rule 2004 of the Bankruptcy Code

On May 6, 2008, the Ad Hoc Consortium filed a motion seeking the appointment of a trustee [Docket No. 37] (the "Trustee Motion"). On May 23, 2008, the Court set the Trustee Motion for trial on July 1-3, 2008 [Docket No. 176].

On June 6, 2008, the Creditors Committee filed a motion in which the Creditors Committee joined the Trustee Motion on a limited basis and separately sought authority to conduct examinations of the Debtors, Yung, and Columbia Sussex Corporation under Bankruptcy Rule 2004 [Docket Nos. 289 and 290, respectively] (the "Rule 2004 Motion"). Subsequently, on June 25, 2008, the Creditors Committee filed a supplemental response fully joining in the Trustee Motion [Docket No. 424].

The Creditors Committee states that the purpose of the Rule 2004 Motion was to enable the Creditors Committee to evaluate whether potential causes of action existed against Yung or the entities under his control and any individuals related thereto and the potential value of the same. Citing the New Jersey License Denial by the NJCCC, the Creditors Committee noted that the NJCCC was clearly troubled by a casino services agreement with Tropicana Casinos and Resorts, Inc. ("TCR") and a service agreement with Columbia Sussex Corporation, which, the NJCCC said, were among a litany of agreements whereby TCR and Columbia Sussex Corporation were to provide Debtors with "management" services. Thus, the Creditors Committee asserted that an investigation was required to determine the relationships between Yung, the Debtors, and Columbia Sussex Corporation and whether these contracts are legitimate arrangements or sham, redundant transactions that dissipated the Debtors' funds for the benefit of Yung, TCR, and Columbia Sussex Corporation.

Yung, TCR, and Columbia Sussex Corporation have repeatedly asserted that these contracts are legitimate arrangements and have provided documentation and information to the Debtors and the Creditors Committee in support thereof.

Between May 6, 2008 and July 1, 2008, while the parties prepared for trial on the Trustee Motion, the Debtors engaged in good faith negotiations with the Ad Hoc Committee and the Creditors Committee to consensually resolve the Trustee Motion and the Rule 2004 Motion. On July 2, 2008, the second day of the trial on the Trustee Motion, the Debtors reached an accord with the Ad Hoc Committee and the Creditors Committee resolving both motions, which the Court approved [Docket No. 485]. Pursuant to the terms of the agreement, generally: (a) Yung agreed to resign from each of the Debtors' boards; (b) Yung agreed to grant a limited irrevocable proxy to the Tropicana Entertainment Holdings Board of Managers with respect to his rights as an equity holder of non-Debtor Tropicana Casinos and Resorts, Inc. to remove, replace, or fill any vacancy of the Board of Managers; and (c) the

Debtors agreed to commence discussions with the NJCCC and the Indiana Gaming Commission in connection with the possible reconveyance of the assets of Tropicana AC and the Casino Aztar Evansville, respectively.

2. **Disposition of the Tropicana AC**

a. The Debtors' Appeal of the New Jersey License Denial

As discussed above in Section III.A.2, as a result of the NJCCC issuing the New Jersey License Denial, the Debtors effectively lost control of the Tropicana AC. The Debtors appealed the decision to first the New Jersey Appellate Division and then to the New Jersey Supreme Court, but the decision was affirmed at both levels.

On a separate track, on October 23, 2008, the Debtors filed the Petition for Statements of Compliance filed with the NJCCC (the "Compliance Petition") asserting, among other things, that (a) the Debtors have been "utterly and completely reformed" since the entry of the order denying them the license and (b) the persons responsible for the acts and omissions cited by the NJCCC in support of its order have been removed entirely from the Debtors and Yung no longer has the ability to influence or control the "reformed" Debtors. The Compliance Petition seeks a series of rulings and findings that, if issued, would enable the Debtors to once again apply for a license to operate the Tropicana AC. For example, the Compliance Petition requests that the NJCCC find that Yung, "having been unequivocally and irreversibly removed from any position of control or influence over the [Debtors], is a person whose qualification can, with the concurrence of the Director of the [New Jersey] Division of Gaming Enforcement, be waived pursuant to *N.J.S.A.* 5:12-85d(1)."

On November 25, 2008, the Supreme Court of New Jersey issued an opinion affirming the New Jersey License Denial. Later on that same day, the Debtors filed a petition requesting that the NJCCC stay any sale of the Tropicana AC pending resolution of the Compliance Petition. The NJCCC has indicated that it will not render a decision on the stay petition unless it becomes necessary (i.e., unless Justice Stein approaches the NJCCC seeking approval of a fully negotiated agreement to sell the Tropicana AC).

The NJCCC subsequently directed the Debtors to file a follow-up petition clarifying Yung's current and expected future role with the Debtors. On December 3, 2008, the Debtors filed a Petition for a Declaratory Ruling with the NJCCC seeking a ruling that the actions taken by the Debtors with respect to Yung are adequate to enable the Debtors to obtain all of the "Statements of Compliance" sought in the Compliance Petition, as well as a waiver of the qualification requirements that otherwise apply to Yung, so that the Debtors can be found qualified as holding or intermediary companies of the casino licensee, Adamar (the "Declaratory Ruling Petition").

On December 11, 2008, the Debtors filed the Memorandum of Law in Support of the Compliance Petition and the Declaratory Ruling Petition, describing in detail the numerous measures taken by the Debtors to reform their management and corporate governance. The Memorandum of Law also offered additional support for why the NJCCC should not pause in granting the relief sought in the Compliance and Declaratory Ruling petitions, including, among other things, the fact that Yung will never realize any value from his equity interest in the Reorganized OpCo Debtors due to the financial condition of the Debtors and the priority scheme existing amongst their creditors. As of the date of the filing of this Disclosure Statement, the New Jersey Division of Gaming Enforcement is conducting an investigation. When the investigation is complete, the Division of Gaming Enforcement is expected to report its findings and make recommendations to the NJCCC concerning the issues raised by the several petitions.

b. The Debtors' Efforts at Relicensure in New Jersey

The Debtors have taken substantial measures aimed at facilitating the transition of the Tropicana AC to Reorganized OpCo Corporation. The Debtors now are under the direction of a highly-qualified, experienced senior management team and a board consisting of three independent members and the chief executive officer. The current senior management team and board replaced the executives and board that was associated with the Tropicana AC when Justice Stein was appointed. The new senior management team and directors, together with certain interested constituencies in the Chapter 11 Cases, have developed a viable business plan that contemplates significant capital

improvement expenditures on each of Reorganized OpCo Corporation's properties, including the Tropicana AC in the event that the New Jersey Entities are restructured together with the OpCo Debtors.

c. Justice Stein's Marketing Efforts of the Tropicana AC

The Tropicana AC has been marketed extensively for more than a year. In early January 2008, Justice Stein, through Bear, Sterns & Co., his financial advisor at the time, engaged more than 100 parties to solicit bids for the Tropicana AC. Following that solicitation process, at the request of Justice Stein and to allow Justice Stein to pursue sale agreements with certain qualified bidders, the NJCCC extended the deadline by which the sale of the Tropicana AC was to be completed to June 9, 2008. Justice Stein concluded that the bids received at that time were for insufficient amounts to move forward with a sale.

The NJCCC subsequently extended the time period for Justice Stein to complete the sale of the Tropicana AC to October 16, 2008, to allow Justice Stein to conduct a second full-scale solicitation process. In connection therewith, on July 1, 2008, the NJCCC authorized Justice Stein to retain Moelis & Co., LLC and J.P. Morgan Chase as co-financial advisors to pursue a second marketing process. Upon the completion of the second process, four parties, including the Cordish Company ("Cordish"), submitted indications of interest. Justice Stein publicly announced Cordish's "indication of interest" of $575 to $700 million as the leading bid, which the OpCo Lenders initially were considering. However, following the release of Tropicana AC's 2008 EBITDA levels, which were lower than expected, Cordish has reduced its proposed purchase price and was unable to negotiate a deal that is acceptable to the OpCo Lenders.

d. Authorization by the NJCCC to File Chapter 11 Petitions

For the purpose of effectuating a sale of their assets pursuant to section 363 of the Bankruptcy Code, Justice Stein has petitioned the NJCCC for approval to commence bankruptcy proceedings for the New Jersey Entities. The Debtors filed a memorandum in opposition to Justice Stein's petition, requesting that the NJCCC deny Justice Stein's petition, directing Justice Stein to pursue any section 363 sale process immediately after a bankruptcy filing and parallel with the process to confim the Plan, and requesting that the NJCCC consider, on an expedited basis, the petitions of compliance previously filed by the Debtors as well as related petitions filed in connection thereto.

In response, the NJCCC extended the deadline by which Justice Stein must dispose of the Tropicana AC to March 18, 2009. The NJCCC suggested that the New Jersey Entities may file for chapter 11 bankruptcy relief to consummate the sale of the Tropicana AC. The NJCCC did not direct in which venue the New Jersey Entities were to file any chapter 11 petitions; however, the NJCCC did state that circumstances mitigated in favor of the New Jersey Entities filing chapter 11 cases in the District of New Jersey. The OpCo Lenders may serve as the stalking horse for the assets of the New Jersey Entities and certain related assets owned by the Debtors with a "credit bid" pursuant to section 363(k) of the Bankruptcy Code. In connection therewith, the NJCCC stated that Justice Stein was to submit materials, including a form of purchase agreement and the bidding procedures, to the NJCCC for review by no later than February 23, 2009, with responses thereto and any reply due between March 3, 2009 and March 9, 2009.. On February 23, 2009, Justice Stein submitted a letter to the NJCCC stating that the documents would not be submitted as requested without indicating a date by which such documents would be filed. On information and belief, Justice Stein has not submitted such documents to the NJCCC as of the date hereof. The NJCCC did not rule out the possibility of the New Jersey Entities becoming joint proponents of the Plan; however, the NJCCC indicated that it does not believe that decision is ripe for consideration at this time. Consequently, the Plan contemplates that the OpCo Debtors will reorganize their operations under the Plan without the Tropicana AC. With respect to the Debtors' request that the NJCCC direct Justice Stein to pursue parallel courses of action (i.e., upon filing chapter 11 petitions, requiring that Justice Stein pursue an exit strategy—either by way of becoming a joint proponent of the Plan or by seeking confirmation of a standalone plan—while simultaneously pursuing the sale of the Tropicana AC pursuant to section 363 of the Bankruptcy Code), the NJCCC indicated that it continues to investigate the pending petitions filed by the Debtors. The ultimate determination of the Tropicana AC is not known at this time.

3. Disposition of Matters Regarding the Casino Aztar Evansville

a. Settlement of the Evansville Purchase Agreement

Following the New Jersey License Denial, to protect the disposition of the Casino Aztar Evansville assets, the Debtors agreed to sell the Casino Aztar Evansville. Beginning in January 2008, the Debtors marketed the Casino Aztar Evansville to potential strategic and financial purchasers. As a result of such marketing efforts, the Debtors entered into a securities purchase agreement, dated March 31, 2008, with Resorts Indiana, LLC and Eldorado Resorts, LLC ("Eldorado"). Pursuant to the purchase agreement, Eldorado agreed to purchase the Casino Aztar Evansville assets for $190 million in cash, a $30 million note, and a potential "earn-out" of up to $25 million to be calculated based on the financial performance of the Casino Aztar Evansville during the year following the closing of the sale. In addition, Eldorado deposited $10 million in an escrow account pending court and regulatory approvals and the closing of the transaction.

The purchase agreement also contained a bankruptcy clause, whereunder the Debtors were obligated, upon Filing for relief under the Bankruptcy Code, to seek approval of the sale by the Bankruptcy Court. In connection therewith, on August 6, 2008, Eldorado filed an Amended Motion of Resorts Indiana, LLC and Eldorado Resorts, LLC to Compel the Debtors to Assume or Reject Securities Purchase Agreement [Docket No. 725] (the "Eldorado Motion to Compel"). (Eldorado's initial motion to compel was filed one day earlier, on August 5, 2008.) The Debtors and the Creditors Committee Filed objections to the Eldorado Motion to Compel, and the Ad Hoc Consortium joined the Creditors Committee's objection [Docket Nos. 830, 829, and 828, respectively]. The OpCo Lenders filed a statement in support of the sale [Docket No. 823].

The Debtors thereafter determined that, at that time, engaging in a sale process was in the best interests of the Estates and filed a motion to approve the sale on August 21, 2008 [Docket No. 809]. On September 16, 2008, the Bankruptcy Court entered an order approving the bidding procedures [Docket No. 923] and scheduling a hearing to consider approval of the sale for November 18, 2008, which later was continued. Thereafter the Debtors, together with Lazard, conducted an extensive marketing process for the Casino Aztar Evansville assets, using the purchase agreement as a stalking horse. The marketing process failed to produce competitive bids, and on Friday, October 31, 2008, the Debtors announced that they had canceled the auction. Certain of the Debtors' creditor constituencies, however, filed objections to the proposed sale.

The Creditors Committee filed an objection to the sale, which asserted, among other things that: (a) the sale of the Casino Aztar Evansville assets, given the conditions of the credit and gaming markets at the time, was not in the best interests of the Estates; (b) the Casino Aztar Evansville was the best-performing casino property of the Debtors and that the loss of the Casino Aztar Evansville through the proposed sale would jeopardize the Debtors' ability to obtain exit financing and also deprive unsecured creditors of significant value in the Chapter 11 Cases; (c) the purchase agreement between the Debtors and Eldorado was negotiated under forced circumstances following the New Jersey License Denial and, therefore, did not represent the fair market value of the Casino Aztar Evansville assets; (d) regardless of whether the purchase price represented fair market value at the time the purchase agreement was executed, the proposed price was less than the value of the Casino Aztar Evansville on a reorganized basis; and (e) the Debtors' decision to move forward with the sale of the Casino Aztar Evansville assets to Eldorado was not made on an informed basis—stating and the Debtors had not yet conducted a comprehensive valuation analysis or adequately considered the repercussions of the sale upon the Debtors' businesses. Consequently, the Creditors Committee advocated that the Casino Aztar Evansville assets be retained by the Debtors and recapitalized under a confirmable chapter 11 plan of reorganization. Thereafter, the parties engaged in extensive discovery in connection with the sale. As part of that discovery, it soon became apparent that Eldorado might not be able to close the transaction under the terms of the purchase agreement because of its potential inability to obtain financing on acceptable terms and obtain necessary gaming licenses.

Confronted with the uncertainty of Eldorado's ability to close (regardless of whether the Bankruptcy Court approved the sale), coupled with the uncertainties surrounding the outcome of complex, expensive, time-consuming, and uncertain litigation over breach of contract damages and rights to the deposit, as well as the objections of the

creditor constituencies, the Debtors determined that a settlement with Eldorado was in the best interests of the Debtors' Estates. On November 26, 2008, the Court entered an order approving the settlement [Docket No. 1215]. Under the terms of the settlement: (a) the purchase agreement was terminated as of the date of the entry of an order approving the settlement; (b) the Debtors received $5 million of the $10 million deposit held in the escrow account; and (c) the parties provided mutual releases to each other.

b. Efforts to Renew the Debtors' Indiana Gaming License

Throughout the Chapter 11 Cases, the Debtors have endeavored to engage in discussions with the Indiana Gaming Commission and constituencies of the City of Evansville, Indiana, including Evansville's Mayor and his representatives, with respect to the renewal of their Indiana gaming license, which has been held in abeyance since the appointment of the Evansville Attorney in Fact. The Debtors currently are in discussions with the City of Evansville and also are in the process of compiling the information necessary to file an application to renew their Indiana gaming license. The Debtors intend to file their license renewal application with the Indiana Gaming Commission shortly.

The Debtors also have been and continue to be engaged in discussions with the City of Evansville in connection with the Evansville Lease Amendment. Through such discussions, the Debtors and the City of Evansville have reached an agreement in principle and currently are in the process of documenting the Evansville Lease Agreement, a copy of which will be filed as part of the Plan Supplement.

4. **Settlement of the Vicksburg Sale**

Debtor CP Vicksburg entered into an Agreement of Sale, dated on or about November 12, 2007, by and between CP Vicksburg and Nevada Gold Vicksburg, LLC ("Nevada Gold"), pursuant to which substantially all of Debtor CP Vicksburg's assets were to be sold to Nevada Gold for approximately $35 million. Pursuant to the agreement, Nevada Gold deposited $2 million into an escrow account. Nevada Gold, however, subsequently refused to close under the sale agreement. In response, the Debtors initiated an adversary proceeding, alleging a claim for breach of contract. Nevada Gold disputed the allegations.

The Debtors and Nevada Gold ultimately reached a negotiated settlement. Pursuant to the settlement, the parties agreed, among other things, to (a) split the $2 million deposit, as well as any interest accrued thereon, (b) terminate the sale agreement, and (c) provide each other with mutual releases. On November 12, 2008, the Bankruptcy Court approved the settlement [Docket No. 1272].

5. **Separation from Columbia Sussex Corporation**

As part of the Debtors' efforts to separate from Yung, and to recruit and maintain talented gaming senior management (many of whom predominantly reside in and around the Las Vegas area), the Debtors have been working to transfer their overall operating management, finances, accounting, information systems, compliance, internal audit, and human resources functions from non-Debtor affiliate Columbia Sussex Corporation. Toward this end, among other things, the Debtors have transitioned their headquarters from Crestview Hills, Kentucky to Las Vegas, Nevada. The separation of the Debtors from Columbia Sussex Corporation, combined with the changes to the Debtors' directors and senior management, as discussed in Article II.E, have enhanced the Debtors' businesses and operations.

6. **The Statement of Intent and Plan Framework Filed by the Debtors**

On September 5, 2008, the Debtors filed their Statement of Intent Concerning Their Reorganization and Recapitalization [Docket No. 875] (the "Statement of Intent"). The Statement of Intent provided an overview of the Chapter 11 Cases, including: (a) the Debtors' purpose of filing the Chapter 11 Cases; (b) interim activities by the Debtors between the Petition Date and the date of the Filing of the Statement of Intent, such as the separation from Yung and the Yung Entities, implementation of a new board, senior management, and an operational reorganization; (c) the Debtors' efforts to re-establish working relationships with gaming regulators and stakeholders; (d) the Debtors' efforts to stabilize their operations and finances; (e) the Debtors' development of their business plan, including the

resolution of the Tropicana AC matter, and their negotiations with major creditors in connection thereto. The Statement of Intent outlined the Debtors' reorganization and recapitalization initiatives.

On October 2, 2008, the Debtors Filed the Notice of Filing of Proposed Framework for a Chapter 11 Joint Plan of Reorganization [Docket No. 979] (the "Plan Framework"). In the Plan Framework, the Debtors provided further background on their strategy with respect to gaming regulatory agencies, including the NJCCC and the Indiana Gaming Commission. The Debtors also provided an outline of a joint plan of reorganization contemplated at the time the Plan Framework was Filed.

7. Treatment of Park Cattle Leases

Currently, Park Cattle Company ("Park Cattle") is the lessor under three separate lease agreements with respect to the OpCo Debtors' Lake Tahoe Horizon Casino and Resort and the Montbleu Resort Casino and Spa properties (collectively, the "Park Cattle Leases"). The OpCo Debtors' operations at, and ability to generate revenue from, these properties are dependent upon the OpCo Debtors' right to occupy the properties subject to the Park Cattle Leases. On February 4, 2009, the Bankruptcy Court approved a stipulation by and between the OpCo Debtors and Park Cattle, which extended the OpCo Debtors' time to assume or reject the Park Cattle Leases until March 20, 2009 [Docket No. 1432]. If the deadline is not further extended—which will require Park Cattle's affirmative consent—the OpCo Debtors will make known to Park Cattle their intention to assume or reject the Park Cattle Leases no less than 17 days before the Voting Deadline, and such information will be available on the Court's docket for all other parties in interest. Park Cattle has also agreed that as long as a motion seeking assumption or rejection is filed before March 20, 2009 Park Cattle will not contend that such motion is untimely (i.e., should have been brought in sufficient time to be heard prior to March 20, 2009).

The OpCo Debtors have informed Park Cattle that they may be interested in continuing their operations at the Montbleu Resort Casino and Spa, subject to certain lease amendments, but that the OpCo Debtors currently intend to discontinue operations at the Lake Tahoe Horizon Casino and Resort, at the very latest, after the Summer of 2009. In furtherance of this, the OpCo Debtors have begun discussions with Park Cattle in an attempt to amend the Park Cattle Leases consistent with the OpCo Debtors' intentions. As those discussions remain ongoing, the OpCo Debtors have not yet determined whether to assume or reject the Park Cattle Leases and have requested a further extension of the deadline to assume or reject.

Any assumption or rejection decision with respect to the Park Cattle Leases will be based on the OpCo Debtors' reasonable business judgment in accordance with section 365 of the Bankruptcy Code. Consequently, and subject to the proposed amendments to the Montbleu Resort Casino and Spa lease and shortening the term of the Lake Tahoe Horizon Casino and Resort leases, if the OpCo Debtors expect that continuing their operations at these properties and, therefore, maintaining the Park Cattle Leases is likely to provide net benefits to the Reorganized OpCo Debtors, the OpCo Debtors expect that they will seek to assume the Park Cattle Leases as amended, either pursuant to a motion or in accordance with the Plan. In fact, the Financial Projections—and consequently the Valuation Analysis—contemplate that the OpCo Debtors will assume the Park Cattle Leases. Moreover, one of the issues that the OpCo Debtors will have to consider is that a rejection of any of the Park Cattle Leases will result in a default under the terms of the *Stipulation for Entry of Judgment* between Park Cattle and others, including certain of the OpCo Debtors, entered in the Ninth Judicial District Court of the State of Nevada on April 2, 2008, which is described more fully in Section VII.B.7 of this Disclosure Statement.

On the other hand, if the OpCo Debtors expect that rejecting the Park Cattle Leases is a reasonable exercise of their business judgment (whether because they are unable to obtain satisfactory amendments to the Park Cattle Leases or otherwise), the OpCo Debtors expect that they will seek to reject the Park Cattle Leases. Such determination would be based on the OpCo Debtors' expectation that the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, would receive a greater benefit from such rejection than from assuming the Park Cattle Leases.

On March 13, 2009, Columbia Sussex Corporation, TCR, and Yung filed the *Emergency Motion (i) to Compel Debtors to Assume and Assign the Leases for the Lake Tahoe Horizon Casino and Resort and the Montbleu Resort Casino & Spa Properties to Columbia Sussex Corporation or its Designee, and (ii) to Preclude*

the Debtors from Rejecting such Leases **[Docket No. 1666] (the "Emergency Motion to Compel") and also filed a motion to shorten time for notice and response in connection with the Emergency Motion to Compel [Docket No. 1667]. The Emergency Motion to Compel** *is scheduled to be heard* **on March 26, 2009.**

F. EXCLUSIVITY

Under the Bankruptcy Code, a debtor has the exclusive right to file and solicit acceptance of a plan or plans of reorganization for an initial period of 120 days from the date on which the debtor filed for voluntary relief. If the debtor files a plan within this exclusive period, then the debtor has the exclusive right for 180 days from the date on which the debtor filed for voluntary relief to solicit acceptances to the plan. During these exclusive periods, no other party in interest may file a competing plan of reorganization, however, a court may extend these periods upon request of a party in interest and "for cause." On August 8, 2008, the Bankruptcy Court extended the Debtors' exclusive plan proposal period through and including January 12, 2009 and the Debtors' exclusive plan solicitation period through and including March 13, 2009.

On December 23, 2008, the Creditors Committee filed a motion for an order to (a) modify the Debtors' exclusivity periods, (b) authorize the Creditors Committee to file a plan of reorganization, and (c) approve parallel filing and solicitation tracks [Docket No. 1296] (the "Committee Exclusivity Modification Motion"). The Debtors objected to the Committee Exclusivity Modification Motion. The Committee Exclusivity Modification Motion was heard before the Bankruptcy Court on January 8, 2009, and on January 14, 2009, the Bankruptcy Court entered an order denying the Committee Exclusivity Modification Motion [Docket No. 1368].

On February 27, 2009, the Debtors filed a motion to extend the exclusive period to solicit plan acceptances to the earlier of (a) ten business days after the date of the Court's entry of an order either granting Confirmation of the Plan, or (b) July 17, 2009 [Docket No. 1555]**, which has been approved by the Court [Docket No. 1708]**. ~~The Debtors' motion has been noticed for hearing on March 18, 2009.~~

G. CLAIMS BAR DATES

On July 10, 2008, the Bankruptcy Court entered an order approving the Motion of the Debtors for Entry of an Order Establishing Bar Dates for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof pursuant to Bankruptcy Rule 3003(c)(3) setting September 26, 2008 at 6:00 p.m., prevailing Pacific time, and November 2, 2008 at 6:00 p.m., prevailing Pacific time, as the Claims Bar Dates for non-governmental prepetition Claims and governmental prepetition Claims filed against the Debtors, respectively [Docket No. 604].

In accordance with the order, written notice of the Claims Bar Dates was mailed to, among others, all Holders of Claims listed on the Schedules. In addition, the Debtors published notice of the Claims Bar Dates in numerous publications, including, the Wall Street Journal, the Advocate, the Press of Atlantic City, the Las Vegas Review-Journal, and the International Gaming & Wagering Business. A deadline by which Proofs of Claim for Administrative Claims (except to the extent such Claims are asserted pursuant to section 503(b)(9) of the Bankruptcy Code, which are subject to the Claims Bar Dates) are required to be filed with the Bankruptcy Court has not been established as of the date of this Disclosure Statement, and the Debtors are requesting that the Bankruptcy Court set such date as part of the Confirmation of the Plan.

H. PENDING LITIGATION PROCEEDINGS

In the ordinary course of business, the Debtors are party to various lawsuits, legal proceedings, and claims arising out of their respective businesses. The Debtors cannot predict with certainty the outcome of these lawsuits, legal proceedings, and claims. Nevertheless, they do not believe that the outcome of any currently existing proceeding, even if determined adversely, would have a material adverse effect on their businesses, financial condition, or results of operations.

With certain exceptions, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the

commencement of the Chapter 11 Cases. In addition, the litigation stayed by the commencement of the Chapter 11 Cases, the Debtors' liability is subject to discharge in connection with the confirmation of a plan of reorganization, with certain exceptions. Therefore, certain litigation claims against the Debtors may be subject to compromise in connection with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with the adverse determination of such litigation.

IV. SUMMARY OF THE JOINT PLAN OF REORGANIZATION

A. ADMINISTRATIVE CLAIMS AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, DIP Facility Claims, Administrative Claims, and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III of the Plan.

1. DIP Facility Claims

Allowed DIP Facility Claims shall be paid in full in Cash on the Effective Date, in full, final, and complete satisfaction of such Claims.

2. Administrative Claims

On the later of the Effective Date or the date on which an Administrative Claim becomes an Allowed Administrative Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Claim shall be paid in full in Cash for the unpaid portion of such Allowed Administrative Claim, in full, final, and complete satisfaction of such Claims.

All requests for payment of an Administrative Claim must be Filed with the Claims and Solicitation Agent and served upon counsel to the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, on or before the Administrative Claim Bar Date. Any request for payment of an Administrative Claim that is not timely Filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against any Reorganized OpCo Debtor without the need for any objection by the Reorganized OpCo Debtors or further notice to or action, order, or approval of the Bankruptcy Court or other Entity. The Reorganized OpCo Debtors may settle and pay any Administrative Claim in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. In the event that any party with standing objects to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

3. Priority Tax Claims

On the later of the Effective Date or the date on which a Priority Tax Claim becomes an Allowed Priority Tax Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive, in full, final, and complete satisfaction of such Claims: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (b) Cash in an amount agreed to by the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, and such Holder; provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim at a later date; (c) at the option of the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, and in accordance with section 1129(a)(9)(C) of the Bankruptcy Code, Cash in an aggregate amount of such Allowed Priority Tax Claim payable in regular installment payments over a period ending not more than five years after the Petition Date; or (d) such other treatment as the OpCo Debtors and the Holder of a Priority Tax Claim may otherwise agree.

B. CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

1. Summary

All Claims and Interests, except DIP Facility Claims, Administrative Claims, and Priority Tax Claims, are classified in the Classes set forth in Article III of the Plan. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest is also classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

2. Summary of Classification and Treatment of Classified Claims and Interests

Class	Claim	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Other Secured Claims	Unimpaired	Deemed to Accept
3	OpCo Credit Facility Secured Claims	Impaired	Entitled to Vote
4	OpCo General Unsecured Claims	Impaired	Entitled to Vote
5	OpCo Noteholder Unsecured Claims	Impaired	Entitled to Vote
6	OpCo Credit Facility Deficiency Claims	Impaired	Entitled to Vote
7	Insider Claims	Impaired	Entitled to Vote
8	Unsecured Convenience Class Claims	Impaired	Entitled to Vote
9	LandCo Stock Pledge Claims	Impaired	Deemed to Reject
10	Intercompany Claims	Impaired	Deemed to Reject
11	Yung Interests	Impaired	Deemed to Reject
12	JMBS Interests	Impaired	Deemed to Reject
13	Intercompany Interests	Impaired	Deemed to Reject

3. Classification and Treatment of Claims and Interests

a. Class 1—Other Priority Claims

Classification: Class 1 consists of Other Priority Claims.

Treatment: On the later of the Effective Date or the date on which an Other Priority Claim becomes an Allowed Other Priority Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Other Priority Claim due and payable on or prior to the Effective Date shall, in full, final, and complete satisfaction of such Claim, (i) be paid in full in Cash or (ii) receive such other treatment as the OpCo Debtors and the Holder of such Other Priority Claim may otherwise agree.

Voting: Class 1 is Unimpaired, and the Holders of Class 1 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 1 Claims will not be entitled to vote to accept or reject the Plan.

b. Class 2—Other Secured Claims

Classification: Class 2 consists of Other Secured Claims.

Treatment: On the later of the Effective Date or the date on which an Other Secured Claim becomes an Allowed Other Secured Claim, or, in each such case, as soon as practicable thereafter, each Allowed Other Secured Claim (including any Claim for postpetition interest accrued until the Confirmation Date at the non-default rate provided in the applicable contract or, if there is no contract, then at the Federal Judgment Rate, to the extent applicable) shall, in full, final, and complete satisfaction of such Claim, (i) be Reinstated, (ii) be paid in full in Cash, (iii) have the collateral securing such Claim returned, or (iv) receive such other treatment as the OpCo Debtors and the Holder of such Other Secured Claim may otherwise agree.

Voting: Class 2 is Unimpaired, and the Holders of Class 2 Claims will be conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, Holders of Class 2 Claims will not be entitled to vote to accept or reject the Plan.

c. Class 3—OpCo Credit Facility Secured Claims

Classification: Class 3 consists of OpCo Credit Facility Secured Claims.

Treatment: On the Effective Date or as soon as practicable thereafter, Holders of Allowed OpCo Credit Facility Secured Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of (i) the Reorganized OpCo Common Stock (subject to the terms of the Rights Offering and redemption provisions set forth in Article IV.B of the Plan), (ii) the OpCo Payment (if any), (iii) the Reorganized OpCo Notes, and (iv) the Tropicana AC Sale Proceeds (if any).

Voting: Class 3 is Impaired, and Holders of Class 3 Claims will be entitled to vote to accept or reject the Plan.

d. Class 4—OpCo General Unsecured Claims

Classification: Class 4 consists of OpCo General Unsecured Claims.

Treatment: ~~In the event that Class 4 is an Accepting Class,~~ Holders of Allowed OpCo General Unsecured Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of (i) the Subscription Rights (to the extent they are Eligible Holders of OpCo Unsecured Claims), (ii) the Reorganized OpCo Warrants, and (iii) the **Unsecured Creditors** Litigation Trust Proceeds. ~~In the event Class 4 is not an Accepting Class, Holders of Allowed OpCo General Unsecured Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of the Subscription Rights (to the extent they are Eligible Holders of OpCo Unsecured Claims).~~

Voting: Class 4 is Impaired, and Holders of Class 4 Claims will be entitled to vote to accept or reject the Plan.

e. Class 5—OpCo Noteholder Unsecured Claims

Classification: Class 5 consists of OpCo Noteholder Unsecured Claims.

Treatment: ~~In the event that Class 5 is an Accepting Class,~~ Holders of Allowed OpCo Noteholder Unsecured Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro Rata share of (i) the Subscription Rights (to the extent they are Eligible Holders of OpCo Unsecured Claims), (ii) the Reorganized OpCo Warrants, and (iii) the **Unsecured Creditors** Litigation Trust Proceeds. ~~In the event Class 5 is not an Accepting Class, Holders of Allowed OpCo Noteholder Unsecured Claims, in full, final, and complete satisfaction of such Claims, shall receive their Pro~~

~~Rata share of the Subscription Rights (to the extent they are Eligible Holders of OpCo Unsecured Claims).~~

Voting: Class 5 is Impaired, and Holders of Class 5 Claims will be entitled to vote to accept or reject the Plan.

f. Class 6—OpCo Credit Facility Deficiency Claims

Classification: Class 6 consists of the OpCo Credit Facility Deficiency Claims.

Treatment: Holders of Allowed OpCo Credit Facility Deficiency Claims, in full, final, and complete satisfaction of the rights that such Claims represent as against but only as against the OpCo Debtors and not in satisfaction of any amount owed to the Holders of OpCo Credit Facility Deficiency Claims by any obligor or guarantor under the OpCo Credit Facility that is not an OpCo Debtor, shall receive their Pro Rata share of the **OpCo Lenders** Litigation Trust Proceeds~~, plus, until such time as such Holders are paid in full, the Pro Rata share of the Litigation Trust Proceeds payable to Holders of Allowed OpCo Noteholder Unsecured Claims pursuant to Article III.B.5(b) of the Plan~~.

Voting: Class 6 is Impaired, and Holders of Class 6 Claims will be entitled to vote to accept or reject the Plan.

g. Class 7—Insider Claims

Classification: Class 7 consists of the Insider Claims.

Treatment: To the extent that such Insider Claims are not avoided, equitably subordinated, recharacterized, or otherwise disallowed, on the later of the Effective Date or the date on which an Insider Claim becomes an Allowed Insider Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Insider Claim, in full, final, and complete satisfaction of such Claim, shall receive, in Cash, their Pro Rata share of the Insider Claim Distribution; provided, however, the distribution to which Holders of Insider Claims are entitled shall be subject to the right of setoff against the total aggregate value of the Insider Causes of Action.

Voting: Class 7 is Impaired, and Holders of Class 7 Claims will be entitled to vote to accept or reject the Plan.

h. Class 8—Unsecured Convenience Class Claims

Classification: Class 8 consists of Unsecured Convenience Class Claims.

Treatment: ~~In the event that Class 8 is an Accepting Class, on~~**On** the later of the Effective Date or the date on which an Unsecured Convenience Class Claim becomes an Allowed Unsecured Convenience Class Claim, or, in each such case, as soon as practicable thereafter, each Allowed Unsecured Convenience Class Claim, in full, final, and complete satisfaction of such Claim, shall receive Cash equal to the lesser of (i) 2% of such Allowed Unsecured Convenience Class Claim and (ii) its Pro Rata share of $300,000. ~~In the event Class 8 is not an Accepting Class, there shall be no distribution to Holders of Allowed Unsecured Convenience Class Claims.~~

Voting: Class 8 is Impaired, and Holders of Class 8 Claims will be entitled to vote to accept or reject the Plan.

i. Class 9—LandCo Stock Pledge Claims

Classification: Class 9 consists of the LandCo Stock Pledge Claims.

Treatment: There shall be no distribution to Holders of LandCo Stock Pledge Claims.

Voting: Class 9 is Impaired, and the Holders of Class 9 Claims will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 9 Claims will not be entitled to vote to accept or reject the Plan.

j. Class 10—Intercompany Claims

Classification: Class 10 consists of Intercompany Claims.

Treatment: There shall be no distributions to Holders of Intercompany Claims; provided, however, the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, reserve the right to Reinstate any or all Intercompany Claims involving Claims by any OpCo Debtor against any OpCo Debtor.

Voting: Class 10 is Impaired, and the Holders of Class 10 Claims will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 10 Claims will not be entitled to vote to accept or reject the Plan.

k. Class 11—Yung Interests

Classification: Class 11 consists of Yung Interests.

Treatment: On the Effective Date, Yung Interests shall be canceled and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and there shall be no distribution to the Holders of Yung Interests.

Voting: Class 11 is Impaired, and the Holders of Class 11 Interests will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 11 Claims will not be entitled to vote to accept or reject the Plan.

l. Class 12—JMBS Interests

Classification: Class 12 consists of the JMBS Interests.

Treatment: On the Effective Date, JMBS Interests shall be canceled and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and there shall be no distribution to the Holders of JMBS Interests.

Voting: Class 12 is Impaired, and the Holders of Class 12 Interests will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 12 Interests will not be entitled to vote to accept or reject the Plan.

m. Class 13—Intercompany Interests

Classification: Class 13 consists of Intercompany Interests.

Treatment: There shall be no distributions to Holders of Intercompany Interests. Nonetheless, except as otherwise set forth in the Plan, Intercompany Interests will not be canceled and, to implement the Plan, will be addressed as set forth in Article IV.G of the Plan.

Voting: Class 13 is Impaired, and the Holders of Class 13 Interests will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 13 Interests will not be entitled to vote to accept or reject the Plan.

4. **Acceptance or Rejection of the Plan**

a. Presumed Acceptance of Plan

Classes 1 and 2 are Unimpaired and are, therefore, presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

b. Voting Classes

Each Holder of an Allowed Claim as of the Voting Record Date in each of the Voting Classes shall be entitled to vote to accept or reject the Plan.

c. Acceptance by Impaired Classes of Claims

Pursuant to section 1126(c) of the Bankruptcy Code, and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims in such Class actually voting have voted to accept the Plan.

d. Presumed Rejection of Plan

Classes 9, 10, 11, 12, and 13 are Impaired and shall receive no distribution under the Plan on account of their Claims or Interests and are, therefore, presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code.

e. Tabulation of Ballots

The OpCo Debtors will tabulate all votes on the Plan on a consolidated basis for the purpose of determining whether the Plan satisfies section 1129(a)(8) and (10) of the Bankruptcy Code. All votes on account of Allowed Claims shall be counted as if Filed against a single OpCo Estate.

f. Confirmation Pursuant to Section 1129(a)(10) and 1129(b) of the Bankruptcy Code

Section 1129(a)(10) of the Bankruptcy Code shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims. The OpCo Debtors shall seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests.

g. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Interests, or any Class of Claims or Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

C. PROVISIONS FOR IMPLEMENTATION OF THE PLAN

1. Substantive Consolidation

The Plan shall serve as a motion by the OpCo Debtors seeking entry of a Final Order substantively consolidating all of the OpCo Estates into a single consolidated OpCo Estate for all purposes associated with Confirmation and Consummation.

If substantive consolidation of all of the OpCo Estates is ordered, then for all purposes associated with Confirmation and Consummation, all assets and liabilities of the OpCo Debtors shall be treated as though they were merged into the Estate of Tropicana, and all guarantees by any OpCo Debtor of the obligations of any other OpCo Debtor shall be considered eliminated so that any Claim and any guarantee thereof by any other OpCo Debtor, as well as any joint and several liability of any OpCo Debtor with respect to any other OpCo Debtor, shall be treated as one collective obligation of the OpCo Debtors.

Substantive consolidation shall not affect the legal and organizational structure of the Reorganized OpCo Debtors or their separate corporate existences or any prepetition or postpetition guarantees, Liens, or security interests that are required to be maintained under the Bankruptcy Code, under the Plan, or, in connection with contracts or leases that were assumed or entered into during the Chapter 11 Cases. Any alleged defaults under any applicable agreement with the OpCo Debtors or the Reorganized OpCo Debtors arising from substantive consolidation under the Plan shall be deemed cured as of the Effective Date.

2. Sources of Consideration for Plan Distributions

The Reorganized OpCo Debtors shall fund distributions under the Plan with Cash on hand, including Cash from operations, existing assets, the OpCo Exit Facility, the Rights Offering, the issuance of Reorganized OpCo Common Stock, Reorganized OpCo Notes, and Reorganized OpCo Warrants, and the Litigation Trust Proceeds.

a. OpCo Exit Facility

On the Effective Date, the Reorganized OpCo Debtors shall enter into the OpCo Exit Facility. Confirmation shall be deemed approval of the OpCo Exit Facility (including the transactions contemplated thereby, such as any supplementation or additional syndication of the OpCo Exit Facility, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized OpCo Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein) and authorization for the Reorganized OpCo Debtors to enter into and execute the OpCo Exit Facility documents and such other documents as the parties to the OpCo Exit Facility may reasonably require. The proceeds of the OpCo Exit Facility shall be used as follows: (a) to repay the DIP Facility; (b) to pay Cash amounts required under the Plan; (c) to provide for the Reorganized OpCo Debtors' capital expenditure and liquidity needs; and (d) if excess proceeds are available, to fund the OpCo Payment.

b. Rights Offering

Subject to the terms below, Eligible Holders of OpCo Unsecured Claims shall have the right to purchase Reorganized OpCo Common Stock at a price per share equal to the Subscription Purchase Price. The Rights Offering Proceeds shall be used to redeem shares of Reorganized OpCo Common Stock from the Redeeming Holders, and excess Rights Offering Proceeds, if any, shall be transferred to Reorganized OpCo Corporation and used for general corporate purposes. Subscription to the Rights Offering and election to opt out of the stock redemption must occur on or before the Rights Offering Expiration Date. On the Effective Date, and provided aggregate subscriptions in an amount of at least $100 million are received, the Rights Offering Holding Period shall commence, and the Transfer Agent shall withhold the Redemption Shares from any distributions to Redeeming Holders, and the Securities Voting Agent shall hold any Rights Offering Proceeds for the duration of the Rights Offering Holding Period. The Rights Offering shall be consummated on the Tropicana AC Transfer Date. The Rights Offering Proceeds shall be used to redeem the Reorganized OpCo Common Stock from Redeeming Holders on a Pro Rata basis. If the Tropicana AC Transfer has not occurred within thirty days following the Effective Date, then as soon as practicable thereafter, the

Securities Voting Agent shall cause the distribution of the Redemption Shares to the Redeeming Holders and shall return the Rights Offering Proceeds to the Rights Offering Participants, without interest.

c. Reorganized OpCo Common Stock

Reorganized OpCo Corporation shall issue the Reorganized OpCo Common Stock for distribution to Holders of Allowed OpCo Credit Facility Secured Claims in partial satisfaction of such OpCo Credit Facility Secured Claims. Shares of Reorganized OpCo Common Stock shall also be offered and sold pursuant to the Rights Offering and shares shall be reserved for the OpCo Management and Director Equity Incentive Program.

d. Reorganized OpCo Notes

On the Effective Date, Reorganized OpCo Corporation shall issue the Reorganized OpCo Notes for distribution to Holders of Allowed OpCo Credit Facility Secured Claims.

e. Litigation Trust

There shall be a single Litigation Trust that shall hold all of the Insider Causes of Action held by either the OpCo Debtors or the LandCo Debtors. The Litigation Trust shall operate solely for the purpose of pursuing such Insider Causes of Action and distributing the Litigation Trust Proceeds from any judgments, settlements, or recoveries; the Litigation Trust shall have no objective to engage in the conduct of any trade or business. The Litigation Trust **shall be governed by the Litigation Trust Committee pursuant to the Litigation Trust Agreement. The Litigation Trust** Proceeds shall be allocated to the Creditors of the OpCo Debtors and the Creditors of the LandCo Debtors **as agreed to by (all of the following or their assignees) the OpCo Litigation Trust Subcommittee and the LandCo Litigation Trust Subcommittee or as determined** by a court of competent jurisdiction**,** and shall be distributed Pro Rata to the Litigation Trust Beneficiaries with Claims against the OpCo Debtor in full or partial satisfaction of such Claims. Any Litigation Trust Proceeds to be distributed to the Holders of Allowed LandCo General Unsecured Claims, Allowed LandCo Credit Facility Deficiency Claims, or Allowed Insider Claims against the LandCo Debtors shall be kept in the Litigation Trust Reserve until such time as a LandCo Plan is confirmed and becomes effective providing for such distributions from the Litigation Trust. In the event that a LandCo Plan is confirmed, but does not provide for a distribution for Allowed LandCo General Unsecured Claims, Allowed LandCo Credit Facility Deficiency Claims, or Allowed Insider Claims against the LandCo Debtors from the Litigation Trust upon the terms set forth in the Plan, then any such amounts in the Litigation Trust Reserve shall be distributed ~~on a Pro Rata basis to the other Litigation Trust Beneficiaries~~**to Holders of Class 4, Class 5, and Class 6 Claims in the same manner contemplated by Article III.B.4(b), Article III.B.5(b), and Article III.B.6(b) of the Plan**.

f. Reorganized OpCo Warrants

On the Effective Date, except as otherwise set forth in the Plan, Reorganized OpCo Corporation shall issue the Reorganized OpCo Warrants for distribution to Holders of Allowed OpCo General Unsecured Claims and Allowed OpCo Noteholders Unsecured Claims.

3. **Issuance and Distribution of the Reorganized OpCo Securities**

On or prior to the Effective Date, Reorganized OpCo Corporation shall issue or reserve for issuance all Reorganized OpCo Securities required to be issued pursuant hereto. On the Distribution Date, the Reorganized OpCo Debtors will distribute any Reorganized OpCo Securities required to be distributed pursuant hereto. The Reorganized OpCo Securities to be issued pursuant to the Plan will be issued without registration under the Securities Act or any similar federal, state, or local law in reliance upon the exemptions set forth in section 1145 of the Bankruptcy Code; provided, however, that Subscription Rights issued under the Plan (and the Reorganized OpCo Common Stock to be issued pursuant to such Subscription Rights) will be issued pursuant to the private placement exemption set forth in the Securities Act. The OpCo Debtors are not currently a reporting corporation, and, on the Distribution Date, Reorganized OpCo Corporation will not be a reporting corporation under the Securities Exchange Act, and its shares

will not be listed on any national securities exchange. All of the Reorganized OpCo Securities issued pursuant to the Plan shall be duly authorized, validly issued, and, if applicable, fully paid and non-assessable. Each distribution and issuance referred to in Article VII of the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

4. **OpCo Credit Facility Deficiency Claims**

As set forth in Article III.B.5(b) of the Plan, the satisfaction and discharge of the OpCo Credit Facility Deficiency Claims under the Plan are only to the extent such claims are against the OpCo Debtors and not to the extent such amounts are owed by any obligor or guarantor under the OpCo Credit Facility that is not an OpCo Debtor.

5. **Corporate Existence**

Except as otherwise provided in the Plan, each OpCo Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable OpCo Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by or in accordance with the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan and require no further action or approval.

6. **Vesting of Assets in the Reorganized OpCo Debtors**

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated therein, and except to the extent transferred pursuant to the Tropicana AC Sale, on the Effective Date, all property in each OpCo Estate, all Causes of Action, and any property acquired by any of the OpCo Debtors pursuant to the Plan shall vest in each respective Reorganized OpCo Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for Liens, if any, specifically granted to secure the OpCo Exit Facility). On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized OpCo Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules.

7. **Intercompany Interests**

Except as otherwise provided in the Plan, Intercompany Interests shall be retained, and the legal, equitable, and contractual rights to which the Holders of such Intercompany Interests are entitled shall remain unaltered in order to implement the Plan.

8. **Cancellation of Notes and Interests**

On the Effective Date, except as otherwise provided in the Plan, all notes, stock, instruments, Certificates, and other documents evidencing the Subordinated Notes Indenture, the OpCo Credit Facility, the LandCo Credit Facility, and the Interests (other than the Intercompany Interests as set forth in the Plan), shall be canceled, and the obligations of the OpCo Debtors thereunder or in any way related thereto shall be fully released and discharged. On the Effective Date, except to the extent otherwise provided in the Plan, any indenture relating to any of the foregoing, including, without limitation, the Subordinated Notes or the Subordinated Notes Indenture, shall be deemed to be canceled, as permitted by section 1123(a)(5)(F) of the Bankruptcy Code, and the obligations of the OpCo Debtors thereunder shall be fully released and discharged without the need for any further order of the Bankruptcy Court. Notwithstanding the foregoing, the Subordinated Notes Indenture will continue in effect solely for the following purposes and otherwise subject to terms of the Plan: (a) allowing distributions to be made under the Plan in

accordance with the Subordinated Notes Indenture, and the Indenture Trustee to perform such other necessary functions with respect thereto and to have the benefit of all the protections and other provisions of the Subordinated Notes Indenture in doing so; (b) permitting the Indenture Trustee to maintain or assert any right or Charging Lien it may have with respect to distributions to the Holders of the OpCo Noteholder Unsecured Claims pursuant to the terms of the Plan for the Indenture Trustee Fees and Expenses, any reasonable fees and expenses of the Indenture Trustee (including reasonable fees and expenses of its counsel and other professionals) incurred in making distributions pursuant to the Plan, and any reasonable fees and expenses of the Indenture Trustee (including reasonable fees and expenses of its counsel and other professionals) incurred in responding to any objection by the Debtors to the Indenture Trustee Fees and Expenses; (c) permitting the Indenture Trustee to maintain and enforce any right to indemnification, contribution, or other Claim it may have under the Subordinated Notes Indenture; and (d) permitting the Indenture Trustee to exercise its rights and obligations relating to the interests of the Holders of OpCo Noteholder Unsecured Claims and its relationship with the Holders of OpCo Noteholder Unsecured Claims pursuant to the Subordinated Notes Indenture, including its right to appear and be heard in the Chapter 11 Cases; provided, however, that all Entities, including the OpCo Debtors and the Reorganized OpCo Debtors, reserve all rights with respect to any such Claims or actions.

9. **Restructuring Transactions**

On or prior to the Effective Date, pursuant to section 1123(a)(5)(D) of the Bankruptcy Code, Reorganized OpCo Corporation shall, through one or more subsidiaries or affiliated partnerships, and as described in the Plan Supplement, acquire the assets of Tropicana, certain of its OpCo Debtor subsidiaries and certain other OpCo Debtors in exchange for: (a) the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, and the Reorganized OpCo Warrants; and (b) the assumption of all liabilities of Tropicana and such Affiliates incurred after the Petition Date to the extent not paid on or prior to the Effective Date (other than liabilities for income taxes), in one or more taxable transactions. The Plan Supplement will contain a description of all relevant Restructuring Transactions that will occur pursuant to the Plan. Furthermore, on the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized OpCo Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (c) the filing of appropriate certificates of incorporation (or other formation documents), merger, or consolidation with the appropriate governmental authorities pursuant to applicable law; and (d) all other actions that the Reorganized OpCo Debtors determine are necessary or appropriate.

10. **Post-Confirmation Property Sales**

To the extent the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, sell any of their property prior to or including the date that is one year after Confirmation, the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, may elect to sell such property pursuant to sections 363, 1123, and 1146(a) of the Bankruptcy Code.

11. **Corporate Action**

Each of the matters provided for by the Plan involving the corporate structure of the OpCo Debtors or corporate or related actions to be taken by or required of the Reorganized OpCo Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan (except to the extent otherwise indicated), and shall be authorized, approved, and, to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by Holders of Claims or Interests, directors or managers of the OpCo Debtors or any other Entity. Without limiting the foregoing, such actions may include: (a) the adoption and filing of the Reorganized OpCo Charter and the Reorganized OpCo Bylaws; (b) the appointment of directors, managers, and officers for the

Reorganized OpCo Debtors; (c) the adoption, implementation, and amendment of the OpCo Management and Director Equity Incentive Program; and (d) consummation or implementation of the OpCo Exit Facility.

12. **Certificate of Incorporation and Bylaws**

The certificates of incorporation and bylaws (or other formation documents relating to limited liability companies) of the OpCo Debtors shall be amended as may be required to be consistent with the provisions of the Plan and the Bankruptcy Code. On or prior to, or as soon as reasonably practicable after, the Effective Date, each of the Reorganized OpCo Debtors shall file new certificates of incorporation, certificates of formation, or similar documents with the secretary of state (or equivalent state officer or entity) of the state under which each of the Reorganized OpCo Debtors is or is to be incorporated or formed, among other things, in compliance with section 1123(a)(6) of the Bankruptcy Code. After the Effective Date, each Reorganized OpCo Debtor may file a new, or amend and restate its existing, certificate of incorporation, charter, and other constituent documents as permitted by the relevant state corporate law.

13. **Effectuating Documents and Further Transactions**

On and after the Effective Date, the Reorganized OpCo Debtors, and the officers and members of the Reorganized OpCo Board, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized OpCo Debtors, without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity except for those expressly required pursuant to the Plan.

14. **Exemption from Certain Transfer Taxes and Recording Fees**

Pursuant to section 1146(a) of the Bankruptcy Code, any transfer from an OpCo Debtor to a Reorganized OpCo Debtor or to any Entity in accordance with, in contemplation of, in connection with the Plan, or pursuant to: (a) the Restructuring Transactions; (b) the issuance, distribution, transfer, or exchange of any debt, Equity Security, or other Interest in the OpCo Debtors or the Reorganized OpCo Debtors; (c) the creation, modification, consolidation, or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means; (d) the making, assignment, or recording of any lease or sublease; or (e) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

15. **Directors and Officers of Reorganized OpCo Corporation**

The Reorganized OpCo Board shall consist of seven members. The Reorganized OpCo Board shall be comprised of six independent members chosen by the OpCo Lenders, plus the chief executive officer of Reorganized OpCo Corporation. The Reorganized OpCo Board (other than the chief executive officer) will meet the standards of independence set by the Securities and Exchange Commission, the rules of the New York Stock Exchange or NASDAQ, and relevant state gaming laws and regulations. Any directors designated pursuant to this section shall be subject to approval of the Bankruptcy Court in accordance with section 1129(a)(5) of the Bankruptcy Code. Additionally, in accordance with section 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of any Entity proposed to serve as an officer, director, or manager of Reorganized OpCo Corporation shall have been disclosed at or before the Confirmation Hearing.

16. **Directors and Officers of Reorganized OpCo Debtors Other than Reorganized OpCo Corporation**

Unless otherwise provided in the OpCo Debtors' disclosure pursuant to section 1129(a)(5) of the Bankruptcy Code, the directors, managers, and officers of each of the OpCo Debtors other than Reorganized OpCo Corporation shall continue to serve in their current capacities after the Effective Date. The classification and composition of the boards of directors and boards of managers of the Reorganized OpCo Debtors other than Reorganized OpCo Corporation shall be consistent with their respective new certificates of incorporation and bylaws. Each such directors, managers, or officers, shall serve from and after the Effective Date pursuant to the terms of such new certificate of incorporation, bylaws, other constituent documents, and applicable state corporation law. In accordance with section 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of any Entity proposed to serve as a director, a manager, or an officer of the Reorganized OpCo Debtors other than Reorganized OpCo Corporation shall have been disclosed at or before the Confirmation Hearing.

17. **Director and Officer Liability Insurance**

On or before the Effective Date, the Reorganized OpCo Debtors will obtain sufficient tail coverage under a directors', managers', and officers' liability insurance policy for a period of six years after the Effective Date for the OpCo Debtors' current and former directors and officers serving from and after the Petition Date; provided, however, the Yung Entities shall not be entitled to such coverage.

18. **OpCo Management and Director Equity Incentive Program**

On the Effective Date, 7% of the Reorganized OpCo Common Stock, on a fully-diluted basis, shall be reserved for issuance as grants of stock, restricted stock, options, or stock appreciation rights or similar equity awards in connection with the OpCo Management and Director Equity Incentive Program.

19. **Creation of Professional Fee Escrow Account**

On the Effective Date, the Reorganized OpCo Debtors shall establish the Professional Fee Escrow Account and reserve an amount necessary to pay all of the Accrued Professional Compensation.

20. **Employee and Retiree Benefits**

Except as otherwise set forth in the Plan, on and after the Effective Date, the Reorganized OpCo Debtors may: (a) honor, in the ordinary course of business, any contracts, agreements, policies, programs, and plans for, among other things, compensation (including equity based and bonus compensation), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the OpCo Debtors who served in such capacity at any time; (b) distribute or reallocate any unused designated employee success fee and bonus funds related to Confirmation and Consummation in the ordinary course of their business; and (c) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date. Nothing in the Plan shall limit, diminish, or otherwise alter the Reorganized OpCo Debtors' defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all Retiree Benefits, if any, shall continue to be paid in accordance with applicable law.

21. **Preservation of Rights of Action**

In accordance with section 1123(b) of the Bankruptcy Code, the Reorganized OpCo Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the Plan Supplement, and the Reorganized OpCo Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the

occurrence of the Effective Date. The Reorganized OpCo Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized OpCo Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or this Disclosure Statement to any Cause of Action against them as any indication that the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, will not pursue any and all available Causes of Action against them. The OpCo Debtors and the Reorganized OpCo Debtors expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Final Order, the Reorganized OpCo Debtors expressly reserve all Causes of Action for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of, the Confirmation or the Consummation.

The Reorganized OpCo Debtors reserve and shall retain the foregoing Causes of Action notwithstanding the rejection of any executory contract or unexpired lease during the Chapter 11 Cases or pursuant to the Plan. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that an OpCo Debtor may hold against any Entity shall vest in the Reorganized OpCo Debtors, as the case may be. The applicable Reorganized OpCo Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized OpCo Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. The foregoing retained Causes of Action do not include the Insider Causes of Action, as such Insider Causes of Action belong to the Litigation Trust, as provided in Article IV.B of the Plan.

D. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided in the Plan, the OpCo Debtors' executory contracts or unexpired leases not assumed or rejected pursuant to a Final Order prior to the Effective Date shall be deemed rejected pursuant to sections 365 and 1123 of the Bankruptcy Code, except for those executory contracts or unexpired leases: (a) listed on the schedule of "Assumed Executory Contracts and Unexpired Leases" in the Plan Supplement; (b) listed on the schedule of "Rejected Executory Contracts and Unexpired Leases" in the Plan Supplement; (c) that are Intercompany Contracts, in which case such Intercompany Contracts are deemed automatically assumed by the applicable OpCo Debtor as of the Effective Date, unless such Intercompany Contract: (i) previously was rejected by the OpCo Debtors pursuant to a Final Order; (ii) is the subject of a motion to reject pending on the Effective Date; or (iii) is listed on the schedule of "Rejected Executory Contracts and Unexpired Leases" in the Plan Supplement; (d) that are the subject of a motion to assume or reject pending on the Effective Date (in which case such assumption or rejection and the effective date thereof shall remain subject to a Final Order); (e) that are subject to a motion to reject with a requested effective date of rejection after the Effective Date; or (f) that are otherwise expressly assumed or rejected pursuant to the Plan. Entry of the Confirmation Order shall constitute a Final Order approving the assumptions or rejections of such executory contracts or unexpired leases as set forth in the Plan, all pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, all assumptions or rejections of executory contracts and unexpired leases in the Plan are effective as of the Effective Date. Each such executory contract and unexpired lease assumed pursuant to the Plan or by Final Order but not assigned to a third party prior to the Effective Date shall revest in, and be fully enforceable by, the applicable contracting Reorganized OpCo Debtor in accordance with its terms, except as such terms may have been modified by the Plan or such Final Order. Notwithstanding anything to the contrary in the Plan, the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the schedules of executory contracts or unexpired leases identified in Article V of the Plan and in the Plan Supplement at any time through and including the later of thirty days after the Effective Date.

2. **Indemnification Obligations**

Each Indemnification Obligation of directors, officers, and employees of the OpCo Debtors (other than the Yung Entities) who served in such capacity on or after the Petition Date shall be assumed by the applicable OpCo Debtor effective as of the Effective Date, pursuant to sections 365 and 1123 of the Bankruptcy Code, to the extent such Indemnification Obligation is executory, unless such Indemnification Obligation previously was rejected by the OpCo Debtors pursuant to a Final Order or is the subject of a motion to reject pending on the Effective Date. Notwithstanding the foregoing, an Indemnification Obligation in favor of any Entity who as of the Petition Date no longer was a director, officer, or employee of an OpCo Debtor shall terminate and be discharged pursuant to section 502(e) of the Bankruptcy Code or otherwise, as of the Effective Date; provided, however, that the Reorganized OpCo Debtors reserve the right to honor or reaffirm Indemnification Obligations other than those rejected or terminated by a prior or subsequent Final Order of the Bankruptcy Court, whether or not executory, in which case such honoring or reaffirmation shall be in complete satisfaction, discharge, and release of any Claim on account of such Indemnification Obligation; provided, further, however, that the Reorganized OpCo Debtors reserve the right to honor the Indemnification Obligations of directors, officers, or employees of the OpCo Debtors who served in such capacity prior to the Petition Date; provided, further, however, that no indemnification provisions for any Yung Entity shall survive Consummation of the Plan. Each Indemnification Obligation that is assumed, deemed assumed, honored, or reaffirmed shall remain in full force and effect, shall not be modified, reduced, discharged, impaired, or otherwise affected in any way, and shall survive Unimpaired and unaffected, irrespective of when such obligation arose.

3. **Cure of Defaults for Assumed Executory Contracts and Unexpired Leases**

With respect to each of the OpCo Debtors' executory contracts or unexpired leases listed on the schedule of "Assumed Executory Contracts and Unexpired Leases" in the Plan Supplement, the OpCo Debtors shall have designated a proposed Cure, and the assumption of such executory contract or unexpired lease may be conditioned upon the disposition of all issues with respect to such Cure. Any provisions or terms of the OpCo Debtors' executory contracts or unexpired leases to be assumed pursuant to the Plan that are, or may be, alleged to be in default, shall be satisfied solely by Cure, or by an agreed-upon waiver of such Cure. Except with respect to executory contracts and unexpired leases in which the OpCo Debtors and the applicable counterparties have stipulated in writing to payment of Cure, all requests for payment of Cure that differ from the amounts proposed by the OpCo Debtors must be Filed with the Claims and Solicitation Agent on or before the Cure Bar Date. Any request for payment of Cure that is not timely Filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against any Reorganized OpCo Debtor without the need for any objection by the Reorganized OpCo Debtors or further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim for Cure shall be deemed fully satisfied, released, and discharged upon payment of the amounts listed on the OpCo Debtors' proposed Cure schedule, notwithstanding anything included in the Schedules or in any Proof of Claim to the contrary; provided, however, that nothing shall prevent the Reorganized OpCo Debtors from paying any Cure despite the failure of the relevant counterparty to timely File such request for payment of such Cure. The Reorganized OpCo Debtors also may settle any Cure without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

If the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, object to any Cure, or any other matter related to assumption as disputed, the Bankruptcy Court shall determine the Allowed amount of such Cure and any related issues. If there is a dispute regarding such Cure, the ability of the Reorganized OpCo Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter relating to assumption, then payment of the Cure shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, and the counterparty to the executory contract or unexpired lease. Any counterparty to an executory contract and unexpired lease that fails to object timely to the proposed assumption of any executory contract or unexpired lease will be deemed to have consented to such assumption. The OpCo Debtors or the Reorganized OpCo Debtors, as applicable, reserve the right either to reject, or nullify the assumption of, any executory contract or unexpired lease no later than thirty days after a Final Order determining the Cure, any request for adequate assurance of future

performance required to assume such executory contract or unexpired lease, and any other matter related to assumption.

Assumption of any executory contract or unexpired lease pursuant to the Plan or otherwise shall result in the full, final, and complete release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time prior to the effective date of assumption. Anything in the Schedules and any Proofs of Claim Filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

4. **Preexisting Obligations to the OpCo Debtors Under Executory Contracts and Unexpired Leases**

Rejection of any executory contract or unexpired lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, under such contracts or leases.

5. **Claims Based on Rejection of Executory Contracts and Unexpired Leases**

Unless otherwise provided by a Final Order of the Bankruptcy Court, any Proofs of Claim asserting Claims arising from the rejection of the OpCo Debtors' executory contracts and unexpired leases pursuant to the Plan or otherwise must be Filed with the Claims and Solicitation Agent no later than thirty days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the OpCo Debtors' executory contracts or unexpired leases that are not timely Filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against any Reorganized OpCo Debtor without the need for any objection by the Reorganized OpCo Debtors or further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the OpCo Debtors' executory contracts and unexpired leases shall be classified as Rejection Damages Claims and shall be treated in accordance with Article III of the Plan.

6. **Director and Officer Liability Insurance Policies**

As of the Effective Date, the Reorganized OpCo Debtors shall assume all of the D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code. Notwithstanding anything to the contrary contained in the Plan, Confirmation shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies **(except that the Reorganized OpCo Debtors shall not assume any indemnity obligations to the Yung Entities)**, and each such indemnity obligation will be deemed and treated as an executory contract that has been assumed by the Reorganized OpCo Debtors under the Plan as to which no Proof of Claim need be Filed.

7. **Intercompany Contracts, Contracts, and Leases Entered into After the Petition Date and Executory Contracts and Unexpired Leases Assumed**

Intercompany Contracts, contracts, and leases entered into after the Petition Date by any OpCo Debtor, and any executory contracts and unexpired leases assumed by any OpCo Debtor may be performed by the applicable Reorganized OpCo Debtor in the ordinary course of business.

8. **Modifications, Amendments, Supplements, Restatements, or Other Agreements**

Unless otherwise provided in the Plan, each executory contract or unexpired lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all executory contracts and unexpired leases related thereto, if any,

including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements, and restatements to executory contracts and unexpired leases that have been executed by the OpCo Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

9. The Evansville Lease Amendment

Notwithstanding anything to the contrary in the Plan, upon the Effective Date, the Reorganized OpCo Debtors shall be authorized to enter into the Evansville Lease Amendment.

10. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease in the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by the OpCo Debtors that any such contract or lease is in fact an executory contract or unexpired lease or that any Reorganized OpCo Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, shall have thirty days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

11. Non-Occurrence of the Effective Date

Pending the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction with respect to any consensual request to extend the deadline for assuming or rejecting unexpired leases pursuant to section 365(d)(4) of the Bankruptcy Code.

E. PROCEDURES FOR RESOLVING DISPUTED CLAIMS AND INTERESTS

1. Allowance of Claims

After the Effective Date, each Reorganized OpCo Debtor shall have and retain any and all rights and defenses such OpCo Debtor had with respect to any Claim or Interest immediately prior to the Effective Date, including the Causes of Action referenced in Article IV.T of the Plan.

2. Claims and Interests Administration Responsibilities

Except as otherwise specifically provided in the Plan, after the Effective Date, the Reorganized OpCo Debtors shall have the sole and exclusive authority: (a) to File, withdraw, or litigate to judgment, objections to Claims or Interests; (b) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity; and (c) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

3. Estimation of Claims

Before or after the Effective Date, the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, may at any time request that the Bankruptcy Court estimate any Disputed Claim that is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code for any reason, regardless of whether any Entity previously has objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during the appeal relating to such objection. Notwithstanding any provision otherwise in the Plan, a Claim that has been expunged from the Claims Register, but that either is subject to appeal or has not been the subject of a Final Order,

shall be deemed to be estimated at zero dollars, unless otherwise ordered by the Bankruptcy Court. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the relevant Reorganized OpCo Debtor may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim.

4. **Adjustments to Claims Without Objection**

Any Claim that has been paid or satisfied, or any Claim that has been amended or superseded, may be adjusted or expunged on the Claims Register by the Reorganized OpCo Debtors without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. Additionally, any Claim that is duplicative or redundant with another Claim against the same OpCo Debtor or any Claim that is duplicative or redundant with another Claim after substantive consolidation of any of the OpCo Debtors may be adjusted or expunged on the Claims Register by the Reorganized OpCo Debtors without a Claims objection having to be Filed and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

5. **Disallowance of Claims or Interests**

Any Claims or Interests held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code or that are transferees of transfers avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims and Interests may not receive any distributions on account of such Claims and Interests until such time as such Causes of Action against that Entity have been settled or a Final Order with respect thereto has been entered and all sums due, if any, to the OpCo Debtors by that Entity have been turned over or paid (and in the case of the Insider Causes of Action, paid to the Litigation Trust). All Claims Filed on account of an Indemnification Obligation to a director, officer, or employee shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent such Indemnification Obligation is assumed (or honored or reaffirmed, as the case may be) pursuant to the Plan, without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. All Claims Filed on account of an employee benefit referenced in Article IV.S of the Plan shall be deemed satisfied and expunged from the Claims Register as of the Effective Date to the extent the Reorganized OpCo Debtors elect to honor such employee benefit, without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

EXCEPT AS PROVIDED IN THE PLAN OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE BANKRUPTCY COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS ON OR BEFORE THE CONFIRMATION HEARING SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

6. **Offer of Judgment**

The Reorganized OpCo Debtors are authorized to serve upon a Holder of a Claim an offer to allow judgment to be taken on account of such Claim, and, pursuant to Bankruptcy Rules 7068 and 9014, Federal Rule of Civil Procedure 68 shall apply to such offer of judgment. To the extent the Holder of a Claim must pay the costs incurred by the Reorganized OpCo Debtors after the making of such offer, the Reorganized OpCo Debtors are entitled to setoff such amounts against the amount of any distribution to be paid to such Holder without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

7. **Amendments to Claims**

On or after the Effective Date, except as provided in the Plan, a Claim may not be Filed or amended without the prior authorization of the Bankruptcy Court or the Reorganized OpCo Debtors, and any such new or amended

Claim Filed shall be deemed disallowed in full and expunged without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

F. PROVISIONS GOVERNING DISTRIBUTIONS

1. Distributions on Account of Claims Allowed as of the Effective Date

Except as otherwise provided in the Plan, a Final Order, or as agreed to by the relevant parties, initial distributions under the Plan on account of Claims and Interests Allowed on or before the Effective Date shall be made on the Distribution Date; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the OpCo Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the OpCo Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice; provided, further, however, that any distributions to be made under the Plan that would violate any applicable state laws shall not be made.

2. Distributions on Account of Claims Allowed After the Effective Date

a. Payments and Distributions on Disputed Claims

Except as otherwise provided in the Plan, a Final Order, or as agreed to by the relevant parties, distributions under the Plan on account of Disputed Claims that become Allowed after the Effective Date shall be made on the Periodic Distribution Date that is at least thirty days after the Disputed Claim becomes an Allowed Claim or Interest; provided, however, that Disputed Administrative Claims with respect to liabilities incurred by the OpCo Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the OpCo Debtors on or before the Effective Date that become Allowed after the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice; provided, further, however, that any distributions to be made under the Plan that would violate any applicable state laws shall not be made.

b. Special Rules for Distributions to Holders of Disputed Claims

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed by the relevant parties: (i) no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order; and (ii) any Entity that holds both an Allowed Claim and a Disputed Claim shall not receive any distribution on the Allowed Claim unless and until all objections to the Disputed Claim have been resolved by settlement or Final Order and the Claims have been Allowed. In the event that there are Disputed OpCo General Unsecured Claims requiring adjudication and resolution, the Reorganized OpCo Debtors shall establish appropriate reserves of Reorganized OpCo Securities for potential payment of such Claims pursuant to Article VII.B.3 of the Plan. Subject to Article VII of the Plan, all distributions made pursuant to the Plan on account of an Allowed Claim shall be made together with any dividends, payments, or other distributions made on account of, as well as any obligations arising from, the distributed property as if such Allowed Claim had been an Allowed Claim on the dates distributions were previously made to Holders of Allowed Claims included in the applicable Class.

c. Reserve for Reorganized OpCo Securities

On the Effective Date, the Reorganized OpCo Debtors shall maintain Reorganized OpCo Security Reserves for each category of Reorganized OpCo Securities to make distributions of such Reorganized OpCo Securities pursuant to the terms of the Plan. The amount of Reorganized OpCo Securities withheld as a part of each Reorganized OpCo Security Reserve for the benefit of a Holder of a Disputed Claim shall be equal to the lesser of the amount set forth in the following clause (i) and the amount set forth in the following clause (ii): (i) (A) if no estimation is made by the Bankruptcy Court pursuant to Article VI.C of the Plan, the number of Reorganized OpCo Securities necessary to satisfy the distributions required to be made pursuant to the Plan based on the asserted amount

of the Disputed Claim or, if the Claim is contingent or unliquidated pursuant to section 502(c) of the Bankruptcy Code as of the Distribution Record Date, the amount that the Reorganized OpCo Debtors elect in their sole discretion to withhold on account of such Claim in the Reorganized OpCo Security Reserve; or (B) the number of Reorganized OpCo Securities necessary to satisfy the distributions required to be made pursuant to the Plan for such Disputed Claim based on an amount as estimated by and set forth in a Final Order for purposes of allowance and distributions; and (ii) the number of Reorganized OpCo Securities necessary to satisfy the distributions required to be made pursuant to the Plan based on an amount as may be agreed upon by the Holder of such Disputed Claim and the Reorganized OpCo Debtors. As Disputed Claims are Allowed, the Distribution Agent shall distribute, in accordance with the terms of the Plan, the appropriate Reorganized OpCo Securities to Holders of Allowed Claims, and the appropriate Reorganized OpCo Security Reserve shall be adjusted accordingly.

d. Tax Reporting Matters

Subject to definitive guidance from the Internal Revenue Service or an applicable court to the contrary (including the receipt by the Reorganized OpCo Debtors of a private letter ruling or the receipt of an adverse determination by the Internal Revenue Service upon audit, if not contested by the Reorganized OpCo Debtors), the Reorganized OpCo Debtors shall treat each Reorganized OpCo Security Reserve as a single trust, consisting of separate and independent securities to be established with respect to each Disputed Claim, in accordance with the trust provisions of the Internal Revenue Code, and, to the extent permitted by law, shall report consistently with the foregoing for federal, state, and local tax purposes. All Holders of Claims shall report, for federal, state, and local tax purposes, consistently with the foregoing.

3. **Delivery of Distributions**

a. Record Date for Distributions

On the Distribution Record Date, the Claims Register shall be closed and any Distribution Agent shall instead be authorized and entitled to recognize only those Holders of Claims listed on the Claims Register as of the close of business on the Distribution Record Date. If a Claim, other than one based on a publicly traded security is transferred twenty or fewer days before the Distribution Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical and, in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

b. Delivery of Distributions in General

Except as otherwise provided in the Plan, and notwithstanding any authority to the contrary, distributions to Holders of Allowed Claims shall be made to Holders of record as of the Distribution Record Date by the Distribution Agent: (i) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (ii) to the signatory set forth on any of the Proofs of Claim Filed by such Holder or other representative identified therein (or at the last known addresses of such Holder if no Proof of Claim is Filed or if the Debtors have been notified in writing of a change of address); (iii) at the addresses set forth in any written notices of address changes delivered to the Distribution Agent after the date of any related Proof of Claim; (iv) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Distribution Agent has not received a written notice of a change of address; or (v) on any counsel that has appeared in the Chapter 11 Cases on the Holder's behalf. Except as set forth in the Plan, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each Holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The OpCo Debtors, the Reorganized OpCo Debtors, and the Distribution Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

c. Delivery of Distributions to Holders of Allowed OpCo Noteholder Unsecured Claims:

All distributions to Holders of Allowed OpCo Noteholder Unsecured Claims shall be governed by the Subordinated Notes Indenture and shall be deemed completed when (a) made to the Indenture Trustee or (b) with the

prior consent of the Indenture Trustee, made through the facilities of DTC, if applicable. If the Debtors and the Indenture Trustee agree that the Indenture Trustee shall serve as the Distribution Agent, all distributions on account of OpCo Noteholder Unsecured Claims shall be made: (a) to the Indenture Trustee; or (b) with the prior written consent of the Indenture Trustee, through the facilities of DTC (if applicable). If a distribution is made to the Indenture Trustee, the Indenture Trustee shall administer the distribution in accordance with the Plan and the Subordinated Notes Indenture and shall be compensated for all of its reasonable services and disbursements related to distributions pursuant to the Plan (and for the related reasonable fees and expenses of any counsel or professional engaged by the Indenture Trustee with respect to administering or implementing such distributions), by the OpCo Debtors, the Reorganized OpCo Debtors, or the Litigation Trustee, as appropriate, in the ordinary course upon the presentation of invoices by such Indenture Trustee for such services. The compensation of the Indenture Trustee for services relating to distributions under the Plan shall be made without the need for filing any application or request with, or approval by, the Bankruptcy Court. Distributions made by the Indenture Trustee to the record Holders of the Subordinated Notes, and in turn by the record Holders of the Subordinated Notes to the beneficial Holders of the Subordinated Notes, shall not be made as of the Distribution Record Date but rather shall be accomplished in accordance with the Subordinated Notes Indenture and the policies and procedures of DTC.

The Indenture Trustee shall not be required to give any bond, surety, or other security for the performance of its duties with respect to the administration and implementation of distributions. Any and all distributions on account of OpCo Noteholder Unsecured Claims shall be subject to the right of the Indenture Trustee to exercise its Charging Lien for any unpaid Indenture Trustee Fees and Expenses, and any fees and expenses of the Indenture Trustee incurred in making distributions pursuant to the Plan. The exercise of the Indenture Trustee's Charging Lien against a distribution to recover payment of any unpaid Indenture Trustee Fees and Expenses shall not subject the Indenture Trustee to the jurisdiction of the Bankruptcy Court with respect to either the exercise of the Charging Lien or the Trustee Fees and Expenses recovered thereby. Notwithstanding any of the foregoing, nothing in the Plan shall be deemed to enhance, impair, waive, or extinguish any rights of the Indenture Trustee under the Subordinated Notes Indenture with respect to the Charging Lien subject to the terms of the Note Indenture.

d. Distributions to Holders of Allowed OpCo Credit Facility Claims

All distributions to Holders of Allowed OpCo Credit Facility Claims shall be governed by the OpCo Credit Facility and shall be deemed completed when made to the OpCo Agent. Notwithstanding any provisions in the Plan to the contrary, the OpCo Credit Facility shall continue in effect as necessary to: (a) allow the OpCo Agent to receive and make distributions pursuant to the Plan on account of the OpCo Credit Facility Secured Claims and OpCo Credit Facility Deficiency Claims; (b) exercise their respective charging liens against any such distributions; and (c) seek compensation and reimbursement for any fees and expenses incurred in making such distributions; provided, however, that the OpCo Debtors reserve all rights with respect to any such actions taken by any Entity pursuant to the OpCo Credit Facility.

e. Distributions by Distribution Agents

The OpCo Debtors and the Reorganized OpCo Debtors, as applicable, shall have the authority, in their sole discretion, to enter into agreements with one or more Distribution Agents to facilitate the distributions required hereunder. As a condition to serving as a Distribution Agent, a Distribution Agent must: (i) affirm its obligation to facilitate the prompt distribution of any documents; (ii) affirm its obligation to facilitate the prompt distribution of any recoveries or distributions required hereunder; and (iii) waive any right or ability to setoff, deduct from, or assert any lien or encumbrance against the distributions required hereunder that are to be distributed by such Distribution Agent. The OpCo Debtors or the Reorganized OpCo Debtors, as applicable, shall pay to the Distribution Agents all reasonable and documented fees and expenses of the Distribution Agents without any further notice to or action, order, or approval by the Bankruptcy Court or any other Entity. The Distribution Agents shall submit detailed invoices to the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, for all fees and expenses for which the Distribution Agent seeks reimbursement and the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, shall pay those amounts that they, in their sole discretion, deem reasonable, and shall object in writing to those fees and expenses, if any, that the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, deem to be

unreasonable. In the event that the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, object to all or any portion of the amounts requested to be reimbursed in a Distribution Agent's invoice, the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, and such Distribution Agent shall endeavor, in good faith, to reach mutual agreement on the amount of the appropriate payment of such disputed fees and expenses. In the event that the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, and a Distribution Agent are unable to resolve any differences regarding disputed fees or expenses, either party shall be authorized to move to have such dispute heard by the Bankruptcy Court.

f. Compliance with Tax Requirements and Allocations

In connection with the Plan, to the extent applicable, the Reorganized OpCo Debtors and the Distribution Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized OpCo Debtors and the Distribution Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized OpCo Debtors reserve the right, in their sole discretion, to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, other spousal awards, Liens, and encumbrances.

For tax purposes, distributions in full or partial satisfaction of Allowed Claims shall be allocated first to the principal amount of Allowed Claims, with any excess allocated to unpaid interest that accrued on such Claims.

g. Foreign Currency Exchange Rate

Except as otherwise provided in the Plan or a Final Order, as of the Effective Date, any OpCo General Unsecured Claim asserted in currency(ies) other than U.S. dollars shall be automatically deemed converted to the equivalent U.S. dollar value using the exchange rate as of Monday, May 5, 2008, as quoted at 4:00 p.m. (prevailing Eastern Time), mid-range spot rate of exchange for the applicable currency as published in *The Wall Street Journal, National Edition*, on May 6, 2008.

h. Cash Distributions in Lieu of Reorganized OpCo Warrants

The Reorganized OpCo Debtors are permitted, in their sole discretion, in lieu of Reorganized OpCo Warrants, to provide Holders of Allowed OpCo General Unsecured Claims and Holders of Allowed OpCo Noteholder Unsecured Claims with an amount, in Cash, whereby the aggregate value of the Cash received by such Holders of Allowed OpCo General Unsecured Claims and Holders of Allowed OpCo Noteholder Unsecured Claims is equal in value, as of the Effective Date, to the value of the Reorganized OpCo Warrants that such Holders of Allowed OpCo General Unsecured Claims and Holders of Allowed OpCo Noteholder Unsecured Claims would have otherwise received pursuant to the Plan; provided, however, such Cash distributions by the Reorganized OpCo Debtors shall not exceed $300,000 in the aggregate.

i. Fractional, *De Minimis*, Undeliverable, and Unclaimed Distributions

(1) **Fractional Distributions:**

Notwithstanding any other provision of the Plan to the contrary, distributions of fractions of Reorganized OpCo Securities shall not be made, and payments of fractions of dollars shall not be required. Whenever any payment or distribution of a fraction of a dollar or Reorganized OpCo Security under the Plan would otherwise be called for, the actual payment or distribution will reflect

a rounding of such fraction to the nearest whole dollar or number of Reorganized OpCo Securities (up or down), with half dollars and half Reorganized OpCo Securities being rounded down.

(2) **Minimum / De Minimis Distributions**

Notwithstanding anything in the Plan to the contrary, distributions or payments of less than $100.00 (whether in Cash or otherwise) shall not be required. Additionally, no Entity shall have any obligation to make a distribution on account of an Allowed Claim from the Reorganized OpCo Security Reserves or otherwise if the aggregate amount of all distributions authorized to be made from such Reorganized OpCo Security Reserves or otherwise on the Periodic Distribution Date in question is or has an economic value less than $500,000.00, unless such distribution is a final distribution.

(3) **Undeliverable Distributions of Cash and Reorganized OpCo Securities:**

Holding of Certain Undeliverable Distributions: If any distribution to a Holder of an Allowed Claim made in accordance herewith is returned to a Distribution Agent as undeliverable, no further distributions shall be made to such Holder unless and until the Reorganized OpCo Debtors (or their Distribution Agent) are notified in writing of such Holder's then current address, at which time all currently due missed distributions shall be made to such Holder on the next Periodic Distribution Date. Undeliverable distributions shall remain in the possession of the Reorganized OpCo Debtors until such time as any such distributions become deliverable. Undeliverable distributions shall not be entitled to any interest, dividends, or other accruals of any kind.

Failure to Claim Undeliverable Distributions: No later than ninety days after the first Distribution Date, the Reorganized OpCo Debtors shall File with the Bankruptcy Court a list of the Holders of undeliverable distributions. This list shall be maintained and updated periodically in the sole discretion of the Reorganized OpCo Debtors for as long as the OpCo Debtors' Chapter 11 Cases stay open. Any Holder of an Allowed Claim, irrespective of when a Claim becomes an Allowed Claim, that does not notify the Reorganized OpCo Debtors of such Holder's then current address in accordance herewith within the latest of (A) 180 days after the first Distribution Date, (B) 60 days after the attempted delivery of the undeliverable distribution, or (C) 180 days after the date such Claim becomes an Allowed Claim shall have its Claim for such undeliverable distribution discharged and expunged and shall be forever barred, estopped, and enjoined from asserting any such Claim against the Reorganized OpCo Debtors or their property. In such cases, (A) any Reorganized OpCo Securities held for distribution on account of such Allowed Claims shall be deemed canceled and (B) any Cash held for distribution on account of such Allowed Claims shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and become property of the Reorganized OpCo Debtors, free of any Claims of such Holder with respect thereto. Nothing contained in the Plan shall require the Reorganized OpCo Debtors to attempt to locate any Holder of an Allowed Claim.

Failure to Present Checks: Checks issued by a Distribution Agent on account of Allowed Claims shall be null and void if not negotiated within 120 days after the issuance of such check. In an effort to ensure that all Holders of Allowed Claims receive their allocated distributions, no later than 120 days after the issuance of such checks, the Reorganized OpCo Debtors shall File with the Bankruptcy Court a list of the Holders of any un-negotiated checks. This list shall be maintained and updated periodically in the sole discretion of the Reorganized OpCo Debtors for as long as the OpCo Debtors' Chapter 11 Cases stay open. Requests for reissuance of any check shall be made directly to the Distribution Agent by the Holder of the relevant Allowed Claim with respect to which such check originally was issued. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such un-negotiated check within 180 days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check

discharged and expunged and be discharged and forever barred, estopped, and enjoined from asserting any such Claim against the Reorganized OpCo Debtors or their property. In such cases, any Cash held for payment on account of such Claims shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and become property of the Reorganized OpCo Debtors, free of any Claims of such Holder with respect thereto. Nothing contained in the Plan shall require the Reorganized OpCo Debtors to attempt to locate any Holder of an Allowed Claim.

j. Manner of Payment Pursuant to the Plan

Any payment in Cash to be made pursuant to the Plan shall be made at the election of the Reorganized OpCo Debtors by check or by wire transfer.

k. Surrender of Canceled Instruments, Noteholder Certificates, or Other Securities

As a condition precedent to receiving any distribution on account of its Allowed Claim, each record Holder of an OpCo Credit Facility Claim shall be deemed to have surrendered the Certificates or other documentation underlying each such Claim, and all such surrendered Certificates and other documentations shall be deemed to be canceled pursuant to Article IV.H. of the Plan, except to the extent otherwise provided therein.

Each Holder of an Allowed OpCo Noteholder Unsecured Claim evidenced by a Certificate shall surrender such Certificate to the Indenture Trustee. Such Certificate shall be cancelled solely with respect to the OpCo Debtors and such cancellation shall not alter the obligations or rights of any non-Debtor parties as between or among such persons pursuant to such instruments. No distribution of property hereunder shall be made to such holder unless and until such Certificate is received by the Indenture Trustee, or the unavailability of such Certificate is established to the reasonable satisfaction of such Indenture Trustee.

l. Lost, Stolen, Mutilated, or Destroyed Debt Securities

Any Holder of Allowed Claims or Interests evidenced by a Certificate, other than an OpCo Noteholder Unsecured Claim, that has been lost, stolen, mutilated, or destroyed shall, in lieu of surrendering such Certificate, deliver to the Distribution Agent, if applicable, an affidavit of loss acceptable to the Reorganized OpCo Debtors or the Distribution Agent setting forth the unavailability of the Certificate and provide such additional indemnity as may be reasonably required by the Distribution Agent to hold the Distribution Agent harmless from any damages, liabilities, or costs incurred in treating such Holder as a Holder of an Allowed Claim or Allowed Interest. Upon compliance with this procedure by a Holder of an Allowed Claim or Allowed Interest evidenced by such a lost, stolen, mutilated, or destroyed Certificate, such Holder shall, for all purposes pursuant to the Plan, be deemed to have surrendered such Certificate.

Any Holder of an Allowed OpCo Noteholder Unsecured Claim with respect to which the underlying Certificate has been lost, stolen, mutilated, or destroyed must, in lieu of surrendering such Certificate, deliver to the Indenture Trustee: (a) evidence satisfactory to the Indenture Trustee of the loss, theft, mutilation, or destruction; and (b) such security or indemnity as may be required by the Indenture Trustee to hold it and the OpCo Debtors and the Reorganized OpCo Debtors harmless from any damages, liabilities, or costs incurred in treating such individual as a Holder of such Certificate. Upon compliance with this Section by a Holder of an OpCo Noteholder Unsecured Claim, such Holder will, for all purposes under the Plan, be deemed to have surrendered the applicable Certificate.

Any Holder of an Allowed OpCo Noteholder Unsecured Claim who fails to surrender or cause the surrender of such Certificate, or fails to execute and deliver an affidavit of loss and indemnity reasonable satisfactory to the Indenture Trustee prior to the second anniversary of the Effective Date shall be deemed to have forfeited all rights and Claims in respect of such Certificate and shall not participate in any distribution under the Plan, and all property in respect of such forfeited distribution shall be subject to distribution to all other Holders of Allowed OpCo Noteholder Unsecured Claims who have duly surrendered or caused the surrender of their Certificates or reasonably established the unavailability thereof.

Any Holder of a Certificate that fails to surrender or is deemed not to have surrendered the applicable Certificate within the time prescribed in the second subparagraph of this Section will be deemed to have had its right to distributions pursuant to the Plan on account thereof discharged, and will be forever barred from asserting any such Claim against the OpCo Debtors or the Reorganized OpCo Debtors, the Indenture Trustee, or their respective property.

Notwithstanding the foregoing, if the record Holder of an Allowed OpCo Noteholder Unsecured Claim is DTC or its nominee or such other securities depository or custodian thereof, or if an OpCo Noteholder Unsecured Claim is held in book-entry or electronic form pursuant to a global security held by DTC, then the beneficial Holder of such an OpCo Noteholder Unsecured Claim shall be deemed to have surrendered such Holder's security, note, debenture, or other evidence of indebtedness upon surrender of such global security by DTC or such other securities depository or custodian thereof.

m. Timing and Calculation of Amounts to Be Distributed

On the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), each Holder of a Claim Allowed as of the Effective Date shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII.C of the Plan. Except as otherwise provided in the Plan, Holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

4. **Claims Paid or Payable by Third Parties**

a. Claims Paid by Third Parties

The Claims and Solicitation Agent shall reduce, in full or in part, a Claim, and such Claim shall be disallowed or reduced, as applicable, without a Claim objection having to be Filed and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, to the extent that the Holder of such Claim receives payment, either in full or in part, on account of such Claim from a party that is not an OpCo Debtor or a Reorganized OpCo Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not an OpCo Debtor or a Reorganized OpCo Debtor on account of such Claim, such Holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Reorganized OpCo Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized OpCo Debtor annualized interest at the federal judgment rate at such time on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

b. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable by a third party (including, without limitation, insurance policies) until the Holder of such Allowed Claim has exhausted all remedies with respect to such third party. To the extent that one or more third parties agrees to satisfy, in full or in part, a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be reduced or expunged, as applicable, to the extent of any agreed upon full or partial satisfaction on the Claims Register by the Claims and Solicitation Agent without a Claim objection having to be Filed and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

5. Compliance with Gaming Laws and Regulations

Reorganized OpCo Corporation shall not distribute Reorganized OpCo Common Stock or Reorganized OpCo Warrants to any Entity in violation of the gaming laws and regulations in the states in which the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, operate. Consequently, no Holder shall be entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants unless and until such Holder has been licensed, qualified, found suitable, or has obtained a waiver or exemption from such license, qualification, or suitability requirements.

To the extent a Holder is not entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants on the Effective Date due to a failure to comply with applicable gaming laws and regulations, Reorganized OpCo Corporation shall not distribute Reorganized OpCo Common Stock or Reorganized OpCo Warrants to such Holder, unless and until such Holder complies with applicable gaming laws and resolutions. Until such Holder has complied with applicable gaming laws and regulations, such Holder shall not be a shareholder of Reorganized OpCo Corporation and shall have no voting rights or other rights of a stockholder or Reorganized OpCo Corporation.

If a Holder is entitled to receive Reorganized OpCo Common Stock or Reorganized OpCo Warrants under the Plan and is required, under applicable gaming laws to undergo a suitability investigation and determination and such Holder either (a) refuses to undergo the necessary application process for such suitability approval or (b) after submitting to such process, is determined to be unsuitable to hold the Reorganized OpCo Common Stock or the Reorganized OpCo Warrants, or withdraws from the suitability determination prior to its completion, then, in that event, Reorganized OpCo shall hold the Reorganized OpCo Common Stock or the Reorganized OpCo Warrants and (x) such Holder shall only receive such distributions from Reorganized OpCo Corporation as are permitted by the applicable gaming authorities, (y) the balance of the Reorganized OpCo Common Stock or the Reorganized OpCo Warrants to which the Holder would otherwise be entitled will be marketed for sale by Reorganized OpCo Corporation, as agent for Holder, and (z) the proceeds of any such sale shall be distributed to Holder as soon as such sale can be facilitated and subject to regulatory approval. In addition, in the event that the applicable gaming authorities object to the possible suitability of any Holder, the Reorganized OpCo Common Stock or the Reorganized OpCo Warrants shall be distributed only to such Holder upon a formal finding of suitability. If a gaming authority subsequently issues a formal finding that a Holder lacks suitability, or such Holder withdraws from or does not fully cooperate with the suitability investigation, then the process for the sale of that Holder's Reorganized OpCo Common Stock or Reorganized OpCo Warrants shall be as set forth in (x), (y), and (z) above.

G. SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

1. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the distributions, rights, and treatment that are provided in the Plan shall be in full and complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims, Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Interests in, the OpCo Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such Claims or Interests relate to services performed by employees of the OpCo Debtors prior to the Effective Date and that arise from a termination of employment or a termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date, any contingent or non-contingent or liquidated or non-liquidated liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the Holder of such a Claim or Interest has accepted the Plan. Any default by the OpCo Debtors with respect to any Claim or Interest that existed

immediately prior to the Petition Date or on account of the filing of the Chapter 11 Cases shall be deemed Cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

2. **Subordinated Claims**

The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized OpCo Debtors reserve the right to re-classify any Allowed Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

3. **Compromise and Settlement**

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims and Interests. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all Claims and Interests, as well as a finding by the Bankruptcy Court that such compromise or settlement is fair, equitable, reasonable, and in the best interests of the OpCo Debtors, the OpCo Estates, and Holders of Claims and Interests**. Notwithstanding anything contained in the Plan to the contrary, the OpCo Agent and the Holders of OpCo Credit Facility Claims hereby waive any and all rights that they now have or may hereafter have against the Indenture Trustee or Holders of OpCo Noteholder Unsecured Claims under or with respect to the subordination provisions contained in the Subordinated Notes Indenture**.

4. **Releases**

a. Releases by the OpCo Debtors

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or the Plan Supplement, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the OpCo Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, the Released Parties are deemed conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged by the OpCo Debtors, the Reorganized OpCo Debtors, and the OpCo Estates from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of the OpCo Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that the OpCo Debtors, the Reorganized OpCo Debtors, or the OpCo Estates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the OpCo Debtors, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the OpCo Debtors the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any OpCo Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the Released Party reasonably believed to be in the best interests of the OpCo Debtors (to the extent such duty is imposed by applicable non-

bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence. The releases set forth in this paragraph shall not be given to the Yung Entities.

b. Releases by Holders of Claims and Interests

Except as otherwise specifically provided in the Plan or Plan Supplement, on and after the Effective Date, Holders of Claims and Interests (i) voting to accept the Plan or (ii) abstaining from voting on the Plan and electing not to opt out of the release contained in this paragraph (which by definition, does not include Holders of Claims and Interests who are not entitled to vote in favor of or against the Plan), shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the OpCo Debtors, the Reorganized OpCo Debtors, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of an OpCo Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the OpCo Debtors, the OpCo Debtors' restructuring, the OpCo Debtors' Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the OpCo Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Released Party and any OpCo Debtor, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of an OpCo Debtor, a Reorganized OpCo Debtor, or a Released Party that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the OpCo Debtor, the Reorganized OpCo Debtor, or the Released Party reasonably believed to be in the best interests of the OpCo Debtors (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence. The releases set forth in this paragraph shall not be given to the Yung Entities.

5. **Exculpation**

Except as otherwise specifically provided in the Plan or the Plan Supplement, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from any Claim, obligation, Cause of Action, or liability for any Exculpated Claim, except for gross negligence or willful misconduct, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The OpCo Debtors and the Reorganized OpCo Debtors (and each of their respective Affiliates, agents, directors, members, managers, partners, officers, employees, advisors, and attorneys) have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the securities pursuant to the Plan, and therefore are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan. The exculpation set forth in this paragraph shall not apply to the Yung Entities.

6. **Injunction**

Except as otherwise expressly provided in the Plan or for obligations issued pursuant to the Plan, all Entities who have held, hold, or may hold Claims or Interests that have been discharged pursuant to Article VIII.A of the Plan, released pursuant to Article VIII.D of the Plan, or are subject to exculpation pursuant to Article VIII.E of the Plan are permanently enjoined, from and after the Effective Date, from: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or

with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Confirmation Date, and notwithstanding an indication in a Proof of Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan.

7. **Protections Against Discriminatory Treatment**

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized OpCo Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized OpCo Debtors, or another Entity with whom such Reorganized OpCo Debtors have been associated, solely because one of the OpCo Debtors has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the OpCo Debtor is granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

8. **Setoffs**

Except as otherwise expressly provided for in the Plan, each Reorganized OpCo Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim, may setoff against any Allowed Claim and the distributions to be made pursuant to the Plan on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), any Claims, rights, and Causes of Action of any nature that such OpCo Debtor or Reorganized OpCo Debtor, as applicable, may hold against the Holder of such Allowed Claim, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that neither the failure to effect such a setoff nor the allowance of any Claim pursuant to the Plan shall constitute a waiver or release by such Reorganized OpCo Debtor of any such Claims, rights, and Causes of Action that such Reorganized OpCo Debtor may possess against such Holder. In no event shall any Holder of Claims be entitled to setoff any Claim against any Claim, right, or Cause of Action of the OpCo Debtor or the Reorganized OpCo Debtor, as applicable, unless such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 or otherwise.

9. **Recoupment**

In no event shall any Holder of Claims or Interests be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the OpCo Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

10. **Release of Liens**

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to Article VII.C of the Plan and, in the case of an Other Secured Claim, satisfaction in full of the portion of

the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged (except for Charging Liens of the Indenture Trustees with respect to bondholders to the extent the Indenture Trustee's fees and expenses are not paid pursuant to the Plan), and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized OpCo Debtor and its successors and assigns.

11. Document Retention

On and after the Effective Date, the Reorganized OpCo Debtors may maintain documents in accordance with their current document retention policy, as may be altered, amended, modified, or supplemented by the Reorganized OpCo Debtors.

12. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of allowance or disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (a) such Claim has been adjudicated as non-contingent; or (b) the relevant Holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

H. ALLOWANCE AND PAYMENT OF CERTAIN ADMINISTRATIVE CLAIMS

1. Professional Claims

Final Fee Applications: All final requests for payment of Professional Claims shall be Filed no later than the Administrative Claim Bar Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Final Orders, the Allowed amounts of the Professional Claims shall be determined by the Bankruptcy Court.

Payment of Interim Amounts: Except as otherwise provided in the Plan and subject to Article IX.A.1 of the Plan, Professionals shall be paid pursuant to the Interim Compensation Order.

Professional Fee Escrow Account: In accordance with Article IX.A.4 of the Plan, on the Effective Date, the Reorganized OpCo Debtors shall fund the Professional Fee Escrow Account with Cash equal to the aggregate Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust for the Professionals with respect to whom fees or expenses have been held back pursuant to the Interim Compensation Order. The remaining amount of Professional Claims owing to the Professionals shall be paid in Cash to such Professionals by the Reorganized OpCo Debtors from the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. When all Professional Claims have been paid in full, amounts remaining in the Professional Fee Escrow Account, if any, shall be paid to the Reorganized OpCo Debtors.

Professional Fee Reserve Amount: To receive payment for unbilled fees and expenses incurred through the Confirmation Date, on or before the Confirmation Date, the Professionals shall estimate their Accrued Professional Compensation prior to and as of the Confirmation Date and shall deliver such estimate to the OpCo Debtors. If a Professional does not provide an estimate, the Reorganized OpCo Debtors may estimate the unbilled fees and expenses of such Professional; provided, however, that such estimate shall not be considered an admission with respect to the fees and expenses of such Professional. The total amount so estimated as of the Effective Date shall comprise the Professional Fee Reserve Amount.

Post-Confirmation Date Fees and Expenses: Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Reorganized OpCo Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, pay in Cash the reasonable legal, professional, or other fees and expenses related to implementation and Consummation incurred by the

Reorganized OpCo Debtors and incurred by the Creditors Committee in connection with those matters for which it remains in existence after the Effective Date pursuant to the Plan. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized OpCo Debtors may employ and pay any Professional in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

Substantial Contribution Compensation and Expenses: Except as otherwise specifically provided in the Plan, any Entity who requests compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to section 503(b)(3), (4), and (5) of the Bankruptcy Code must File an application and serve such application on counsel for the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, and as otherwise required by the Bankruptcy Court and the Bankruptcy Code on or before the Administrative Claim Bar Date or be forever barred from seeking such compensation or expense reimbursement.

2. Other Administrative Claims

All requests for payment of an Administrative Claim must be Filed with the Claims and Solicitation Agent and served upon counsel to the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, on or before the Administrative Claim Bar Date. Any request for payment of an Administrative Claim pursuant to Article II.B that is not timely Filed and served shall be disallowed automatically without the need for any objection by the OpCo Debtors or the Reorganized OpCo Debtors. The Reorganized OpCo Debtors may settle and pay any Administrative Claim in the ordinary course of business without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity. In the event that any party with standing objects to an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

I. CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

1. Conditions Precedent to Confirmation

The following are conditions precedent to Confirmation that must be satisfied or waived in accordance with Article X.C of the Plan:

a. The Bankruptcy Court shall have entered a Final Order, in form and substance acceptable to the OpCo Debtors and subject to the reasonable approval of the OpCo Agent and the OpCo Lenders, approving this Disclosure Statement with respect to the Plan as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.

b. The final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been Filed in form and substance acceptable to the OpCo Debtors and subject to the reasonable approval of the OpCo Agent and the OpCo Lenders, without prejudice to the Reorganized OpCo Debtors' rights under the Plan to alter, amend, or modify certain of the schedules, documents, and exhibits contained in the Plan.

c. The Confirmation Order shall be in form and substance acceptable to the OpCo Debtors and subject to the reasonable approval of the OpCo Agent and OpCo Lenders.

2. Conditions Precedent to Consummation

The following are conditions precedent to Consummation that must be satisfied or waived in accordance with Article X.C of the Plan:

a. The Bankruptcy Court shall have entered one or more Final Orders (which may include the Confirmation Order) authorizing the assumption and rejection of executory contracts and unexpired leases by the OpCo Debtors as contemplated in Article V of the Plan.

b. To the extent they exist, the OpCo Exit Facility and the Rights Offering documents shall have been executed and delivered by all of the Entities that are parties thereto, and all conditions precedent to the Consummation thereof shall have been waived or satisfied in accordance with the terms thereof, and funding pursuant to the OpCo Exit Facility shall have occurred.

c. To the extent there is a Rights Offering, the OpCo Debtors shall have received the Rights Offering Payment, in Cash, net of any fees or expenses authorized by a Final Order to be paid from the Rights Offering Payment.

d. All authorizations, consents, and regulatory approvals required for the Plan's effectiveness shall have been obtained including, without limitation, all gaming regulatory approvals and consents.

e. The Confirmation Order shall have become a Final Order in form and substance acceptable to the OpCo Debtors and subject to the reasonable approval of the OpCo Agent and the OpCo Lenders.

f. The Confirmation Date shall have occurred.

g. The Reorganized OpCo Board shall have been selected.

h. **The Litigation Trust Agreement shall have been executed and the Litigation Trust shall have been created.**

3. **Waiver of Conditions Precedent**

The OpCo Debtors or the Reorganized OpCo Debtors, as applicable, with the consent of the OpCo Agent and the OpCo Lenders, **and the Creditors Committee solely with respect to Article X.B.8 of the Plan,** may waive any of the conditions to Confirmation or Consummation set forth in Article X.A and Article X.B of the Plan at any time, without any notice and without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity, and without any formal action other than proceeding to confirm or consummate the Plan; provided, however, neither the OpCo Debtors nor the Reorganized OpCo Debtors may waive the condition to Consummation regarding gaming regulatory approvals and consents, to the extent that they are required under applicable state law. A failure to satisfy or waive any condition to Confirmation or Consummation may be asserted as a failure of Confirmation or Consummation regardless of the circumstances giving rise to such failure (including any action or inaction by the Entity asserting such failure). The failure of the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

4. **Effect of Non-Occurrence of Conditions to Consummation**

Each of the conditions to Consummation must be satisfied or waived pursuant to Article X.C of the Plan, and Consummation must occur within 180 days of Confirmation, or by such later date established by Final Order. If Consummation has not occurred within 180 days of Confirmation, then upon motion by a party in interest made before Consummation and a hearing, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such motion to vacate, the Confirmation Order may not be vacated if Consummation occurs before the Bankruptcy Court enters a Final Order granting such motion. If the Confirmation Order is vacated pursuant to Article X.D of the Plan or otherwise, then except as provided in any Final Order vacating

the Confirmation Order, the Plan will be null and void in all respects, including the discharge of Claims and termination of Interests pursuant to the Plan and section 1141 of the Bankruptcy Code and the assumptions, assignments, and rejections of executory contracts or unexpired leases pursuant to Article V, and nothing contained in the Plan or Disclosure Statement shall: (a) constitute a waiver or release of any Claims, Interests, Causes of Action, or Insider Causes of Action; (b) prejudice in any manner the rights of such OpCo Debtor or any other Entity; or (c) constitute an admission, acknowledgment, offer, or undertaking of any sort by such OpCo Debtor or any other Entity.

5. Satisfaction of Conditions Precedent to Confirmation

Upon entry of a Confirmation Order acceptable to the OpCo Debtors (and subject to the reasonable approval of the OpCo Agent and the OpCo Lenders) each of the conditions precedent to Confirmation, as set forth in Article X.A of the Plan, shall be deemed to have been satisfied or waived in accordance with the Plan.

J. MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

1. Modification and Amendments

Except as otherwise specifically provided in the Plan, the OpCo Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, each of the OpCo Debtors expressly reserve their respective rights to revoke or withdraw, or to alter, amend, or modify materially the Plan with respect to such OpCo Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, this Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with Article XI of the Plan.

2. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

3. Revocation or Withdrawal of Plan

The OpCo Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to File subsequent chapter 11 plans. If the OpCo Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption, assignment, or rejection of executory contracts or unexpired leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (c) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims, Interests, Causes of Action, or Insider Causes of Action; (ii) prejudice in any manner the rights of such OpCo Debtor or any other Entity; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by such OpCo Debtor or any other Entity.

K. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the secured or unsecured status, priority, amount, or allowance of Claims or Interests;

2. Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. Resolve any matters related to: (a) the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which an OpCo Debtor is party or with respect to which an OpCo Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Cure or Claims arising therefrom, including Cure or Claims pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any executory contract or unexpired lease that is assumed; (c) the Reorganized OpCo Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V of the Plan, any executory contracts or unexpired leases to the list of executory contracts and unexpired leases to be assumed or rejected or otherwise; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

4. Ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving an OpCo Debtor that may be pending on the Effective Date;

6. Adjudicate, decide, or resolve any and all matters related to Causes of Action and Insider Causes of Action;

7. Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

8. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or this Disclosure Statement;

9. Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

10. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

11. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. Resolve any cases, controversies, suits, disputes, Causes of Action, or Insider Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan, and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

13. Resolve any and all cases, controversies, suits, disputes, Causes of Action, or Insider Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim for amounts not timely repaid;

14. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. Enter an order or Final Decree concluding or closing the Chapter 11 Cases;

16. Adjudicate any and all disputes arising from or relating to payments or distributions under the Plan;

17. Consider any and all modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Final Order, including the Confirmation Order;

18. Hear and determine requests for the payment or distribution on account of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. Hear and determine any and all disputes arising in connection with the interpretation, implementation, or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

20. Hear and determine any and all disputes arising under sections 525 or 543 of the Bankruptcy Code;

21. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

22. Hear and determine any and all disputes involving the existence, nature, or scope of the OpCo Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

23. Determine any other matters that may arise in connection with or relate to the Plan, this Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or this Disclosure Statement;

24. Enforce any orders previously entered by the Bankruptcy Court; and

25. Hear any and all other matter not inconsistent with the Bankruptcy Code.

L. MISCELLANEOUS PROVISIONS

1. Immediate Binding Effect

Subject to Article X.B of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the OpCo Debtors, the Reorganized OpCo Debtors, and any and all Holders of Claims or Interests (irrespective of whether any such Holders of Claims or Interests failed to vote to accept or reject the Plan, voted to accept or reject the Plan, or ~~is~~**are** deemed to accept or reject the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all Non-OpCo Debtor parties to executory contracts and unexpired leases with the OpCo Debtors.

2. Additional Documents

On or before the Effective Date, the OpCo Debtors may File with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The OpCo Debtors or the Reorganized OpCo Debtors, as applicable, and all Holders of Claims ~~or Interests~~

receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

3. **Payment of Statutory Fees**

All fees payable pursuant to section 1930 of title 28 of the United States Code after the Effective Date shall be paid prior to the closing of the Chapter 11 Cases when due or as soon thereafter as practicable.

4. **Dissolution of Creditors Committee**

Upon the Effective Date, the Creditors Committee shall dissolve automatically (except with respect to any pending litigation or contested matter to which the Creditors Committee is a party, any appeals Filed regarding Confirmation, the resolution of any substantial contribution applications, and the resolution of applications for Professional Claims), and members thereof shall be released and discharged from all rights, duties, responsibilities, and liabilities arising from, or related to, the Chapter 11 Cases and under the Bankruptcy Code.

5. **Reservation of Rights**

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any OpCo Debtor with respect to the Plan, this Disclosure Statement, or the Plan Supplement shall be deemed to be an admission or waiver of any rights of any OpCo Debtor with respect to the Holders of Claims or Interests prior to the Effective Date.

6. **Successors and Assigns**

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiary, or guardian, if any, of such Entity.

7. **Service of Documents**

a. After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the OpCo Debtors or Reorganized OpCo Debtors shall be sent by overnight mail, postage prepaid to:

3930 Howard Hughes Parkway
4th Floor
Las Vegas, Nevada 89169
Attn: Chief Legal Officer or General Counsel

with a copy to:

Kirkland & Ellis LLP
200 East Randolph Drive
Chicago, Illinois 60601
Attn: Marc Kieselstein, P.C. and David R. Seligman, P.C.

b. After the Effective Date, the Reorganized OpCo Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, each such Entity must File a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Reorganized OpCo Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities

who have Filed such renewed requests.

c. In accordance with Bankruptcy Rules 2002 and 3020(c), no later than ten business days after the date of entry of the Confirmation Order, the OpCo Debtors shall serve the Notice of Confirmation by hand, by overnight courier service, or by United States mail, first class postage prepaid, to all Entities having been served with the Confirmation Hearing Notice; provided, however, that no notice or service of any kind shall be required to be mailed or made upon any Entity to whom the OpCo Debtors mailed a Confirmation Hearing Notice but received such notice returned marked "undeliverable as addressed," "moved, left no forwarding address" or "forwarding order expired," or similar reason, unless the OpCo Debtors have been informed in writing by such Entity, or are otherwise aware, of that Entity's new address. To supplement the notice described in the preceding sentence, no later than twenty days after the date of the Confirmation Order, the OpCo Debtors shall publish the Notice of Confirmation once in *The Wall Street Journal (National Edition)*. Mailing and publication of the Notice of Confirmation in the time and manner set forth in this paragraph shall be good and sufficient notice under the particular circumstances and in accordance with the requirements of Bankruptcy Rules 2002 and 3020(c), and no further notice is necessary.

8. **Term of Injunctions or Stays**

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

9. **Entire Agreement**

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

10. **Governing Law**

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of Delaware, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate governance matters; provided, however, that corporate governance matters relating to the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, not incorporated in Delaware shall be governed by the laws of the state of incorporation of the applicable OpCo Debtor or Reorganized OpCo Debtor, as applicable.

11. **Plan Supplement**

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. Except as otherwise provided in the Plan, such exhibits and documents included in the Plan Supplement shall be Filed with the Bankruptcy Court on or before the Plan Supplement Filing Date. Upon its Filing, the Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court or its designee during normal business hours, at the Bankruptcy Court's website—for a fee—at www.deb.uscourts.gov, and for free at the OpCo Debtors' website at www.kccllc.net/tropicana. The documents contained in the Plan Supplement are an integral part of the Plan, and entry of the Confirmation Order by the Bankruptcy Court shall constitute an approval of

the Plan Supplement. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall control.

12. **Nonseverability of Plan Provisions**

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the OpCo Debtors' consent; and (c) nonseverable and mutually dependent.

13. **Closing of Chapter 11 Cases**

Each Reorganized OpCo Debtor shall promptly after the full administration of its Chapter 11 Case, File with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close its Chapter 11 Case. Upon the Reorganized OpCo Debtors sending notice of such dissolution to those Entities who have Filed renewed requests to receive documents pursuant to Bankruptcy Rule 2002, any Reorganized OpCo Debtor identified in such notice as being dissolved shall be deemed dissolved under state law without further action by the Reorganized OpCo Debtors and without any further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

14. **Waiver or Estoppel**

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, secured, or not subordinated by virtue of an agreement made with the OpCo Debtors or their counsel, the Creditors Committee or its counsel, or any other Entity, if such agreement was not disclosed in the Plan, this Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

15. **Conflicts and Interpretation of Plan**

Except as set forth in the Plan, to the extent that any provision of this Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control. To the extent a term in the Plan is ambiguous, the Reorganized OpCo Debtors are authorized to interpret such term in their sole discretion.

16. **Filing of Additional Documents**

On or before the Effective Date, the OpCo Debtors may File with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

17. Intellectual Property

Nothing in the Plan (including the duration of the Interim Period) shall impair, enlarge, or in any way alter the equitable and legal rights, obligations, and defenses of the OpCo Debtors (or any Entity created in accordance with the Plan) or the LandCo Debtors (or any Entity created in accordance with the LandCo Plan,

including New LandCo) regarding the Intellectual Property Rights, and all Entities reserve their rights with respect thereto.

Notwithstanding the foregoing, the action or inaction of any Entity with respect to the Intellectual Property Rights during the Interim Period shall not be used, invoked, or applied by any Entity in any proceeding to serve as the basis to enlarge, diminish, or in any way alter or affect the equitable and legal rights, obligations, and defenses of any Entity including, without limitation, through the doctrines of *res judicata*, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), naked license, unreasonable delay in asserting rights, adequate remedy at law, or laches, in any dispute regarding the Intellectual Property Rights.

During the Interim Period, and without waiving any of the foregoing rights, obligations, and defenses, the OpCo Debtors (and any Entity created in accordance with the Plan) and the LandCo Debtors (and any Entity created in accordance with the LandCo Plan, including New LandCo) agree that they shall use (a) the trademarks and service marks included in the Intellectual Property Rights only in connection with those goods and services with which such trademarks and service marks have been used historically by such Entities, and (b) the quality of such goods and services shall be consistent with or better than the quality of the goods and services on which such trademarks and service marks have been used historically.

V. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

The following is a brief summary of the Confirmation process. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own advisors.

A. THE CONFIRMATION HEARING

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to conduct a hearing to consider confirmation of a plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation.

B. CONFIRMATION STANDARDS

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. The OpCo Debtors believe that: (1) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (2) they have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (3) the Plan has been proposed in good faith. Specifically, the OpCo Debtors believe that the Plan satisfies or will satisfy the applicable Confirmation requirements of section 1129 of the Bankruptcy Code, including those set forth below.

1. The Plan complies with the applicable provisions of the Bankruptcy Code.

2. The OpCo Debtors, as the Plan proponents, will have complied with the applicable provisions of the Bankruptcy Code.

3. The Plan has been proposed in good faith and not by any means forbidden by law.

4. Any payment made or to be made under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been or will be disclosed to the Bankruptcy Court, and any such payment: (a) made before the Confirmation of the Plan will be reasonable; or (b) will be subject to the approval of the Bankruptcy Court as reasonable, if it is to be fixed after Confirmation of the Plan.

5. The OpCo Debtors, as Plan proponents, will have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Reorganized OpCo Debtors, an affiliate of the OpCo Debtors participating in a joint plan with the OpCo Debtors, or a successor to the OpCo Debtors under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Holders of Claims and Interests and with public policy.

6. The OpCo Debtors, as Plan proponents, have disclosed the identity of any Insider that will be employed or retained by the Reorganized OpCo Debtors and the nature of any compensation for such Insider.

7. Each Holder of an Impaired Claim has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the OpCo Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code. Each Holder of an Impaired Interest has accepted the Plan or will receive or retain under the Plan on account of such Interest property of a value as of the Effective Date of the Plan that is not less than the amount that such Holder would receive or retain if the OpCo Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code.

8. Each Class of Claims or Interests that is entitled to vote on the Plan has either accepted the Plan or is not Impaired under the Plan, or the Plan can be confirmed without the approval of such voting Class of Claims or Interests pursuant to section 1129(b) of the Bankruptcy Code.

9. Except to the extent that the Holder of a particular Claim will agree to a different treatment of its Claim, the Plan provides that: (a) Holders of Administrative Claims and Other Priority Claims specified in section 507(a)(2) and 507(a)(3) of the Bankruptcy Code, respectively, will receive on account of such Claims Cash equal to the allowed amount of such Claim on the Effective Date of the Plan, or as soon thereafter as is reasonably practicable; (b) Holders of Claims specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code will receive deferred Cash payments of a value, as of the Effective Date of the Plan, equal to the allowed amount of such Claim if such Holders of Claims vote to accept the Plan, and will receive Cash on the Effective Date of the Plan equal to the allowed amount of such Claim; and (c) Holders of Claims specified in section 507(a)(8) of the Bankruptcy Code will receive on account of such Claim regular installment payments of Cash of a total value, as of the Effective Date of the Plan, equal to the allowed amount of such Claim over a period ending not later than five years after the Petition Date.

10. At least one Class of Impaired Claims has accepted the Plan, determined without including any acceptance of the Plan by any Insider holding a Claim in that Class.

11. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors or any successors thereto under the Plan, unless the Plan contemplates such liquidation or reorganization.

12. The OpCo Debtors have paid the required filing fees pursuant to 28 U.S.C. § 1930 to the clerk of the Bankruptcy Court.

13. In addition to the filing fees paid to the clerk of the Bankruptcy Court, the OpCo Debtors will pay quarterly fees no later than the last day of the calendar month following the calendar quarter for which the fee is owed in each of the OpCo Debtors' Chapter 11 Cases for each quarter (including any fraction thereof), to the United States Trustee, until the case is converted or dismissed, whichever occurs first.

C. BEST INTERESTS OF CREDITORS TEST/ LIQUIDATION ANALYSIS AND VALUATION ANALYSIS

Under the Bankruptcy Code, confirmation of a plan also requires a finding that the plan is in the "best interests" of creditors. Under the "best interests" test, the Bankruptcy Court must find (subject to certain exceptions) that the Plan provides, with respect to each Impaired Class, that each Holder of an Allowed Claim or Interest in such Impaired Class has accepted the Plan, or will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the OpCo Debtors were liquidated under chapter 7 of the Bankruptcy Code.

The analysis under the "best interests" test requires that the Bankruptcy Court determine what Holders of Allowed Claims and Interests in each Impaired Class would receive if the OpCo Debtors' Chapter 11 Cases were converted to liquidation cases under chapter 7 of the Bankruptcy Code, and the Bankruptcy Court appointed a chapter 7 trustee to liquidate all of the OpCo Debtors' assets into Cash. The OpCo Debtors' "liquidation value" would consist primarily of unencumbered and unrestricted Cash held by the OpCo Debtors at the time of the conversion to chapter 7 cases and the proceeds resulting from the chapter 7 trustee's sale of the OpCo Debtors' remaining unencumbered assets. The gross Cash available for distribution would be reduced by the costs and expenses incurred in effectuating the chapter 7 liquidation and any additional Administrative Claims incurred during the chapter 7 cases.

The Bankruptcy Court then must compare the value of the distributions from the proceeds of the hypothetical chapter 7 liquidation of the OpCo Debtors (after subtracting the chapter 7-specific claims and administrative costs) with the value to be distributed to the Holders of Allowed Claims under the Plan. It is possible that in a chapter 7 liquidation, Claims and Interests may not be classified in the same manner as set forth in the Plan. In a hypothetical chapter 7 liquidation of the OpCo Debtors' assets, the rule of absolute priority of distribution would apply, i.e., no junior Creditor would receive any distribution until payment in full of all senior Creditors, and no Holder of an Interest would receive any distribution until all Creditors have been paid in full.

Of the foregoing groups of Claims, the DIP Facility Claims, Other Secured Claims, Administrative Claims, Priority Tax Claims, and Other Priority Claims are either unclassified or "Unimpaired" under the Plan, meaning that the Plan generally leaves their legal, equitable, and contractual rights unaltered. As a result, Holders of such Claims are deemed to accept the Plan. The remainder of the Classes of Claims and Interests are "Impaired" under the Plan and are either entitled to vote on, or deemed to reject, the Plan. Because the Bankruptcy Code requires that Impaired Creditors either accept the Plan or receive at least as much under the Plan as they would in a hypothetical chapter 7 liquidation, the operative "best interests" inquiry in the context of the Plan is whether in a chapter 7 liquidation, after accounting for recoveries by Holders of Allowed DIP Facility, Other Secured, Administrative, Priority Tax, and Other Priority Claims, the Impaired Creditors and Interest Holders will receive more or less than under the Plan. If the probable distribution to Impaired Creditors and Interest Holders under a hypothetical chapter 7 liquidation is greater than the distributions to be received by such Holders under the Plan, then the Plan is not in the best interests of Impaired Creditors and Interest Holders.

Based upon the conclusions set forth in the Liquidation Analysis and the Valuation Analysis, the OpCo Debtors believe that the value of distributions, if any, in a hypothetical chapter 7 liquidation to Holders of Allowed Unsecured Claims and Interests would be less than the value of distributions to such Holders under the Plan.

1. Liquidation Analysis

The first step in the "best interests" analysis requires determining what Holders of Allowed Claims and Interests in each Impaired Class would receive if the OpCo Debtors' Chapter 11 Cases were converted to liquidation cases under chapter 7 of the Bankruptcy Code. To that end, the OpCo Debtors and their Professionals have prepared the Liquidation Analysis. The Liquidation Analysis, along with certain notes related to the Liquidation Analysis, is attached as **Exhibit B** to this Disclosure Statement. Please review the full text of the Liquidation Analysis for further information.

As stated in further detail in the Liquidation Analysis and the accompanying notes, the OpCo Debtors believe that any hypothetical liquidation analysis is necessarily speculative. The determination of the costs of, and proceeds from, the hypothetical chapter 7 liquidation of the OpCo Debtors' assets is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the OpCo Debtors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the OpCo Debtors and their Professionals. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results in an actual chapter 7 liquidation. The OpCo Debtors and their Professionals prepared the Liquidation Analysis for the sole purpose of generating a reasonable good-faith estimate of the proceeds that would be generated if the OpCo Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by independent accountants. NEITHER THE OPCO DEBTORS NOR THEIR PROFESSIONALS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

In preparing the Liquidation Analysis, the OpCo Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' Schedules and Proofs of Claim Filed to date. In addition, the Liquidation Analysis includes estimates of Allowed Claims not currently asserted in the Chapter 11 Cases, but which could be asserted and Allowed in a chapter 7 liquidation, including Administrative Claims, wind-down costs, trustee fees, tax liabilities, and certain lease and contract rejection damages Claims. To date, the Bankruptcy Court has not estimated or otherwise fixed the total amount of Allowed Claims set forth in the Liquidation Analysis. The OpCo Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims and Interests under the Plan. NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE OPCO DEBTORS. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY AND SIGNIFICANTLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

~~The Creditors Committee believes that the Liquidation Analysis of the OpCo Debtors is based on flawed assumptions and that the OpCo Debtors' conclusions as to Liquidation Value is substantially less than the actual liquidation value.~~

2. **Valuation Analysis**

a. Introduction

The next step in the "best interests" analysis is a comparison of what Holders of Allowed Claims and Interests in each Impaired Class would receive in a hypothetical chapter 7 liquidation with the estimated value of distributions to such Holders under the Plan. Because certain distributions contemplated by the Plan are composed of equity in the Reorganized OpCo Debtors, the OpCo Debtors determined it was necessary to estimate the reorganized value of their businesses. Accordingly, the OpCo Debtors directed Lazard to prepare the Valuation Analysis of the Reorganized OpCo Debtors, which is described herein. This discussion of the Valuation Analysis should be read in conjunction with the discussion of the risk factors contained in Article VII.

The Valuation Analysis is based upon data and information as of January 2, 2009. Neither Lazard nor the OpCo Debtors make representations as to changes to such data and information that may have occurred since that date.

In preparing the Valuation Analysis, Lazard, among other things: (i) conducted discussions with the OpCo Debtors' various managers and Professionals with respect to the OpCo Debtors' business operations, both current and projected; (ii) reviewed various documents and pleadings in the Chapter 11 Cases; (iii) reviewed the operations and historical financial performance of the OpCo Debtors; (iv) reviewed managements' initial DIP Credit Facility forecast; (v) reviewed the OpCo Debtors' business plan; (vi) analyzed current market conditions and general trends in

the gaming industry, the business models and performance of the OpCo Debtors' key competitors, and trends affecting local markets in which the OpCo Debtors operate; (vii) analyzed the performance, financial information, and market position of the OpCo Debtors relative to certain competitors and/ or similar publicly traded companies; (viii) reviewed various securities analyst research reports on the gaming industry and its participants; (ix) analyzed relevant precedential transactions in the industry to determine prices paid for assets or companies similar to the OpCo Debtors; and (x) reviewed such other information and conducted such other analyses as Lazard deemed appropriate.

Lazard assumed, without independent verification, the accuracy, completeness, and fairness of all of the financial and other information available to it from public sources or as provided to Lazard by the OpCo Debtors or their representatives. Lazard did not make any independent evaluation or appraisal of the OpCo Debtors' assets, nor did Lazard independently verify any of the information it reviewed. Lazard has assumed that the Financial Projections are true and that the OpCo Debtors or their representatives reasonably prepared them on bases reflecting the best estimates and good faith judgments of the OpCo Debtors' management as to future operating and financial performance as of the date of their preparation, and that the OpCo Debtors have informed Lazard of all known circumstances occurring since such date that could make the Financial Projections incomplete or misleading. Lazard conducted the Valuation Analysis with the explicit understanding that it is based on standards of assessment, including economic, political, legal, and other conditions, in existence as of the date of the Valuation Analysis that are beyond Lazard and the OpCo Debtors' control. Such standards of assessment may change in the future, and such changes could have a material impact (positive or negative) on its assessment of the valuation of the Reorganized OpCo Debtors set forth in this Disclosure Statement. To the extent the Valuation Analysis is dependent upon the Reorganized OpCo Debtors' achievement of the Financial Projections, and the assumption that general economic, financial, and market conditions as of the Effective Date will not differ materially from those prevailing as of the date of the Valuation Analysis, the Valuation Analysis must be considered speculative. Lazard disclaims any responsibility for any impact any such change may have on the assessment of the valuation of the Reorganized OpCo Debtors set forth in the Plan.

The Financial Projections used in the Valuation Analysis also assume that general economic, financial, and market conditions as of the Effective Date will not differ materially from those conditions prevailing as of the date of the Valuation Analysis. Although subsequent developments may affect Lazard's conclusions, Lazard does not have any obligation to update, revise, or reaffirm its analysis following the Confirmation Hearing.

b. Total Enterprise Value

The Valuation Analysis summarizes Lazard's view on the Total Enterprise Value of the Reorganized OpCo Debtors' ongoing business operations. The Valuation Analysis assumes that the New Jersey Entities may or may not file chapter 11 petitions and will not become joint proponents of the Plan and reorganized with the OpCo Debtors. Instead, the Valuation Analysis assumes that the OpCo Lenders will consummate a purchase of the Tropicana AC assets with a credit bid that will result in the OpCo Lenders owning and controlling the Tropicana AC assets and certain related assets owned and controlled by the OpCo Debtors. Lazard assumed a range of values the OpCo Lenders would need to credit bid in order to obtain control of the New Jersey Entities and has included this range in the recovery against the OpCo Credit Facility Secured Claim. The Valuation Analysis also assumes that there is no value in excess of the LandCo Debtors' Secured Claims. In preparing a valuation analysis, Lazard typically utilizes the following three methodologies: (i) a calculation of the present value of projected free cash flows and a terminal value, using a range of discount rates (the "DCF Analysis"); (ii) a comparison of the Reorganized OpCo Debtors' Total Enterprise Value as a multiple of their earnings before interest, taxes, depreciation, and amortization ("EBITDA"), with that multiple determined by reference to a review of comparable publicly traded gaming companies (the "Comparable Company Analysis"); and (iii) an analysis of the precedential gaming industry transactions since 2000 to determine an appropriate EBITDA multiple for determining the Reorganized OpCo Debtors' Total Enterprise Value (the "Precedent Transactions Analysis"). However, because the transactions included in the Precedent Transactions Analysis occurred under drastically different credit and financial market conditions, Lazard has not relied upon this analysis.

The DCF Analysis estimates the Reorganized OpCo Debtors' Total Enterprise Value as the present value of unlevered free cash flows. The projected cash flows were derived from the forecasted cash flows prepared by the OpCo Debtors' management for the period of 2009 through 2013. Lazard then discounted these projected cash flows by the Reorganized OpCo Debtors' risk-adjusted cost of capital — or weighted average cost of capital ("WACC") — to derive a present value. Based on the comparable statistics of the Reorganized OpCo Debtors' peer group, Lazard calculated a WACC range of approximately 15.0% to 17.0%. Lazard calculated the present value of all cash flows after 2013 using terminal values. To do this, Lazard applied exit multiples ranging from 4.5x to 5.5x to the Reorganized OpCo Debtors' 2013 estimated EBITDA to obtain a range of terminal values. Lazard then discounted these terminal values to present value using the aforementioned WACC. Ultimately, this approach yielded a range of values for the Reorganized OpCo Debtors, with a going-concern Total Enterprise Value range of $325 million to $400 million.

The Comparable Company Analysis involved carefully selecting comparable companies and using an appropriate range of valuation multiples to calculate an estimated Total Enterprise Value for the Reorganized OpCo Debtors. First, Lazard screened the universe of publicly traded, gaming-focused companies with primarily domestic operations, multiple asset and/ or jurisdiction portfolios, and Total Enterprise Values less than $1 billion. Second, after determining the Reorganized OpCo Debtors' peer group, Lazard computed a range of appropriate EBITDA multiples derived from a comparison of Total Enterprise Value for each company in the peer group to its last-twelve-months ("LTM"), 2008 estimated, and 2009 estimated EBITDA figures. Third, applying this range of EBITDA multiples to the OpCo Debtors' LTM, 2008 estimated and 2009 estimated EBITDA figures, Lazard determined an implied Total Enterprise Value range for the Reorganized OpCo Debtors from $375 million to $450 million.

For the Precedent Transactions Analysis, Lazard utilized an approach similar to the Comparable Company Analysis to arrive at a relevant set of transactions. Specifically, Lazard reviewed relevant merger and acquisition transactions in the gaming industry since 2000. For the relevant group of transactions, Lazard calculated the Total Enterprise Value of the acquired company as a multiple of actual EBITDA for the last twelve months prior to the announcement of the transaction and projected EBITDA for the next fiscal year after the announcement of the transaction. Ultimately, however, Lazard chose not to rely on the Precedent Transactions Analysis in completing the Valuation Analysis, because the transactions included in this analysis occurred under drastically different credit and financial market conditions.

Based on the methodologies described above, and after further review, discussions, considerations, and assumptions, Lazard has estimated a Total Enterprise Value range for the Reorganized OpCo Debtors as of the Effective Date of $350 million to $425 million, with a midpoint of $388 million.

~~The Creditors Committee believes that the Valuation Analysis of the OpCo Debtors is based on flawed assumptions and that the OpCo Debtors' assumed Total Enterprise Value is substantially less than the actual Total Enterprise Value, which may have a material impact on Creditor recoveries.~~

c. Equity Value

After determining the Total Enterprise Value of the Reorganized OpCo Debtors, Lazard estimated the reorganized equity values of the Reorganized OpCo Debtors (the "Reorganized Equity Value") by deducting the $250 million of anticipated debt and adding the additional Cash available to operate the Reorganized OpCo Debtors and funded by the OpCo Exit Facility. To show a full range of potential Reorganized Equity Value, the low end of the valuation range was applied to the high end of the OpCo Debtors' estimate of Allowed Claims and the high end of the valuation range was applied to the low end of the OpCo Debtors' estimate of Allowed Claims. Based on these assumptions, the estimated range of Reorganized Equity Value of the Reorganized OpCo Debtors is between $96 million and $202 million.

($ in 000s)	**Low Recovery**	**High Recovery**
Total Enterprise Value	$350,000	$425,000
Less: Funded OpCo Exit Facility	(150,000)	(150,000)

Less: Reinstated Debt	(100,000)	(100,000)
Plus: Operating Cash	(1,726)	28,620
Reorganized Equity Value[11]	**$98,274**	**$203,620**

The OpCo Debtors' estimates of the value of potential recoveries under the Plan to Holders of Reorganized OpCo Common Stock described in this Disclosure Statement do not take into account that a certain percentage of Reorganized OpCo Common Stock will be reserved for the OpCo Management and Director Equity Incentive Program and that there may be further dilution of the Reorganized OpCo Common Stock as a result of the exercise of rights or options pursuant thereto.

d. Distribution to Holders of Allowed Claims and Interests

The table below applies the sum of Lazard's Total Enterprise Value for the Reorganized OpCo Debtors and estimated credit bid required to obtain control of the New Jersey Entities ("Distributable Value") to the sum of Allowed Claims and other emergence costs to estimate the recoveries available to Allowed Claims. For purposes of this analysis, Lazard assumed that the credit bid required to obtain the New Jersey Entities is approximately $350 million to $400 million. In order to show a full range of potential recoveries to Allowed Claims, the table below applies the low end of the range of Distributable Value to the high end of the range of the OpCo Debtors' estimate of Allowed Claims and the high end of the range of Distributable Value to the low end of the range of the OpCo Debtors' estimate of Allowed Claims. As set forth below, upon the conclusion of the Claims objection, reconciliation, and resolution process, the OpCo Debtors estimate that there is insufficient value, in either scenario, to satisfy all Allowed Claims.

($ in 000s)	**Low Recovery**		**High Recovery**	
Class	**Value**	**%**	**Value**	**%**
DIP Facility Claims	$66,466	100.0%	$66,466	100.0%
Administrative Claims	8,561	100.0%	5,328	100.0%
Priority Tax Claims	11,418	100.0%	777	100.0%
Class 1: Other Priority Claims	761	100.0%	24	100.0%
Class 2: Other Secured Claims	16,749	100.0%	1,041	100.0%
Class 3: OpCo Credit Facility Secured Claims	548,274	100.0%	703,020	100.0%
Class 4: OpCo General Unsecured Claims	-	0.0%	10	0.1%
Class 5: OpCo Noteholder Unsecured Claims	-	0.0%	590	0.1%
Class 6: OpCo Credit Facility Deficiency Claims	-	0.0%	-	0.0%
Class 7: Insider Claims	-	0.0%	14	0.1%
Class 8: Unsecured Convenience Class Claims	262	2.0%	220	2.0%
Class 9: LandCo Stock Pledge Claims	-	N/A	-	N/A
Class 10: Intercompany Claims	-	N/A	-	N/A
Class 11: Yung Interests	-	N/A	-	N/A
Class 12: JMBS Interests	-	N/A	-	N/A
Class 13: Intercompany Interests	-	N/A	-	N/A
Total	**$652,491**	**25.7%**	**$777,491**	**31.9%**
Other Emergence Costs	47,509		47,509	
Distributable Value	**$700,000**		**$825,000**	

The OpCo Debtors' estimates of the value of potential recoveries under the Plan to Holders of OpCo Credit Facility Secured Claims described in this Disclosure Statement do not take into account that a certain percentage of Reorganized OpCo Common Stock will be reserved for the OpCo Management and Director Equity Incentive Program, and that there may be further dilution of the Reorganized OpCo Common Stock as a result of the exercise of rights or options pursuant thereto. The estimates also do not reflect any Litigation Trust Proceeds in connection with the Insider Causes of Action. As set forth above, the recovery of Insider Claims is subject to setoff with respect to Litigation Trust Proceeds, and the Litigation Trust Proceeds shall be distributed Pro Rata to Holders of Allowed Claims in Class 4 OpCo General Unsecured Claims ~~(under certain circumstances)~~, Class 5 OpCo Noteholder

[11] The Reorganized Equity Value includes warrants valued at an estimated $600,000 in the High Recovery scenario.

Unsecured Claims ~~(under certain circumstances)~~, and Class 6 OpCo Credit Facility Deficiency Claims, which would increase their recoveries under the Plan.

e. Reservations

The estimates of value contained in this Disclosure Statement are not predictions or guarantees of the future value or price of the Reorganized OpCo Common Stock nor any other debt or equity instrument to be issued pursuant to the Plan. The value of any securities issued under the Plan is subject to many unforeseeable circumstances and, therefore, cannot be accurately predicted. In addition, the actual amounts of Allowed Claims could materially exceed the amounts estimated by the OpCo Debtors for purposes of estimating the anticipated recoveries for the Holders of Allowed Claims and Interests. Accordingly, no representation can be or is being made with respect to whether such percentage recoveries will actually be realized by the Holders of Allowed Claims and Interests.

The Valuation Analysis is based upon data and information as of January 2, 2009. Neither Lazard nor the OpCo Debtors make representations as to changes to such data and information that may have occurred since that date.

Lazard's estimates of Total Enterprise Value and reorganized equity value of the Reorganized OpCo Debtors do not purport to be appraisals, nor do they necessarily reflect the values that might be realized if the OpCo Debtors sold their assets. These estimates assume that the Reorganized OpCo Debtors will continue as the owners and operators of their businesses and assets and that such assets are operated in accordance with the OpCo Debtors' business plan. Lazard developed such estimates solely for purposes of formulation and negotiation of the Plan and analysis of implied relative recoveries to Holders of Allowed Claims and Interests.

Lazard's estimates are not entirely mathematical, but rather involve complex considerations and judgments concerning various factors that could affect the value of an operating business. Moreover, the value of an operating business is subject to uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial conditions and prospects of such a business. As a result, Lazard's estimates are not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth in the Plan. Because such estimates are inherently subject to uncertainties, the OpCo Debtors, Lazard, and any other party do not assume responsibility for the accuracy of such estimates. Depending on the results of the OpCo Debtors' operations or changes in the economy or the financial markets in general, Lazard's estimates performed as of the Effective Date may differ materially.

In addition, the valuation of newly issued securities, such as the Reorganized OpCo Common Stock, is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, prevailing interest rates, conditions in the financial markets, the anticipated initial securities held by Creditors, some of which may prefer to liquidate their investment rather than hold it on a long-term basis, and other factors that generally influence the prices of securities. Other factors, many of which are not possible to predict, may also affect actual market prices of such securities. Accordingly, the implied reorganized equity value estimated by Lazard does not necessarily reflect, and should not be construed as reflecting, values that will be attained in the public or private markets.

These estimated ranges of values and recoveries represent a hypothetical value that reflects the estimated intrinsic value of the OpCo Debtors derived through the application of various valuation methodologies. The value ascribed in Lazard's estimates does not purport to be an estimate of the post-reorganization market trading value, and such trading value may be materially different from the reorganization value ranges associated with Lazard's estimates. Indeed, there can be no assurance that a trading market will develop for the new securities issued pursuant to the Plan. Lazard's estimates are based on economic, market, financial, and other conditions as they exist on, and on the information made available as of, the date of the Valuation Analysis. It should be understood that, although subsequent developments may affect Lazard's conclusions, after the Confirmation Hearing, Lazard does not have any obligation to update, revise, or reaffirm its analysis.

Furthermore, in the event that the actual total Allowed Claims differ from those assumed by the OpCo Debtors, the actual recoveries realized by Holders of Allowed Claims and Interests could be significantly higher or lower than estimated by the OpCo Debtors.

The summary set forth above does not purport to be a complete description of the Valuation Analysis performed by Lazard. The preparation of an estimate involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods in the particular circumstances and, therefore, such an estimate is not readily susceptible to summary description.

IN LIGHT OF THE FOREGOING, THE VALUATION ANALYSIS IS BASED UPON A NUMBER OF ESTIMATES AND ASSUMPTIONS THAT ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE OPCO DEBTORS, THE REORGANIZED OPCO DEBTORS, AND THEIR PROFESSIONALS. ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE RANGES REFLECTED IN THE VALUATION ANALYSIS WOULD BE REALIZED IF THE PLAN WERE TO BECOME EFFECTIVE AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE DESCRIBED IN THIS DISCLOSURE STATEMENT.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS DISCLOSURE STATEMENT TO THE CONTRARY, AS SET FORTH IN THE PLAN, ACTUAL DISTRIBUTIONS UNDER THE PLAN TO CREDITORS WILL BE PREDICATED ON THE ACTUAL TOTAL ENTERPRISE VALUE.

3. Application of the Best Interests Test to the Liquidation Analysis and the Valuation Analysis

Notwithstanding the difficulties in quantifying recoveries to Holders of Allowed Claims and Interests with precision, the OpCo Debtors believe that, taking into account the Liquidation Analysis and the Valuation Analysis, the Plan satisfies the "best interests" test of section 1129(a)(7) of the Bankruptcy Code.

Based on the Liquidation Analysis and the Valuation Analysis, the OpCo Debtors believe that Holders of Allowed Claims and Interests will receive at least as much under the Plan as they would in a hypothetical chapter 7 liquidation. Holders of Other Secured Claims, Administrative Claims, Other Priority Claims, and Priority Tax Claims would receive 100% (full payment) recovery in a chapter 7 liquidation, which is equal to their recovery under the Plan. Holders of OpCo Credit Facility Claims would receive a 27% to 35% recovery[12] in a chapter 7 liquidation, which is less than the 42% to 54% recovery[13] under the Plan. Holders of OpCo Noteholder Unsecured Claims, OpCo General Unsecured Claims, Intercompany Claims, Yung Interests, JMBS Interests, and Intercompany Interests would receive no distribution in a chapter 7 liquidation and, therefore, are no worse off under the Plan. Accordingly, Holders of Claims and Interests will receive at least as much or more of a recovery under the Plan as a result of, among other things, the OpCo Debtors' belief that the continued operation of the OpCo Debtors as going concerns rather than a liquidation will allow the realization of more value on account of the OpCo Debtors' assets. Moreover, the OpCo Debtors' employees will retain their jobs and most likely assert few if any Claims other than those currently pending. In the event of a chapter 7 liquidation, the aggregate amount of Unsecured Claims no doubt will increase as a result of rejection or repudiation of a greater number of the OpCo Debtors' executory contracts and unexpired leases. Chapter 7 liquidation also would give rise to additional costs, expenses, and Administrative Claims. The resulting increase in both Unsecured Claims and Administrative Claims necessarily would decrease the percentage recoveries to Unsecured Creditors. All of these factors lead to the conclusion that recoveries under the Plan would be greater than the recoveries available in chapter 7 liquidation.

[12] The 27% to 35% projected range of recoveries to Holders of OpCo Credit Facility Claims accounts for such Holders' aggregate recoveries under Class 3 OpCo Credit Facility Secured Claims and Class 6 OpCo Credit Facility Deficiency Claims.

[13] The 42% to 54% projected range of recoveries to Holders of OpCo Credit Facility Claims accounts for such Holders' aggregate recoveries under Class 3 OpCo Credit Facility Secured Claims and Class 6 OpCo Credit Facility Deficiency Claims.

D. FINANCIAL FEASIBILITY

Section 1129(a)(11) of the Bankruptcy Code requires that the Bankruptcy Court find that Confirmation is not likely to be followed by the liquidation of the Reorganized OpCo Debtors or the need for further financial reorganization, unless the Plan contemplates such liquidation or reorganization. For purposes of demonstrating that the Plan meets this "feasibility" standard, the OpCo Debtors have analyzed the ability of the Reorganized OpCo Debtors to meet their obligations under the Plan and to retain sufficient liquidity and capital resources to conduct their businesses based on the Financial Projections, attached hereto as **Exhibit C**.

The Financial Projections consist of a statement of operations (i.e., an income statement), a statement of financial position (i.e., a balance sheet), and a cash flow statement for the time period from January 1, 2008 through December 31, 2013. Projected results for 2008 consist of 11 months of unaudited actual results (January through November) and one projected month (December). The Financial Projections are based on the OpCo Debtors' November 2008 business plan and the forecasted consolidated financial results of the OpCo Debtors and the Reorganized OpCo Debtors.[14]

In general, as will be illustrated by the Financial Projections, the OpCo Debtors believe that with a significantly deleveraged capital structure, the OpCo Debtors' business will return to viability. As such, the OpCo Debtors believe that Confirmation and Consummation is not likely to be followed by the liquidation or further reorganization of the Reorganized OpCo Debtors. Accordingly, the OpCo Debtors believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code.

In the event the Bankruptcy Court does not authorize the OpCo Debtors to substantively consolidate the OpCo Estates, the Plan still satisfies the feasibility test. To the extent that any of the OpCo Debtors may not generate their own income or may not be profitable on their own as going-concerns, they will be funded post-Confirmation by the Reorganized OpCo Debtors. Thus, even without substantive consolidation, Confirmation is not likely to be followed by the liquidation or the need for further financial reorganization of any of the OpCo Debtors that may not be profitable stand-alone enterprises.

THE OPCO DEBTORS' MANAGEMENT PREPARED THE FINANCIAL PROJECTIONS WITH THE ASSISTANCE OF THEIR PROFESSIONALS. THE OPCO DEBTORS' MANAGEMENT DID NOT PREPARE SUCH FINANCIAL PROJECTIONS TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE OPCO DEBTORS' INDEPENDENT ACCOUNTANTS HAVE NEITHER EXAMINED NOR COMPILED THE FINANCIAL PROJECTIONS THAT ACCOMPANY THIS DISCLOSURE STATEMENT AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT TO THE FINANCIAL PROJECTIONS, ASSUME NO RESPONSIBILITY FOR THE FINANCIAL PROJECTIONS, AND DISCLAIM ANY ASSOCIATION WITH THE FINANCIAL PROJECTIONS. EXCEPT FOR PURPOSES OF THIS DISCLOSURE STATEMENT, THE OPCO DEBTORS DO NOT PUBLISH PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITION OR RESULTS OF OPERATIONS.

MOREOVER, THE FINANCIAL PROJECTIONS CONTAIN CERTAIN STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE STATEMENTS ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS, AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE OPCO DEBTORS, INCLUDING THE CONSUMMATION AND IMPLEMENTATION OF THE PLAN, THE CONTINUING AVAILABILITY OF SUFFICIENT BORROWING CAPACITY OR OTHER FINANCING TO FUND OPERATIONS, ACHIEVING OPERATING EFFICIENCIES, MAINTENANCE OF GOOD EMPLOYEE RELATIONS, EXISTING AND FUTURE GOVERNMENTAL REGULATIONS AND ACTIONS OF GOVERNMENTAL BODIES, NATURAL DISASTERS AND UNUSUAL WEATHER CONDITIONS, ACTS OF

[14] The gaming industry continues to be significantly impacted by the current economic crisis. Therefore, the Debtors continuously reconsider their projections and reserve all of their rights with respect thereto.

TERRORISM OR WAR, INDUSTRY-SPECIFIC RISK FACTORS (AS DETAILED IN ARTICLE VII HEREOF ENTITLED "CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING"), AND OTHER MARKET AND COMPETITIVE CONDITIONS. HOLDERS OF CLAIMS AND INTERESTS ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE MADE AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, AND THE OPCO DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS.

THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE OPCO DEBTORS, MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE REORGANIZED OPCO DEBTORS' CONTROL. THE OPCO DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE OR ARE MADE AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR TO THE REORGANIZED OPCO DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL BE INCORRECT. MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE OPCO DEBTORS PREPARED THE FINANCIAL PROJECTIONS MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE OPCO DEBTORS AND REORGANIZED OPCO DEBTORS, AS APPLICABLE, DO NOT INTEND AND UNDERTAKE NO OBLIGATION TO UPDATE OR OTHERWISE REVISE THE FINANCIAL PROJECTIONS TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE THIS DISCLOSURE STATEMENT IS INITIALLY FILED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE FINANCIAL PROJECTIONS AND SHOULD CONSULT WITH THEIR OWN ADVISORS.

The Financial Projections should be read in conjunction with the assumptions, qualifications, and explanations set forth in this Disclosure Statement, the Plan, and the Plan Supplement, in their entirety, and the historical consolidated financial statements (including the notes and schedules thereto) and other financial information set forth in Tropicana's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 and any other recent Tropicana report to the United States Securities and Exchange Commission. These filings are available by visiting the United States Securities and Exchange Commission's website at http://www.sec.gov or the OpCo Debtors' website at http://investors.tropicanacasinos.com.

E. ACCEPTANCE BY IMPAIRED CLASSES

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section, each class of claims or equity interests that is impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such class is not required. A class is "impaired" unless the plan: (1) leaves unaltered the legal, equitable, and contractual rights to which the claim or the equity interest entitles the holder of such claim or equity interest; (2) cures any default and reinstates the original terms of such obligation; or (3) provides that, on the consummation date, the holder of such claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any equity interest, any fixed liquidation preference to which the holder of such equity interest is entitled to any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually voting cast their Ballots in favor of acceptance.

The Claims in Classes 1 and 2 are not Impaired under the Plan, and, as a result, the Holders of such Claims are deemed to have accepted the Plan.

The Voting Classes are Impaired under the Plan, and the Holders of Claims in such Classes are entitled to vote on the Plan. Pursuant to section 1129 of the Bankruptcy Code, the Holders of Claims in the Voting Classes must accept the Plan for the Plan to be confirmed without application of the "fair and equitable test" to such Classes and without considering whether the Plan "discriminates unfairly" with respect to such Classes, as both standards are described herein. As stated above, Classes of Claims will have accepted the Plan if the Plan is accepted by at least (1) two-thirds in amount and (2) a majority in number of the Claims of each such Class (other than any Claims of creditors designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the Plan.

F. CONFIRMATION WITHOUT ACCEPTANCE BY ALL IMPAIRED CLASSES

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all other impaired classes entitled to vote on the plan have not accepted it, provided that the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, such plan will be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

1. No Unfair Discrimination

This test applies to classes of claims or equity interests that are of equal priority and are receiving different treatment under the Plan. The test does not require that the treatment be the same or equivalent, but that such treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly, and, accordingly, a plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class.

2. Fair and Equitable Test

This test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in such class. As to the non-accepting class, the test sets different standards depending on the type of claims or equity interests in such class.

Secured Claims: The condition that a plan be "fair and equitable" to a non-accepting class of secured claims includes the requirements that: (a) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtor or transferred to another entity under the plan; and (b) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens.

Unsecured Claims: The condition that a plan be "fair and equitable" to a non-accepting class of unsecured claims includes the following requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed

amount of such claim; or (b) the holder of any claim or any equity interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or junior equity interest any property.

Equity Interests: The condition that a plan be "fair and equitable" to a non-accepting class of equity interests includes the requirements that either: (a) the plan provides that each holder of an equity interest in that class receives or retains under the plan on account of that equity interest property of a value, as of the effective date of the plan, equal to the greater of: (i) the allowed amount of any fixed liquidation preference to which such holder is entitled; (ii) any fixed redemption price to which such holder is entitled; or (iii) the value of such interest; or (b) if the class does not receive the amount as required under (a) hereof, no class of equity interests junior to the non-accepting class may receive a distribution under the plan.

The OpCo Debtors will seek Confirmation of the Plan under section 1129(b) of the Bankruptcy Code in view of the deemed rejection by Classes 9, 10, 11, 12, and 13. To the extent that any of the Voting Classes vote to reject the Plan, the OpCo Debtors further reserve the right to seek (a) Confirmation of the Plan under section 1129(b) of the Bankruptcy Code and/ or (b) modify the Plan in accordance with Article XIII of the Plan.

The votes of Holders of Claims and Interests in Classes 9, 10, 11, 12, and 13 are not being solicited because, as set forth in Article III of the Plan, there will be no distribution to any of these Classes.

Notwithstanding the deemed rejection by Classes 9, 10, 11, 12, and 13 or any Class that votes to reject the Plan, the OpCo Debtors do not believe that the Plan discriminates unfairly against any Impaired Class of Claims or Interests. The OpCo Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual confirmation of the Plan.

VI. DESCRIPTION OF CERTAIN GOVERNMENTAL AND GAMING REGULATIONS

A. GENERAL GOVERNMENTAL AND GAMING REGULATIONS

The following description should not be construed as a complete summary of all of the regulatory requirements that the OpCo Debtors face in connection with their current gaming operations and that the Reorganized OpCo Debtors will face with their contemplated gaming operations.

The ownership and operation of the OpCo Debtors' gaming facilities are subject to pervasive regulation under the laws and regulations of each of the states in which the OpCo Debtors operate and/ or have an interest in casinos—Nevada, New Jersey, Mississippi, Indiana, and Louisiana. Gaming laws generally are based upon declarations of public policy designed to protect gaming consumers and the viability and integrity of the gaming industry. Gaming laws also may be designed to protect and maximize state and local revenues derived through taxes and licensing fees imposed on gaming industry participants as well as to enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish procedures to ensure that participants in the gaming industry meet certain standards of character and fitness. In addition, gaming laws generally require gaming industry participants to:

- establish and maintain responsible accounting practices and procedures;
- maintain effective controls over their financial practices, including establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- maintain systems for reliable record keeping;
- file periodic reports with gaming regulators;

- ensure that contracts and financial transactions are commercially reasonable, reflect fair market value, and are arm's-length transactions entered into with suitable persons;
- establish procedures designed to prevent cheating and fraudulent practices; and
- establish programs to promote responsible gaming.

Typically, a state regulatory environment is established by statute and is administered by a regulatory agency with broad discretion to regulate, among other things, the affairs of owners, managers, and persons with financial interests in gaming operations. Among other things, gaming authorities in the various jurisdictions in which the OpCo Debtors operate:

- adopt rules and regulations under the implementing statutes;
- interpret and enforce gaming laws. rules, and regulations;
- impose disciplinary sanctions for violations, including fines and penalties;
- review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for participation and licensure;
- grant licenses for participation in gaming operations;
- collect and review reports and information submitted by participants in gaming operations;
- review and approve certain transactions, such as acquisitions or change-of-control transactions, involving gaming industry participants, securities offerings, and debt transactions engaged in by such participants; and
- establish and collect fees and taxes.

Any change in the laws or regulations of a gaming jurisdiction could have a material adverse effect on the gaming operations of the OpCo Debtors.

B. RELATIONSHIP OF GAMING LAWS TO THE CHAPTER 11 CASES AND THE PLAN

The gaming laws require that various transactions contemplated by the Plan, including the Restructuring Transactions, the OpCo Exit Facility, the Rights Offering, and the issuance of the Reorganized OpCo Common Stock, the Reorganized OpCo Warrants, and Reorganized OpCo Notes be reviewed and, as necessary, approved by the gaming regulators in the states in which the OpCo Debtors operate gaming facilities. In addition, as described herein, certain Holders of Claims who may acquire an equity interest in Reorganized OpCo Corporation by virtue of the transactions contemplated by the Plan may need to be licensed or undergo suitability determinations, or obtain a waiver, to hold Reorganized OpCo Common Stock or Reorganized OpCo Warrants. Accordingly, various actions contemplated by the Plan are subject to approval by the state gaming regulators, and failure to secure such approvals may materially and adversely affect the ability of the OpCo Debtors to achieve Confirmation and Consummation of the Plan.

C. LICENSING OF THE OPCO DEBTORS AND INDIVIDUALS INVOLVED THEREWITH

Gaming laws require certain of the OpCo Debtors and the Reorganized OpCo Debtors, as applicable, as well as their directors (with respect to corporations), managers (with respect to limited liability companies), members (with respect to limited liability companies), officers, and certain other key employees and, in some cases, certain of the Reorganized OpCo Securities, to obtain licenses, findings of suitability or other approvals from gaming authorities. Licenses or findings of suitability typically require a determination that the applicant is suitable or otherwise qualifies

to hold the license or the finding of suitability necessary to hold the equity or debt securities of the gaming licensee or its affiliated entities. Gaming authorities generally have broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable or otherwise qualified.

To determine whether to grant a license or finding of suitability to an entity to conduct gaming operations, gaming authorities generally consider the following factors (which vary among the jurisdictions in which the OpCo Debtors operate):

- the financial stability, integrity, and responsibility of the applicant, including whether the operation is adequately capitalized in the state and exhibits the ability to maintain adequate insurance levels;
- the quality of the applicant's casino facilities;
- the amount of revenue to be derived by the applicable state from the operation of the applicant's casino;
- the applicant's practices with respect to minority hiring and training;
- the effect on competition and general impact on the community; and
- the good character, honesty and integrity of the applicant and its parent entities.

Many gaming jurisdictions limit the number of licenses granted to operate casinos within the state, and some states limit the number of licenses granted to a single gaming operator. Licenses under gaming laws generally are not transferable. Licenses in most of the jurisdictions in which the OpCo Debtors conduct gaming operations are granted for limited durations and require renewal from time to time. The failure to renew any of the OpCo Debtors' licenses could have a material adverse effect on their gaming operations.

In evaluating individual applicants, gaming authorities generally consider the individual's business probity and casino experience, the individual's reputation for good character, honesty, and integrity, the individual's criminal history, and the character and reputation of those with whom the individual associates.

D. FINDINGS OF QUALIFICATION AND SUITABILITY DETERMINATIONS

As noted above, gaming authorities may investigate any individual who has a material relationship to, or material involvement with, the OpCo Debtors to determine whether such individual is suitable or should be licensed or found suitable as a business associate of a gaming licensee. In many of the jurisdictions in which the OpCo Debtors operate, the OpCo Debtors' directors (with respect to corporations), managers (with respect to limited liability companies), members (with respect to limited liability companies), officers, and certain other key employees must file applications with the gaming authorities and may be required to be licensed, qualify, or otherwise be found suitable. Qualification and suitability determinations generally require the submission of detailed personal and financial information—and in the case of an Entity other than a natural person, a list of beneficial owners—followed by a thorough investigation. The applicant must pay all the costs of the investigation. Changes with respect to the individuals who occupy licensed positions must be reported to gaming authorities and—in addition to their authority to deny an application for licensure, qualification, or a finding of suitability—gaming authorities have authority to disapprove a change in a corporate position.

If one or more gaming authorities were to find that a/an director (with respect to corporations), manager (with respect to limited liability companies), member (with respect to limited liability companies), officer, or other key employee of the OpCo Debtors does not qualify, is unsuitable for licensing, or is unsuitable to continue having a relationship with the OpCo Debtors, the OpCo Debtors may be required to sever all relationships with such person. In

addition, gaming authorities may require the OpCo Debtors to terminate the employment of any person who refuses to file appropriate applications.

Moreover, in many jurisdictions, certain holders of debt and equity securities of the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, may be required to undergo a suitability investigation similar to that described above. All of the jurisdictions in which the OpCo Debtors operate require any person who acquires beneficial ownership of more than a certain percentage of voting securities, typically 5%, to report the acquisition to the gaming authorities, and the gaming authorities may require such holders to apply for qualification or a finding of suitability; provided, however, that with very limited exceptions Nevada requires that all equity holders of a private gaming company be found suitable (unless a waiver is obtained). Most jurisdictions provide that "institutional investors" may seek a waiver of these requirements. In such jurisdictions, an "institutional investor" generally is defined as a qualified investor (i.e., certain banks, insurance companies, investment companies, or advisors) acquiring and holding voting securities (or non-voting securities in jurisdictions that do not make a distinction between voting and non-voting securities) in the ordinary course of business for investment purposes only, and not for the purpose of causing, directly or indirectly, the election of a majority of the gaming entity's board of directors or managers, any change in such entity's corporate charter, bylaws, management, policies, or operations, or those of any of such entity's affiliates, or the taking of any other action that gaming authorities find to be inconsistent with holding the securities solely for investment purposes. Even if a waiver is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations.

The definition of an "institutional investor" varies from jurisdiction to jurisdiction. In addition, some jurisdictions, including Nevada, Louisiana, Mississippi, and Indiana, also require an institutional investor to certify to, among other things, its intent and purpose in acquiring and holding an issuer's securities. In Nevada, an investor that acquires beneficial ownership of more than 10%, but not more than 15%, of a public gaming entity's voting securities may apply to the Nevada Gaming Control Board for a waiver of the suitability requirement if the institutional investor holds such voting securities for investment purposes only, and, under certain circumstances, such an investor that has obtained a waiver can hold up to 19% of the voting securities of a public gaming entity for a limited period of time and maintain the waiver. In any event, an institutional investor may be required to produce for gaming authorities, upon request, any document or information that bears any relation to such debt or equity securities.

In addition, many jurisdictions' gaming statutes and regulations distinguish between private and "public" gaming companies. A public company generally is one that has a class of securities registered under the Securities Exchange Act. The OpCo Debtors presently intend to seek to voluntarily register the Reorganized OpCo Common Stock under the Securities Exchange Act following the Effective Date; however, there can be no assurances that the Reorganized OpCo Debtors will be able to register the Reorganized OpCo Common Stock under the Securities Exchange Act. Moreover, any such registration statement will not become effective prior to the Effective Date. Therefore, Reorganized OpCo Corporation will be a private company on the Effective Date. The OpCo Debtors are not required to file a registration statement pursuant to the Securities Act or the Securities Exchange Act, or the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder. Upon effectiveness of a registration statement voluntarily filed by Reorganized OpCo Corporation, the Reorganized OpCo Common Stock will be registered under Section 12(g) of the Securities Exchange Act and Reorganized OpCo Corporation would be a "public" (or "registered") corporation within the meaning of the gaming statutes in the states in which it operates.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised by gaming authorities that it is required to do so may be denied a license or found unsuitable or unqualified, as applicable. Any holder of securities that is found unsuitable or unqualified or denied a license, and who holds, directly or indirectly, any beneficial ownership of a gaming entity's securities beyond such period of time as may be prescribed by the applicable gaming authorities may be guilty of a criminal offense. Furthermore, a gaming entity may be subject to disciplinary action if such gaming entity, after receiving notice that a person is unsuitable to be a holder of securities or to have any other relationship with such gaming entity or any of its subsidiaries: (i) pays that person any dividend or interest upon the securities; (ii) allows that person to exercise,

directly or indirectly, any voting right conferred through securities held by that person; (iii) pays remuneration in any form to that person for services rendered or otherwise; or (iv) fails to pursue all lawful efforts to require such unsuitable person to relinquish the securities including, if necessary, the immediate purchase of such securities for the lesser of fair value at the time of repurchase or fair value at the time of acquisition by the unsuitable holder. In the event that disqualified holders fail to divest themselves of such securities, gaming authorities have the power to revoke or suspend the casino license or licenses related to the regulated entity that issued the securities.

The Plan provides that Reorganized OpCo Corporation shall not distribute Reorganized OpCo Common Stock or Reorganized OpCo Warrants to any ~~person~~**Entity** in violation of the gaming laws and regulations in the states in which the OpCo Debtors or the Reorganized OpCo Debtors, as applicable, operate. See, Section VII.E of the Plan, entitled, "Compliance with Gaming Laws and Regulations," and Sections I.H.7 and VII.B.4 of this Disclosure Statement.

Additionally, Reorganized OpCo Corporation's certificate of incorporation will contain provisions establishing the right of Reorganized OpCo Corporation to redeem (and the obligation of the holder to divest) the securities of unsuitable holders if (i) the holder is determined by a gaming authority, or Reorganized OpCo Corporation has been notified by the staff of a gaming authority that it will recommend that the gaming authority determine the holder to be, unsuitable, unqualified, or disqualified to own or control such securities or unsuitable to be connected with a person engaged in gaming activities in that jurisdiction, or (ii) the holder causes Reorganized OpCo Corporation or any affiliate of Reorganized OpCo Corporation to lose or have modified, or to be threatened with the loss, suspension, condition or modification of, or who, in the sole discretion of Reorganized OpCo Corporation, is deemed likely to jeopardize the right of Reorganized OpCo Corporation or any of its affiliate to the use of or entitlement to or ability to reinstate any gaming license or liquor license.

For a summary of the laws and regulations of each of the states in which the OpCo Debtors operate relating to suitability determinations and findings of qualifications with respect to persons holding Reorganized OpCo Common Stock or Reorganized OpCo Warrants, please see **Exhibit E** to this Disclosure Statement.

Certain of the gaming jurisdictions in which the OpCo Debtors operate also require that suppliers of certain goods and services to gaming industry participants be licensed or otherwise approved and require that the OpCo Debtors purchase and lease gaming equipment, supplies, and services only from such licensed or approved suppliers.

E. VIOLATIONS OF GAMING LAWS

The gaming authorities in each of the jurisdictions in which the OpCo Debtors operate may also, among other things, limit, condition, suspend, or revoke a gaming license or approval to own the equity or joint venture interests of any of the OpCo Debtors' operations in such licensing authority's jurisdiction for any cause deemed reasonable by such licensing authority. In addition, if the OpCo Debtors violate applicable gaming laws, their gaming licenses could be limited, conditioned, suspended, or revoked by gaming authorities, and the OpCo Debtors and any other persons involved could be subject to substantial fines. Further, similar to what transpired in New Jersey, gaming authorities may appoint a supervisor or conservator to operate the OpCo Debtors' gaming properties or, in some jurisdictions, take title to the OpCo Debtors' gaming assets. Under certain circumstances, earnings generated during such appointment could be forfeited to the applicable state or states. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions and, as a result, violations by the OpCo Debtors of applicable gaming laws in one jurisdiction could have a material adverse effect on all of the OpCo Debtors' gaming operations. Finally, some gaming jurisdictions prohibit certain types of political activity by a gaming licensee, its directors (with respect to corporations), managers (with respect to limited liability companies), members (with respect to limited liability companies), officers, and certain other key people. A violation of such a prohibition may subject the offender to criminal and disciplinary action.

F. REPORTING AND RECORD-KEEPING REQUIREMENTS OF GAMING AUTHORITIES

The OpCo Debtors are required to submit detailed financial and operating reports on a periodic basis and furnish any other information that gaming authorities may require. Under federal law, the OpCo Debtors are required

to record and submit detailed reports of currency transactions at their casinos involving more than $10,000 as well as any suspicious activity that may occur at such facilities. Additionally, the OpCo Debtors are required to maintain a current stock ledger that may be examined by gaming authorities at any time. Moreover, the state of Indiana requires the OpCo Debtors to submit quarterly reports setting forth those persons who directly or indirectly hold a 1% interest in the legal entity that holds the gaming license. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. A failure to make such disclosure may be grounds for finding the record holder unsuitable. In addition, gaming authorities may require that Reorganized OpCo Common Stock certificates and Reorganized OpCo Warrant certificates bear a legend indicating that the securities are subject to specified gaming laws.

G. REVIEW AND APPROVAL BY GAMING AUTHORITIES OF CERTAIN TRANSACTIONS

As described herein, certain transactions contemplated by the Plan must be approved by the relevant gaming authorities. In addition, substantially all material loans, leases, sales of securities, and similar financing transactions by the OpCo Debtors and the Reorganized OpCo Debtors must be reported to, and in some cases approved by, gaming authorities. The OpCo Debtors and the Reorganized OpCo Debtors may not make a public offering of securities without the prior approval of certain gaming authorities. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise, are subject to prior approval of gaming authorities. Entities seeking to acquire control of Reorganized OpCo Corporation or one of its subsidiaries must satisfy gaming authorities with respect to a variety of standards prior to assuming control. Gaming authorities may also require controlling stockholders, directors (with respect to corporations), managers (with respect to limited liability companies), members (with respect to limited liability companies), officers, and certain other key employees having a material relationship or involvement with the entity proposing to acquire control to be investigated and licensed or qualified as part of the approval process relating to the transaction.

Because of regulatory restrictions, the OpCo Debtors' ability to grant a security interest in any of their gaming assets is limited and subject to receipt of approval by gaming authorities. Some jurisdictions, including Louisiana, prohibit the transfer of a gaming license or the granting of a security interest in the same.

H. LICENSE FOR SALE OF ALCOHOLIC BEVERAGES

The service and sale of alcoholic beverages at the various casinos operated by Reorganized OpCo Corporation are subject to licensing, control, and regulation by various governmental authorities, some of which have the authority to approve all persons owning or controlling the stock of Reorganized OpCo Corporation, in a manner similar to the gaming suitability determinations discussed above. Although these authorities typically defer to the suitability determinations of the relevant gaming authority in their jurisdiction, they retain the jurisdiction to conduct any investigation and take any regulatory action deemed appropriate under the circumstances. Any holder found to be unsuitable by such an authority must dispose of held securities, and such securities would be subject to repurchase by Reorganized OpCo Corporation, as will provided in Reorganized OpCo Corporation's certificate of incorporation.

VII. CERTAIN RISK FACTORS TO BE CONSIDERED PRIOR TO VOTING

A. CERTAIN BANKRUPTCY LAW CONSIDERATIONS

The occurrence or non-occurrence of any or all of the following contingencies, and any others, could affect distributions available to Holders of Allowed Claims and Interests under the Plan but will not necessarily affect the validity of the vote of the Impaired Classes to accept or reject the Plan or necessarily require a re-solicitation of the votes of Holders of Claims in such Impaired Classes.

1. The Bankruptcy Court May Not Authorize Substantive Consolidation of the OpCo Estates

The Plan provides for substantive consolidation of the OpCo Estates into a single OpCo Estate for purposes of Confirmation and Consummation. The OpCo Debtors, however, can provide no assurance that the Bankruptcy Court will authorize the OpCo Debtors to substantively consolidate all of the OpCo Estates.

2. Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or equity interests in such class. The OpCo Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the OpCo Debtors created Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

3. Failure to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the OpCo Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the OpCo Debtors may seek to accomplish an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims as those proposed in the Plan.

4. The OpCo Debtors May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the bankruptcy court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determines that this Disclosure Statement, the balloting procedures, and the voting results are appropriate, the Bankruptcy Court can still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation have not been met, including the requirement that the terms of the Plan do not "unfairly discriminate" and are "fair and equitable" to non-accepting Classes.

Confirmation of the Plan is also subject to certain conditions as described in Article X of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims will receive with respect to their Allowed Claims.

The OpCo Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in a less favorable treatment of any non-accepting Class, as well as of any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

5. **Nonconsensual Confirmation**

In the event that any impaired class of claims or equity interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm such a plan at the proponents' request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. The OpCo Debtors believe that the Plan satisfies these requirements and the OpCo Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased expenses relating to Professional Claims and the expiration of the OpCo Exit Facility financing commitments.

6. **The OpCo Debtors May Object to the Amount or Classification of a Claim**

Except as otherwise provided in the Plan, the OpCo Debtors and the Reorganized OpCo Debtors reserve the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive its expected share of the estimated distributions described in this Disclosure Statement.

7. **Risk of Not Obtaining Exit Financing**

The Plan is predicated, among other things, on obtaining the OpCo Exit Facility. The OpCo Debtors have not yet received a commitment with respect to the OpCo Exit Facility and there can be no assurance that the OpCo Debtors will be able to obtain the OpCo Exit Facility.

8. **Risk of Non-Occurrence of the Effective Date**

Although the OpCo Debtors believe that the Effective Date may occur quickly after the Confirmation Date, there can be no assurance as to such timing or as to whether the Effective Date will, in fact, occur.

9. **Contingencies Could Affect Votes of Impaired Classes to Accept or Reject the Plan**

The distributions available to Holders of Allowed Claims under the Plan can be affected by a variety of contingencies, including, without limitation, whether or not the OpCo Debtors are consolidated, whether the Bankruptcy Court orders certain Allowed Claims to be subordinated to other Allowed Claims, and whether the Tropicana AC is sold. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims under the Plan, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require any sort of revote by the Impaired Classes.

B. RISK FACTORS THAT MAY AFFECT THE RECOVERY AVAILABLE TO HOLDERS OF ALLOWED CLAIMS AND THE VALUE OF THE SECURITIES TO BE ISSUED UNDER THE PLAN

HOLDERS OF CLAIMS AND INTERESTS SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND RELATED DOCUMENTS, REFERRED TO OR INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN OR SUBSCRIBING TO PURCHASE REORGANIZED OPCO COMMON STOCK PURSUANT TO THE RIGHTS OFFERING. THIS ARTICLE PROVIDES INFORMATION REGARDING POTENTIAL RISKS IN CONNECTION WITH THE PLAN, THE FINANCIAL PROJECTIONS ~~IN THE PLAN SUPPLEMENT~~, AND OTHER RISKS THAT COULD IMPACT THE REORGANIZED OPCO DEBTORS' FUTURE BUSINESS OPERATIONS AND PERFORMANCE. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS

CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

1. **The OpCo Debtors Cannot State with any Degree of Certainty What Recovery Will Be Available to Holders of Allowed Claims in Voting Classes**

No less than three unknown factors make certainty of creditor recoveries under the Plan impossible. First, the OpCo Debtors cannot know with any certainty, at this time, (a) how much money will remain after paying all Allowed Claims that are senior to the Allowed Claims in Voting Classes or (b) the value of the Reorganized OpCo Debtors. Second, the OpCo Debtors cannot know with any certainty, at this time, the number or amount of Claims that will ultimately be Allowed. Third, the OpCo Debtors cannot know with any certainty, at this time, the number or size of Claims senior to the Voting Classes or unclassified Claims that will ultimately be Allowed.

2. **Actual Amounts of Allowed Claims May Differ from the Estimated Claims and Adversely Affect the Percentage Recovery on Unsecured Claims**

The estimated Claims set forth in this Disclosure Statement are based on various assumptions, and the actual Allowed amounts of Claims may significantly differ from the estimates. Should one or more of the underlying assumptions ultimately prove to be incorrect, the actual Allowed amounts of Claims may vary from the estimated Claims contained in this Disclosure Statement. Such differences may materially and adversely affect, among other things: the percentage recoveries to Holders of Allowed Claims under the Plan; the Reorganized OpCo Debtors' ability to consummate the Plan; the Reorganized OpCo Debtors' ability to meet the Financial Projections; and the Reorganized OpCo Debtors' need to raise additional debt or equity financing.

3. **The Reorganized OpCo Debtors May Not Be Able to Achieve Projected Financial Results or Meet Post-Reorganization Debt Obligations and Finance All Operating Expenses, Working Capital Needs, and Capital Expenditures**

The Reorganized OpCo Debtors may not be able to meet their projected financial results or achieve projected revenues and cash flows that they have assumed in projecting future business prospects. To the extent the Reorganized OpCo Debtors do not meet their projected financial results or achieve projected revenues and cash flows, the Reorganized OpCo Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date, may be unable to service their debt obligations as they come due, or may not be able to meet their operational needs. Anyone of these failures may preclude the Reorganized OpCo Debtors from, among other things: (a) enhancing their current customer offerings; (b) taking advantage of future opportunities; (c) growing their businesses; or (d) responding to competitive pressures. Further, a failure of the Reorganized OpCo Debtors to meet their projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require the Reorganized OpCo Debtors to seek additional working capital. The Reorganized OpCo Debtors may not be able to obtain such working capital when it is required. Further, even if the Reorganized OpCo Debtors were able to obtain additional working capital, it may only be available on unreasonable terms. For example, the Reorganized OpCo Debtors may be required to take on additional debt, the interest costs of which could adversely affect the results of the operations and financial condition of the Reorganized OpCo Debtors. If any such required capital is obtained in the form of equity, the equity interests of the holders of the then-existing Reorganized OpCo Common Stock could be diluted. While the Financial Projections represent management's view based on current known facts and assumptions about the future operations of the Reorganized OpCo Debtors, there is no guarantee that the Financial Projections will be realized.

4. **State Gaming Laws and Regulations May Require Holders of Reorganized OpCo Corporation's Debt or Equity Securities to Undergo a Suitability Investigation**

Many jurisdictions require any Entity that acquires beneficial ownership of debt or equity securities of a gaming company to apply for qualification or a finding of suitability. Any Entity that has acquired Reorganized OpCo Common Stock or Reorganized OpCo Warrants (or has the right to acquire such securities pursuant to Plan) and that is found unsuitable or unqualified by a state gaming regulator may be required to divest such securities (or may be

barred from receiving such securities). Failure to comply with these laws and regulations may be a criminal offense. The Plan provides that Reorganized OpCo Common Stock and Reorganized OpCo Warrants will be issued only in compliance with state gaming laws and regulations. In addition, Reorganized OpCo Corporation's certificate of incorporation provides that Reorganized OpCo Corporation may redeem Reorganized OpCo Corporation securities from an Unsuitable Person (as such term is defined in Reorganized OpCo Corporation's certificate of incorporation). The failure by a Holder of a Claim to comply with these laws and regulations may result in such Holder not receiving Reorganized OpCo Common Stock or Reorganized OpCo Warrants pursuant to the Plan, or may result in Reorganized OpCo Corporation redeeming such securities. Please see Article VI and Exhibit E to this Disclosure Statement for a further discussion of the consequences of a Holder failing to comply with gaming laws and regulations.

5. **Reorganized OpCo Corporation May Not Be a Reporting Corporation Under the Securities Exchange Act on the Effective Date and a Public Market for the Reorganized OpCo Common Stock and the Reorganized OpCo Warrants May Not Develop and State Gaming Laws May Effect Marketability**

Reorganized OpCo Corporation may not be a reporting corporation under the Securities Exchange Act on the Effective Date and the Reorganized OpCo Common Stock will not be listed as a national securities exchange. There will be no public market for the Reorganized OpCo Common Stock or the Reorganized OpCo Warrants and there can be no assurances that liquid trading markets for the Reorganized OpCo Common Stock or the Reorganized OpCo Warrants will develop. The liquidity of any market for the Reorganized OpCo Common Stock and the Reorganized OpCo Warrants will depend, among other things, upon the number of holders of Reorganized OpCo Common Stock and Reorganized OpCo Warrants, the Reorganized OpCo Debtors' financial performance, and the market for similar securities, none of which can be determined or predicted. Therefore, the OpCo Debtors cannot provide assurances that an active trading market will develop, or if a market develops, what the liquidity or pricing characteristics of that market will be.

In addition, state gaming laws regulate the transfer of securities of gaming companies. For example, Nevada and Mississippi gaming laws require prior approval of all transfers of equity securities for private gaming companies and transfers of shares in a public gaming company that constitute a change in control. These laws and regulations may impair the marketability of Reorganized OpCo Common Stock and Reorganized OpCo Warrants.

6. **Estimated Valuation of the Reorganized OpCo Debtors, the Reorganized OpCo Common Stock, and the Estimated Recoveries to Holders of Allowed Claims Are Not Intended to Represent the Potential Market Values (if any) of the Reorganized OpCo Common Stock**

The OpCo Debtors' estimated recoveries to Holders of Allowed Claims are not intended to represent the market value of the Reorganized OpCo Debtors' securities, if any. The estimated recoveries are based on numerous assumptions (the realization of many of which are beyond the control of the Reorganized OpCo Debtors), including, without limitation: (a) the successful reorganization of the OpCo Debtors; (b) an assumed date for the occurrence of the Effective Date; (c) the Reorganized OpCo Debtors' ability to achieve the operating and financial results included in the Financial Projections; (d) the Reorganized OpCo Debtors' ability to maintain adequate liquidity to fund operations; and (e) the assumption that capital and equity markets remain consistent with current conditions.

7. **The Park Cattle Settlement May Give Rise to Claims Against the OpCo Debtors by Park Cattle or Certain Yung Entities that Could Materially Adversely Affect the OpCo Debtors~~and~~, the Potential Recovery of Other Claimants, and Reorganized OpCo Corporation**

As discussed in Section III.E.7 herein, Park Cattle currently is the ground lessor in the Park Cattle Leases in connection with the OpCo Debtors' Tahoe Horizon and Montbleu properties. In April, 2008, Park Cattle entered into a stipulation with certain of the OpCo Debtors and Yung, Columbia Sussex Corporation, and TCR (Yung, Columbia Sussex Corporation, and TCR, collectively, the "Park Cattle Insider Parties") settling ongoing litigation that had been pending in a Nevada state court in connection therewith (the "Park Cattle Settlement") under which the Park Cattle Insider Parties agreed to make cash payments to Park Cattle in the total amount of $165 million over a three year

period commencing April 2, 2008—the first of which was made on April 2, 2008, in the amount of $40 million—and also agreed to make monthly interest payments in connection therewith. Though certain of the OpCo Debtors are jointly and severally liable together with the Park Cattle Insider Parties, the Park Cattle Insider Parties are solely responsible for making such cash payments under the Park Cattle Settlement. Under the terms of the Park Cattle Settlement, however, Park Cattle is entitled to file contingent proofs of claim against certain of the OpCo Debtors in the amount of $290 million (less any principal and interest payments received by Park Cattle that are not determined to be preferential), which allegedly become fixed claims under the terms of the Park Cattle Settlement upon the occurrence of certain events of default under the Park Cattle Settlement. In particular, in the event (a) the Park Cattle Insider Parties fail to timely make any required settlement payments to Park Cattle, (b) the OpCo Debtors fail to comply with certain ongoing covenants specified in the Park Cattle Settlement prior to the payment in full of the payments, or (c) the OpCo Debtors elect to reject the ground lease for the Tahoe Horizon or the MontBleu lease (each, a "Park Cattle Default"), Park Cattle's contingent claims will allegedly become fixed under the terms of the Park Cattle Settlement. The OpCo Debtors reserve the right to object to any such claims asserted by Park Cattle.

Park Cattle has filed a contingent Claim against certain of the OpCo Debtors in the Chapter 11 Cases. To date, the OpCo Debtors believe that a Park Cattle Default has not occurred. In the event that a Park Cattle Default does occur, Park Cattle's contingent Claim may become fixed pursuant to the terms of the Park Cattle Settlement, which may affect recovery amounts of Holders of Unsecured Claims. In addition, the Park Cattle Insider Parties may file one or more claims for contribution against the OpCo Debtors for amounts paid by the Park Cattle Insider Parties under the Park Cattle Settlement. Any such claim would constitute a Class 7 Insider Claim. The OpCo Debtors reserve the right to object to any such claims filed by a Park Cattle Insider Party.

Additionally, in the event a Park Cattle Default does occur, Park Cattle may attempt to argue that their Claim arose postpetition and, as such, is not subject to discharge in connection with Confirmation of the Plan. If Park Cattle's Claim were classified as postpetition, Reorganized OpCo Corporation could be liable for the full amount of the Claim. This substantial liability would adversely affect Reorganized OpCo Corporation's financial condition, and theaten its existence as a going concern.

8. **Small Number of Holders or Voting Blocks May Control the Reorganized OpCo Debtors**

Consummation of the Plan may result in a small number of holders owning a significant percentage of the shares of the outstanding Reorganized OpCo Common Stock. These holders may, among other things, exercise a controlling influence over the business and affairs of the Reorganized OpCo Debtors and have the power to elect directors and approve significant mergers, other material corporate transactions, or the sale of all or substantially all of the assets of the Reorganized OpCo Debtors.

9. **Issuance of Equity Interests to the Reorganized OpCo Debtors' Management and Directors Will Dilute the New Common Stock**

On the Effective Date, 7% of the Reorganized OpCo Common Stock, on a fully-diluted basis, will be reserved for issuance as grants of stock, restricted stock, options, or similar equity awards in connection with the OpCo Management and Director Equity Incentive Program. If the initial board of directors of Reorganized OpCo Corporation distributes such equity-based awards to management or directors pursuant to the OpCo Management and Director Equity Incentive Program, it is contemplated that such distributions will dilute the Reorganized OpCo Common Stock issued through the Rights Offering and on account of Claims under the Plan and the ownership percentage represented by the Reorganized OpCo Common Stock distributed under the Plan.

10. **Certain Tax Implications of the OpCo Debtors' Bankruptcy and Reorganization May Increase the Tax Liability of the Reorganized OpCo Debtors**

Holders of Allowed Claims should carefully review Article VIII herein, "Certain United States Federal Tax Income Consequences," to determine how the tax implications of the Plan and these Chapter 11 Cases may adversely affect the Reorganized OpCo Debtors.

11. **Tropicana AC's Sale or Bankruptcy Filing Could Affect the Value of the Reorganized OpCo Debtors, as well as the Value of the Securities**

The Tropicana AC may be sold outside of bankruptcy or in bankruptcy pursuant to section 363 of the Bankruptcy Code or as part of a chapter 11 plan. Such a sale could affect the recoveries of Holders of Allowed Claims and Interests. The value of Reorganized OpCo Common Stock also could be affected by a potential sale of the Tropicana AC. The OpCo Debtors cannot be sure how, if at all, such Holders will be affected by the possible sale of the Tropicana AC.

Also, as described in Section III.A, the stock of Adamar, which holds the Tropicana AC assets, is held in the ICA Trust, and Justice Stein serves as trustee to the ICA Trust and as conservator over the Tropicana AC. The OpCo Debtors have petitioned the NJCCC for "Statements of Compliance" and to regain control and ownership of the Tropicana AC and its operations. There can be no assurances that the OpCo Debtors will regain control and ownership of the Tropicana AC or be successful in obtaining a New Jersey gaming license. The disposition of such matters may have a material adverse effect on the OpCo Debtors.

12. **The New Jersey Entities May File for Chapter 11 Bankruptcy Relief in New Jersey, Which May Delay Confirmation of the Plan and, Ultimately, Result in the New Jersey Entities Being Separate from Reorganized OpCo Corporation**

As discussed in Section III.E.2, the NJCCC has extended the deadline by which Justice Stein must dispose of the Tropicana AC to March 18, 2009, and suggested that the New Jersey Entities may file for chapter 11 bankruptcy relief to consummate such sale. Although the NJCCC did not direct in which venue the New Jersey Entities were to file any chapter 11 petitions, the NJCCC did state that circumstances mitigated in favor of the New Jersey Entities filing their chapter 11 cases in the District of New Jersey. If the New Jersey Entities file in New Jersey, they could not become joint proponents of the Plan and could, ultimately, emerge from bankruptcy as separate entities from Reorganized OpCo Corporation. The Tropicana AC was the largest casino controlled by the Debtors prior to the New Jersey License Denial and a significant source of cash flow and revenue. If the New Jersey Entities are not a part of Reorganized OpCo Corporation it could adversely affect Reorganized OpCo Corporation's businesses, financial condition, and results of operations going forward.

If the New Jersey Entities do not become joint proponents of the Plan, the management of the OpCo Debtors will be required to devote additional time and resources to the New Jersey Entities' Chapter 11 cases. A New Jersey Bankruptcy Court could attempt to assert jurisdiction over various of the assets of the OpCo Debtors or the Reorganized OpCo Debtors, as applicable. Ongoing bankruptcy proceedings for the New Jersey Entities may also delay Confirmation of the Plan. All these factors could adversely affect the OpCo Debtors' and the Reorganized OpCo Debtors' businesses, financial condition, and results of operations.

13. **The Outcome of the Casino Aztar Evansville Could Affect the Value of the Reorganized OpCo Debtors, as well as the Value of the Securities**

As described above in Section III.A, the Evansville Attorney in Fact has the authority to manage the day-to-day operations of the Casino Aztar Evansville in his discretion, which means that the OpCo Debtors do not exercise control over the operations of the Casino Aztar Evansville. As a result, the operating expenses incurred by the property may increase, which may, in turn, decrease the excess cash flow produced by the property that is available for distribution to the OpCo Debtors. Also, although the Evansville Attorney in Fact is required to distribute the excess cash flow produced by the Casino Aztar Evansville to the OpCo Debtors, it is unclear that he will furnish such cash flow as promptly as it might have been distributed to the OpCo Debtors prior to the adoption of the Evansville Power of Attorney. The OpCo Debtors currently are attempting discussions with the Indiana Gaming Commission to regain control of Casino Aztar Evansville and to terminate the Evansville Power of Attorney. To regain control of the Casino Aztar Evansville, OpCo Debtor Aztar Indiana Gaming Company, LLC will need to renew its Indiana gaming license, which will require the approval of the Indiana Gaming Commission. There can be no assurances that the

OpCo Debtors will regain control of the Casino Aztar Evansville or be successful in renewing the Indiana gaming license. The disposition of such matters may have a material adverse effect on the OpCo Debtors.

C. RISKS FACTORS THAT COULD NEGATIVELY IMPACT THE OPCO DEBTORS' BUSINESSES

The OpCo Debtors are subject to a number of risks, including (1) bankruptcy-related risk factors and (2) general business and financial risk factors. Any or all such factors, which are enumerated below, could have a materially adverse effect on the businesses, financial condition, or results of operations of the OpCo Debtors. Additional risks and uncertainties not currently known to the OpCo Debtors or that the OpCo Debtors currently deem to be immaterial may also materially adversely affect the OpCo Debtors' businesses, financial condition, or results of operations. Any of the following risks could materially adversely affect the OpCo Debtors' businesses, financial condition, or results of operations.

1. Bankruptcy-Related Risk Factors

During the pendency of the Chapter 11 Cases, the OpCo Debtors are subject to various risks, including the following:

- The Chapter 11 Cases may adversely affect the OpCo Debtors' businesses prospects and/ or their ability to operate during the reorganization.
- The Chapter 11 Cases and the attendant difficulties of operating the OpCo Debtors' properties while attempting to reorganize the businesses in bankruptcy may make it more difficult to maintain and promote the OpCo Debtors' facilities and attract customers to their facilities.
- The Chapter 11 Cases will cause the OpCo Debtors to incur substantial costs for professional fees and other expenses associated with the Chapter 11 Cases.
- The Chapter 11 Cases may adversely affect the OpCo Debtors' ability to maintain or renew their gaming licenses in the jurisdictions in which they operate.
- The Chapter 11 Cases may prevent the OpCo Debtors from continuing to grow their businesses and may restrict their ability to pursue other business strategies. Among other things, the Bankruptcy Code limits the OpCo Debtors' ability to incur additional indebtedness, make investments, sell assets, consolidate, merge or sell, or otherwise dispose of all or substantially all of their assets or grant liens. These restrictions may place the OpCo Debtors at a competitive disadvantage.
- The Chapter 11 Cases may adversely affect the OpCo Debtors' ability to maintain, expand, develop, and remodel their properties.
- Transactions by the OpCo Debtors outside the ordinary course of business are subject to the prior approval of the Bankruptcy Court, which may limit their ability to respond timely to certain events or take advantage of certain opportunities. The OpCo Debtors may not be able to obtain Bankruptcy Court approval or such approval may be delayed with respect to actions they seek to undertake in the Chapter 11 Cases.
- The OpCo Debtors may be unable to retain and motivate key executives and employees through the process of reorganization, and the OpCo Debtors may have difficulty attracting new employees. In addition, so long as the Chapter 11 Cases continue, the OpCo Debtors' senior management will be required to spend a significant amount of time and effort dealing with the reorganization instead of focusing exclusively on business operations.

- The OpCo Debtors may be unable to maintain satisfactory labor relations through the process of reorganization.

- There can be no assurance as to the OpCo Debtors' ability to maintain sufficient financing sources to fund their businesses and meet future obligations. The OpCo Debtors currently are financing their operations during their reorganization using funds from operations and borrowings under the DIP Facility and prepetition secured debt. The OpCo Debtors may be unable to operate pursuant to the terms of their DIP Facility arrangements, including the financial covenants and restrictions contained therein, or to negotiate and obtain necessary approvals, amendments, waivers, or other types of modifications, and to otherwise fund and execute the OpCo Debtors' business plans throughout the duration of the Chapter 11 Cases.

- There can be no assurance that the OpCo Debtors will be able to successfully develop, prosecute, confirm, and consummate one or more plans of reorganization with respect to the Chapter 11 Cases that are acceptable to the Bankruptcy Court and the OpCo Debtors' creditors, equity holders, and other parties in interest. Additionally, third parties may seek and obtain Bankruptcy Court approval to terminate or shorten the exclusivity period for the OpCo Debtors to propose and confirm one or more plans of reorganization, to appoint a chapter 11 trustee, or to convert the cases to chapter 7 cases.

- Even assuming a successful emergence from chapter 11, there can be no assurance as to the overall long-term viability of the Reorganized OpCo Debtors' operational reorganization.

In addition, the uncertainty regarding the eventual outcome of the OpCo Debtors' restructuring, and the effect of other unknown adverse factors could threaten the OpCo Debtors' existence as a going concern. Continuing on a going-concern basis is dependent upon, among other things, obtaining Bankruptcy Court approval of a reorganization plan, maintaining the OpCo Debtors' gaming licenses, maintaining the support of key vendors and customers, and retaining key personnel, along with financial, business, and other factors, many of which are beyond the OpCo Debtors' control. Under the priority scheme established by the Bankruptcy Code, unless creditors agree otherwise in accordance with the Bankruptcy Code, prepetition liabilities and postpetition liabilities must be satisfied in full before Holders of Interests are entitled to receive any distribution or retain any property under the Plan or an alternative plan of reorganization. The ultimate recovery to holders of claims and/ or holders of interests, if any, will not be determined until confirmation of a plan or an alternative a plan of reorganization. No assurance can be given as to what values, if any, will be ascribed in the Chapter 11 Cases to each of these constituencies or what types or amounts of distributions, if any, they would receive.

2. **General Business and Financial Risk Factors**

a. The Turmoil Presently Existing in the Financial Markets May Impact the OpCo Debtors' Ability to Obtain Sufficient Financing and Credit on a Going Forward Basis

The current crisis in the global credit and financial markets, and the inability of corporate borrowers to access the debt markets, may materially and adversely affect the OpCo Debtors' ability to obtain sufficient financing to operate their businesses on a going forward basis.

b. Economic and Political Conditions, Including a Worsening of the Current Recession and Other Factors Affecting Discretionary Consumer Spending, May Harm the OpCo Debtors' Businesses, Financial Condition, and Results of Operations

The OpCo Debtors' businesses may be adversely affected by the major recession currently being experienced in the United States since the OpCo Debtors are dependent on discretionary spending by their customers. The

continuation or worsening of current economic conditions could cause fewer people to spend money or cause people to spend less money at the OpCo Debtors' properties and could adversely affect their revenues.

c. Material Weakness in Internal Controls Over Their Financial Reporting May Lead to Incomplete or Inaccurate Financial Reporting

The Debtors' management previously assessed their internal control over financial reporting as of December 31, 2007. Management based its assessment on the criteria set forth in the framework in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. A material weakness is a control deficiency, or combination of control deficiencies, that result in more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. Management's assessment concluded that the Debtors did not maintain effective internal control over financial reporting as of December 31, 2007 as a result of the following identified material weakness: the Debtors did not maintain a control environment that fully emphasized the establishment of, or adherence to, appropriate internal control for certain aspects of the Debtors' operations. The principal contributing factor included an insufficient number of accounting and finance personnel. Management has discussed the material weakness identified above and has begun to implement procedures and controls, and install systems and hire finance and accounting personnel in an effort to remedy the material weakness. However, the OpCo Debtors cannot provide assurances that the material weakness has been or will be remedied, nor can the OpCo Debtors predict the impact on the OpCo Debtors' financial statements in the event the same or any other material weakness is identified in the future. Failure to remedy the material weakness may adversely effect the ability of Reorganized OpCo Corporation to voluntarily register the Reorganized OpCo Common Stock under the Securities Exchange Act.

d. The OpCo Debtors' Lack of Control of the Tropicana AC May Impact Negatively the OpCo Debtors' Earnings

As described in further detail in Section III.A.2, the New Jersey License Denial resulted in the ICA Trust's becoming operative, and Justice Stein being appointed conservator tasked with managing the operations of the Tropicana AC until a transfer could be effectuated. Given the turbulent economy and financial market conditions currently afflicting the United States, however, it is unclear whether Justice Stein will be able to sell the Tropicana AC assets. Justice Stein's marketing efforts to date have not resulted in the sale of the Tropicana AC assets.

Although the extent to which the OpCo Debtors are permitted to participate in the earnings of the Tropicana AC while the ICA Trust remains operative has not been expressly specified by the NJCCC, it is not clear when Justice Stein may transfer some of the excess cash flow produced by the Tropicana AC to the OpCo Debtors, if ever. As of April 30, 2008, Justice Stein had transferred $11.6 million to the OpCo Debtors. Justice Stein has, however, discontinued such transfers as of May 5, 2008, and there can be no assurance that he will transfer any further funds earned by the Tropicana AC to the OpCo Debtors.

The OpCo Debtors continue to have discussions with the staff of the NJCCC and the New Jersey Division of Gaming Enforcement in connection with reconveyance efforts. However, the OpCo Debtors cannot provide assurance that the Tropicana AC will be reconveyed to them. In the event that the OpCo Debtors are unable to regain control of the Tropicana AC and Justice Stein sells the Tropicana AC assets, the amount of such proceeds is unclear. The OpCo Debtors' ability to recover proceeds from the sale of the property may be limited by the New Jersey License Denial to an amount not to exceed the lower of the actual cost of the Tropicana AC assets on the date on which the OpCo Debtors acquired the Tropicana AC, January 3, 2007, and the value of the property calculated as if the investment in such assets had been made on the date of the license denial, December 12, 2007. The OpCo Debtors believe it is unlikely that the sale price of the property will exceed its actual cost on January 3, 2007 or the value of its assets as of December 12, 2007. However, the amount of such sale is still uncertain. In the event that the Tropicana AC assets are sold, Holders of Allowed OpCo Credit Facility Secured Claims will be entitled to the proceeds.

e. The OpCo Debtors' Lack of Control of the Casino Aztar Evansville May Impact Negatively the OpCo Debtors' Earnings

As described in further detail in Section III.A.3, on March 31, 2008, the OpCo Debtors entered into the Evansville Power of Attorney, pursuant to which the Evansville Attorney in Fact was appointed to serve in a trustee capacity with respect to the Casino Aztar Evansville until the Casino Aztar Evansville can be sold. The risks stated above in Section VII.B.12 are applicable here. In addition, as stated above, it is unclear whether the Evansville Attorney in Fact will furnish such cash flows as promptly as the OpCo Debtors might have distributed the same prior to the adoption of the Evansville Power of Attorney. Failure to receive sufficient distributions from the Casino Aztar Evansville in a prompt manner may have a material adverse effect on the OpCo Debtors' financial position and ability to operate their businesses as debtors in possession.

Moreover, the Indiana Attorney in Fact has the authority under the Evansville Power of Attorney to sell the Casino Aztar Evansville, and the Debtors may not be able to control the sale process. Though the Indiana Attorney in Fact has not yet taken actions in connection with a possible sale of the Casino Aztar Evansville, the OpCo Debtors cannot provide assurances that such a sale process will not be initiated in the future. The OpCo Debtors are attempting discussions with the Indiana Gaming Commission concerning the renewal of OpCo Debtor Aztar Indiana Gaming Company, LLC's Indiana gaming license. It is unclear whether the Indiana gaming license will be reviewed and renewed by the Indiana Gaming Commission.

f. Disputes Over Intellectual Property Could Affect the Value of the Reorganized OpCo Debtors, as well as the Value of the Securities

There is a dispute between the OpCo Debtors and the LandCo Debtors regarding certain intellectual property used by the OpCo Debtors and the LandCo Debtors. If a resolution is not reached prior to the Effective Date as to use of such intellectual property, the parties may be forced to litigate certain intellectual property-related issues. Such litigation could be costly, and could result in limitations on, or impairment of, some or all parties' use of, or rights in, such intellectual property.

g. ~~f.~~ Intense Competition Could Result in a Loss of Market Share or Profitability

The OpCo Debtors face intense competition in each of the markets in which their gaming facilities are located. Each of the OpCo Debtors' casinos primarily compete with other casinos in their respective geographic markets and, to a lesser degree, with casinos in other locations, including on Native American lands and on cruise ships, and with other forms of legalized gaming in the United States, including state sponsored lotteries, racetracks, jai alai, off-track wagering, video lottery and video poker terminals, and card parlors.

The OpCo Debtors expect this competition to intensify as new gaming and hotel operators enter some of the markets in which they operate, such as Harlow's Casino, which entered the Greenville, Mississippi market in November 2007 and Pinnacle Entertainment's contemplated Riviere Place in Baton Rouge, Louisiana, which is expected to open in late 2011, and existing competitors expand their operations. Some of the OpCo Debtors' competitors have significantly greater financial resources and, as a result, the OpCo Debtors may be unable to compete successfully with them in the future. In addition, the OpCo Debtors' highly leveraged position and the filing of the Chapter 11 Cases has had, and will likely continue to have, an adverse impact on the OpCo Debtors' ability to compete.

The OpCo Debtors operate a number of casinos in the state of Nevada. Native American casinos in California and other parts of the United States have diverted some potential visitors away from Nevada, which has had, and could continue to have, a negative effect on Nevada gaming markets.

Several states have considered legalizing or expanding the scope of the currently legalized casino gaming and others may in the future. Legalization of large-scale, unlimited casino gaming in or near any major metropolitan area or increased gaming in other areas could have an adverse economic impact on the businesses of any or all of the OpCo Debtors' gaming facilities by diverting customers to competitors in those areas. In particular, the expansion of

casino gaming in or near any geographic area from which the OpCo Debtors attract or expect to attract a significant number of customers could have a material adverse effect.

In addition, online gaming, despite the controversy concerning its legality in the United States, is a growing sector in the gaming industry. Online casinos offer a variety of games, including slot machines, roulette, poker, and blackjack. Web-enabled technologies allow individuals to game using credit or debit cards or other forms of electronic payment. The OpCo Debtors are unable to assess the impact that online gaming will have on their operations in the future and there is no assurance that the impact will not be materially adverse.

Competition from other casino and hotel operators involves not only the quality of casino, hotel room, restaurant, entertainment, and convention facilities, but also hotel room, food, entertainment, and beverage prices. The OpCo Debtors' operating results can be adversely affected by significant cash outlays for advertising and promotions and complimentary services to patrons, the amount and timing of which are partially dictated by the policies of their competitors and the OpCo Debtors' efforts to keep pace. If the OpCo Debtors lack the financial resources or liquidity to match the promotions of competitors, the number of casino patrons may decline, which may have an adverse effect on their financial performance.

The OpCo Debtors' ability to compete successfully will also be dependent upon their ability to develop and implement strong and effective marketing campaigns both at their individual properties and across their businesses. To the extent they are unable to develop successfully and implement these types of marketing initiatives, the OpCo Debtors may not be successful in competing in their markets and their financial position could be adversely affected. The filing of the Chapter 11 Cases and the OpCo Debtors' access to capital likely will also adversely impact their ability to develop and implement these types of initiatives.

h. ~~g.~~ The OpCo Debtors are Subject to Litigation Which, if Adversely Determined, Could Result in Substantial Losses

As further discussed in Section III.H, the OpCo Debtors are, from time to time, during the ordinary course of operating their businesses, subject to various litigation claims and legal disputes, including contract, lease, employment, and regulatory claims as well as claims made by visitors to the OpCo Debtors' properties.

Certain litigation claims may not be covered entirely or at all by the OpCo Debtors' insurance policies or their insurance carriers may seek to deny coverage. In addition, litigation claims can be expensive to defend and may divert the OpCo Debtors' attention from the operations of their businesses. Further, litigation involving visitors to the OpCo Debtors' properties, even if without merit, can attract adverse media attention. As a result, litigation can have a material adverse effect on the OpCo Debtors' businesses and, because the OpCo Debtors cannot predict the outcome of any action, it is possible that adverse judgments or settlements could significantly reduce their earnings or result in losses.

With certain exceptions, however, the filing of the Chapter 11 Cases operates as a stay with respect to the commencement or continuation of litigation against the OpCo Debtors that was or could have been commenced before the Petition Date. In addition, the litigation stayed by the commencement of the Chapter 11 Cases, the OpCo Debtors' liability is subject to discharge in connection with the Confirmation of the Plan, with certain exceptions. Therefore, certain litigation claims against the OpCo Debtors may be subject to compromise in connection with the Chapter 11 Cases. This may reduce the OpCo Debtors' exposure to losses in connection with the adverse determination of such litigation.

i. ~~h.~~ Work Stoppages, Labor Problems and Unexpected Shutdowns May Limit the OpCo Debtors' Operational Flexibility and Negatively Impact the OpCo Debtors' Future Profits

The OpCo Debtors are party to two collective bargaining agreements with three unions. The OpCo Debtors currently are in the process of negotiating a collective bargaining agreement with a union formed at the Casino Aztar Evansville facility. The current collective bargaining agreements will expire if the OpCo Debtors are unable to

renegotiate successfully those agreements. There can be no assurance that they will be able to successfully negotiate the Casino Aztar Evansville agreement or renegotiate the agreements currently in effect without incurring significant increases in their labor costs. Changes to their collective bargaining agreements could cause significant increases in labor costs, which could have a material adverse effect on the OpCo Debtors' businesses, financial condition, and results of operations.

In addition, the unions with which the OpCo Debtors have collective bargaining agreements or other unions could seek to organize employees at the OpCo Debtors' non-union properties or groups of employees at their union properties that are not currently represented by unions. Union organization efforts may occur in the future, could cause disruptions in the OpCo Debtors' businesses and result in significant costs, both of which could have a material adverse effect on the OpCo Debtors' businesses, financial condition, and results of operations.

Finally, if the OpCo Debtors are unable to negotiate these agreements on mutually acceptable terms, the affected employees may engage in a strike instead of continuing to operate without contracts or under expired contracts, which could have a materially adverse effect on the OpCo Debtors' results of operations and financial condition. Any unexpected shutdown of one of the OpCo Debtors' casino properties from a work stoppage or strike action could have an adverse effect on their businesses and results of operations. Moreover, strikes and work stoppages could also result in adverse media attention or otherwise discourage customers from visiting the OpCo Debtors' casinos. There can be no assurance that the OpCo Debtors can be adequately prepared for unexpected labor developments that may lead to a temporary or permanent shutdown of any of their casino properties.

j. ~~i.~~ Governmental Regulation and Taxation Policies Could Adversely Affect the OpCo Debtors' Businesses, Financial Condition, and Results of Operations

(1) Regulation by Gaming Authorities

The OpCo Debtors are subject to extensive regulation with respect to the ownership and operation of their gaming facilities. State and local gaming authorities require that they hold various licenses, qualifications, filings of suitability, registrations, permits, and approvals. The gaming regulatory authorities have broad powers with respect to the licensing of casino operations and alcoholic beverage service and may deny, revoke, suspend, condition, or limit the OpCo Debtors' gaming or other licenses, impose substantial fines, temporarily suspend casino operations, and take other actions, any one of which could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations. The risk of the gaming authorities taking such actions has been heightened as a result of the actions of gaming regulators in New Jersey and Indiana, discussed in further detail in Sections III.A.2 and III.A.3, respectively.

The OpCo Debtors own, operate, or have an interest in gaming facilities located in New Jersey, Nevada, Indiana, Mississippi, and Louisiana. With respect to their operations in Nevada, Mississippi, and Louisiana, the OpCo Debtors have applied for or obtained all material governmental licenses, qualifications, registrations, permits, and approvals materially necessary for the operation of the OpCo Debtors' gaming facilities as operations at such facilities are presently conducted (other than certain filings of suitability and approvals with respect to recently hired employees and newly appointed directors and other key persons). However, there can be no assurance that the OpCo Debtors can obtain any new licenses, or renew any existing, licenses, qualifications, filings of suitability, registrations, permits, or approvals that may be required in the future or that existing ones will not be suspended or revoked, or that they will obtain all necessary regulatory approvals and consents relating to the Plan. If the OpCo Debtors relocate or expand any of their current gaming facilities or enter new jurisdictions, they must obtain all additional licenses, qualifications, findings of suitability, registrations, permits, and approvals of the applicable gaming authorities in such jurisdictions. Currently, the gaming authorities in Nevada, Mississippi, and Louisiana are conducting an investigation of the officers and directors of, and other persons associated with, the Debtors. Gaming authorities, as well as other state regulatory authorities, may conduct similar investigations in the future in connection with new equity holders of the Reorganized OpCo Debtors. The OpCo Debtors cannot predict the outcome of these investigations or their potential impact on the OpCo Debtors' businesses.

With respect to the Tropicana AC, as discussed in detail in Section III.E, the OpCo Debtors have filed a Petition for Statements of Compliance that, among other things, seeks findings of qualification and approvals with respect to their recently hired employees and newly appointed directors. The matter currently is pending before the NJCCC, and the OpCo Debtors cannot predict the NJCCC's disposition of the matter or its potential impact on the OpCo Debtors' businesses.

With respect to the OpCo Debtors' Indiana operations, the OpCo Debtors have filed a completed licensure application for Mr. Scott C. Butera and a temporary license has been granted by the Indiana Gaming Commission. License applications for other recently hired key employees and newly appointed directors are expected to be filed in the first quarter of 2009. However, the OpCo Debtors cannot provide assurances that the licenses will be renewed or granted on a permanent basis, nor can the OpCo Debtors predict the potential impact on the OpCo Debtors' businesses in connection therewith.

Finally, Reorganized OpCo Corporation may not be a reporting corporation under the Securities Exchange Act on the Effective Date. If Reorganized OpCo Corporation is not a reporting corporation on the Effective Date, it could materially and adversely effect the ability of Reorganized OpCo Corporation to distribute Reorganized OpCo Common Stock to Holders of Claims under the Plan due to the application of state regulatory requirements to private gaming companies and the attendent suitability requirements for prospective owners of Reorganized OpCo Common Stock. See Article VI for a description of these rules and regulations.

(2) **Potential Changes in Legislation and Regulation**

From time to time, legislators and special interest groups propose legislation that would expand, restrict, or prevent gaming operations in the jurisdictions in which the OpCo Debtors operate. Further, from time to time, individual jurisdictions have considered or enacted legislation and referenda, such as bans on smoking in casinos and other entertainment and dining facilities, that could adversely affect the OpCo Debtors' operations. Any restriction on or prohibition relating to the OpCo Debtors' gaming operations, or enactment of other adverse legislation or regulatory changes, could have a material adverse effect on the OpCo Debtors' businesses, financial condition, and results of operations.

(3) **Taxation and Fees**

The casino entertainment industry represents a significant source of tax revenues to the various jurisdictions in which casinos operate. Gaming companies are currently subject to significant state and local taxes and fees in addition to the federal and state income taxes that typically apply to corporations, and such taxes and fees could increase at any time. From time to time, various state and federal legislators and officials have proposed changes in tax laws or in the administration of such laws, including increases in tax rates, which would affect the gaming industry. Worsening economic conditions could intensify the efforts of state and local governments to raise revenues through increases in gaming taxes and fees. In addition, state or local budget shortfalls could prompt tax or fee increases. Any material increase in assessed taxes, or the adoption of additional taxes or fees in any of the OpCo Debtors' markets, could have a material adverse effect on the OpCo Debtors' businesses, financial condition, and results of operations.

(4) **Compliance with Other Laws**

The OpCo Debtors are also subject to a variety of other rules and regulations, including zoning, environmental, construction and land-use, and regulations governing the sale of alcoholic beverages. Failure to comply with these laws could have a material adverse effect on the OpCo Debtors' businesses, financial condition, or results of operations.

k. ~~j.~~ The OpCo Debtors' Riverboats Are Subject to Extensive Regulations

The riverboat gaming and support facilities that the OpCo Debtors operate must, in certain jurisdictions, comply with United States Coast Guard requirements or requirements of state and local law, including the

requirements of state gaming authorities. The costs of travel to and from such docking facilities, as well as the time required for inspections, could be significant. The loss of a dockside casino or riverboat casino from service for any period of time could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations.

l. ~~k.~~ Noncompliance with Environmental, Health, and Safety Regulations Could Adversely Affect the OpCo Debtors' Results of Operations

As the owner, operator, and developer of real property, the OpCo Debtors must address, and may be liable for, hazardous materials or contamination of these sites. For example, the removal or encapsulation of asbestos at the Lake Tahoe Horizon Casino and Resort and MontBleu Resort Casino and Spa properties, with respect to which the OpCo Debtors expect to perform remediation and repair work may result in significant costs. In addition, for sites that the OpCo Debtors have sold, the OpCo Debtors may retain all or a portion of any residual environmental liability.

To receive governmental approvals prior to engaging in site development, the OpCo Debtors must conduct assessments of the environmental impact of their proposed operations. Their ongoing operations are subject to stringent regulations relating to the protection of the environment and handling of waste, particularly with respect to the management of wastewater from their facilities. Any failure to comply with existing laws or regulations, the adoption of new laws or regulations with additional or more rigorous compliance standards, or the more vigorous enforcement of environmental laws or regulations could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations by increasing their expenses and limiting their future opportunities.

m. ~~l.~~ Allegations of Food-Related Illnesses Could Negatively Affect the OpCo Debtors' Results from Operations

As an operator of hotels and restaurants, the OpCo Debtors sometimes are the subject of complaints or litigation from consumers alleging illness, injury, or other food quality, health, or operational concerns. Food-related illnesses may be caused by a variety of food-borne pathogens, such as e-coli or salmonella, and from a variety of illnesses transmitted by restaurant workers, such as hepatitis. The OpCo Debtors cannot control all of the potential sources of illness that can be transmitted from food or the OpCo Debtors' water supply. If any person becomes ill, or alleges becoming ill, as a result of eating the OpCo Debtors' food, the OpCo Debtors may be liable for damages, be subject to governmental regulatory action, be forced to shut down one of their properties, and/or receive adverse publicity, regardless of whether the allegations are valid or whether the OpCo Debtors are liable; all of which could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations.

n. ~~m.~~ The OpCo Debtors Could Lose Key Employees, Including Certain Members of the Senior Management

The OpCo Debtors' success is substantially dependent upon the efforts and skills of their Board of Managers and the senior management team. If the OpCo Debtors were to lose the services rendered by the Board of Managers and other members of the senior management team, the OpCo Debtors' operations could be adversely affected. In addition, the OpCo Debtors compete with other potential employers for employees, and the OpCo Debtors may not succeed in hiring and retaining the executives and other employees that they need. The inability to hire and retain qualified employees could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations.

o. ~~n.~~ The Concentration and Evolution of the Slot Machine Manufacturing Industry Could Impose Additional Costs on the OpCo Debtors

A majority of the OpCo Debtors' gaming revenue is attributable to slot machines operated by the OpCo Debtors at their gaming facilities. It is important, for competitive reasons, that the OpCo Debtors offer the most popular and technologically advanced slot machine games to their customers. A substantial majority of the slot machines sold in the United States in recent years were manufactured by a limited number of companies. A deterioration in the OpCo Debtors' commercial arrangements with any of these slot machine manufacturers could result in the OpCo Debtors being unable to acquire the slot machines desired by the OpCo Debtors' customers or

could result in manufacturers significantly increasing the cost of these machines. Alternatively, significant industry demand for new slot machines may result in the OpCo Debtors being unable to acquire the desired number of new slot machines or result in manufacturers increasing the cost of these machines.

The inability to obtain new and up to date slot machine games could impair the OpCo Debtors' competitive position and result in decreased gaming revenues at their casinos. In addition, increases in the costs associated with acquiring slot machine games could adversely affect the OpCo Debtors' profitability.

In recent years, the prices of new slot machines have risen more rapidly than the domestic rate of inflation. Furthermore, in recent years, slot machine manufacturers have frequently refused to sell slot machines featuring the most popular games, instead requiring gaming operators to execute participation lease arrangements for them to be able to offer such machines to patrons. Participation slot machine leasing arrangements typically require the payment of a fixed daily rental fee. Such agreements may also include a percentage payment to the manufacturer of "coin-in" or "net win." Generally, a slot machine participation lease is more expensive over the long term than the cost of purchasing a new slot machine. The OpCo Debtors have slot machine participation leases at each of their properties.

For competitive reasons, the OpCo Debtors may be forced to purchase new slot machines, replace older slot machines with more costly "ticket-in ticket-out" machines, or enter into participation lease arrangements that are more expensive than the costs currently associated with the continued operation of existing slot machines. If the newer slot machines do not result in sufficient incremental revenues to offset the increased investment and participation lease costs, the OpCo Debtors' businesses, financial condition, and results of operations could be adversely affected.

p. ~~o.~~ The OpCo Debtors May Not Have or Be Able to Obtain Sufficient Insurance Coverage to Replace or Cover the Full Value of Losses the OpCo Debtors May Suffer

The OpCo Debtors evaluate their risks and insurance coverage annually. While the OpCo Debtors believe that they have obtained sufficient insurance coverage with respect to the occurrences of casualty damage to cover losses that could result from the acts or events described above for the next year, the OpCo Debtors may not be able to obtain sufficient or similar insurance for later periods and cannot predict whether they will encounter difficulty in collecting on any insurance claims they may submit, including claims for business interruption.

In addition, while the OpCo Debtors maintain insurance against many risks to the extent and in amounts that the OpCo Debtors believe are reasonable, these policies do not cover all risks. Furthermore, portions of the OpCo Debtors' businesses are difficult or impracticable to insure. Therefore, after carefully weighing the costs, risks, and benefits of retaining versus insuring various risks, as well as the availability of certain types of insurance coverage, the OpCo Debtors occasionally opt to retain certain risks not covered by their insurance policies. Retained risks are associated with deductible limits or self-insured retentions, partial self-insurance programs, and insurance policy coverage ceilings.

The OpCo Debtors carry certain insurance policies that, in the event of certain substantial losses, may not be sufficient to pay the full current market value or current replacement cost of damaged property. As a result, if a significant event were to occur that is not fully covered by the OpCo Debtors' insurance policies, the OpCo Debtors may lose all, or a portion of, the capital they have invested in a property, as well as the anticipated future revenue from such property, and the OpCo Debtors' businesses, financial condition, and results of operations could be adversely affected. Consequently, uninsured losses may negatively affect the OpCo Debtors' financial condition, liquidity, and results of operations. There can be no assurance that the OpCo Debtors will not face uninsured losses pertaining to the risks they have retained.

q. ~~p.~~ The OpCo Debtors' Businesses, Financial Condition, and Results of Operations Could Be Materially Adversely Affected by the Occurrence of Natural Disasters, such as Hurricanes, or Other Catastrophic Events, Including War and Terrorism

Natural disasters, such as hurricanes, floods, fires, and earthquakes could adversely affect the OpCo Debtors' businesses and operating results. Hurricanes are common to the areas in which the OpCo Debtors' Louisiana property

is located, and the severity of such natural disasters is unpredictable. In 2005, Hurricanes Katrina and Rita caused significant damage in the Gulf Coast region. The OpCo Debtors cannot predict the impact that any future natural disasters will have on their ability to maintain their customer base or to sustain their business activities.

Moreover, the OpCo Debtors' riverboats face additional risks from the movement of vessels on waterways, such as collisions with other vessels or damage from debris in the water. Reduced patronage and the loss of a dockside or riverboat casino from service for any period of time could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations.

Catastrophic events such as terrorist and war activities in the United States and elsewhere have had a negative effect on travel and leisure expenditures, including lodging, gaming (in some jurisdictions), and tourism. In addition, due to the OpCo Debtors' significant concentration of properties in Nevada, any man-made or natural disasters in or around Nevada could have a significant adverse effect on their businesses, financial condition, and results of operations. The OpCo Debtors cannot predict the extent to which such events may affect them, directly or indirectly, in the future. The OpCo Debtors also cannot ensure that they will be able to obtain any insurance coverage with respect to occurrences of terrorist acts and any losses that could result from these acts.

The prolonged disruption at any of the OpCo Debtors' properties due to natural disasters, terrorist attacks, or other catastrophic events could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations.

r. ~~q.~~ Energy Price Increases May Adversely Affect the OpCo Debtors' Businesses, Financial Condition, and Results of Operations

The OpCo Debtors' casino properties use significant amounts of electricity, natural gas, and other forms of energy. While the OpCo Debtors have not experienced shortages of energy or fuel to date, substantial increases in energy and fuel prices in the United States may negatively affect their businesses, financial condition, and results of operations in the future. The extent of the impact is subject to the magnitude and duration of the energy and fuel price increases, but this impact could be material. In addition, energy and gasoline price increases in cities that constitute a significant source of customers for the OpCo Debtors' properties could result in a decline in disposable income of potential customers and a corresponding decrease in visitation and spending at the OpCo Debtors' properties, which would negatively impact their revenues. Further, increases in fuel prices, and resulting increases in transportation costs, could adversely affect the OpCo Debtors' businesses, financial condition, and results of operations.

D. RISKS ASSOCIATED WITH FORWARD LOOKING STATEMENTS

1. Financial Information Is Based on the OpCo Debtors' Books and Records and, Unless Otherwise Stated, No Audit Was Performed

The financial information contained in this Disclosure Statement has not been audited. In preparing this Disclosure Statement, the OpCo Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the OpCo Debtors have used their reasonable business judgment to ensure the accuracy of the financial information provided in this Disclosure Statement, and while the OpCo Debtors believe that such financial information fairly reflects the financial condition of the OpCo Debtors, the OpCo Debtors are unable to warrant or represent that the financial information contained herein and attached hereto is without inaccuracies.

2. Financial Projections and Other Forward Looking Statements Are Not Assured, Are Subject to Inherent Uncertainty Due to the Numerous Assumptions Upon Which They Are Based and, as a Result, Actual Results May Vary

This Disclosure Statement contains various projections concerning the financial results of the Reorganized OpCo Debtors' operations, including the Financial Projections, that are, by their nature, forward looking, and which projections are necessarily based on certain assumptions and estimates. Should any or all of these assumptions or

estimates ultimately prove to be incorrect, the actual future experiences of the Reorganized OpCo Debtors may turn out to be different from the Financial Projections.

Specifically, the projected financial results contained in this Disclosure Statement reflect numerous assumptions concerning the anticipated future performance of the Reorganized OpCo Debtors, some of which may not materialize, including, without limitation, assumptions concerning: (a) the timing of Confirmation and Consummation of the Plan in accordance with its terms; (b) the anticipated future performance of the Reorganized OpCo Debtors, including, without limitation, the OpCo Debtors' ability to maintain or increase revenue and gross margins, control future operating expenses, or make necessary capital expenditures; (c) general business and economic conditions; (d) overall industry performance and trends; (e) the OpCo Debtors' ability to maintain market strength and receive vendor support by way of favorable purchasing terms; and (f) consumer preferences continuing to support the OpCo Debtors' business plan.

Due to the inherent uncertainties associated with projecting financial results generally, the projections contained in this Disclosure Statement will not be considered assurances or guarantees of the amount of funds or the amount of Claims that may be Allowed in the various Classes. While the OpCo Debtors believe that the financial projections contained in this Disclosure Statement are reasonable, there can be no assurance that they will be realized.

E. DISCLOSURE STATEMENT DISCLAIMER

1. Information Contained Herein Is for Soliciting Votes and Exercising Subscription Rights

The information contained in this Disclosure Statement is for the purposes of soliciting acceptances of the Plan and for purposes of exercising Subscription Rights and may not be relied upon for any other purposes.

2. This Disclosure Statement Was Not Approved by the United States Securities and Exchange Commission

This Disclosure Statement was not filed with the United States Securities and Exchange Commission under the Securities Act or applicable state securities laws. Neither the United States Securities and Exchange Commission nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, or the exhibits or the statements contained herein, and any representation to the contrary is unlawful.

3. Reliance on Exemptions from Registration Under the Securities Act

This Disclosure Statement has been prepared pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) and is not necessarily in accordance with federal or state securities laws or other similar laws. Neither the offer of Reorganized OpCo Common Stock, nor the Rights Offering to Holders of certain Classes of Claims, nor the Reorganized OpCo Warrants has been registered under the Securities Act or similar state securities or "blue sky" laws. To the maximum extent permitted by section 1145 of the Bankruptcy Code, the Securities Act and other applicable non-bankruptcy law, the issuance of the Reorganized OpCo Common Stock and the Reorganized OpCo Warrants, including the shares reserved for issuance under the OpCo Management and Director Equity Incentive Program, will be exempt from registration under the Securities Act by virtue of section 1145 of the Bankruptcy Code, section 4(2) of the United States Securities Act or Regulation D promulgated thereunder, Rule 701 of the Securities Act or a "no sale" under the Securities Act as described herein. The Rights Offering Shares will be exempt from registration pursuant to either section 1145 of the Bankruptcy Code or the private placement exemption under section 4(2) of the Securities Act or Regulation B promulgated thereunder.

4. No Legal or Tax Advice Is Provided to You by this Disclosure Statement

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each Holder of a Claim or an Interest should consult his or her own legal counsel and accountant with regard to any legal, tax, and other matters concerning his or her Claim or Interest,

his or her exercise of Subscription Rights. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan, exercise Subscription Rights, or object to Confirmation of the Plan.

5. **No Admissions Made**

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any Entity (including, without limitation, the OpCo Debtors nor (b) be deemed evidence of the tax or other legal effects of the Plan on the OpCo Debtors, the Reorganized OpCo Debtors, Holders of Allowed Claims or Interests, or any other parties in interest.

6. **Failure to Identify Litigation Claims or Projected Objections**

No reliance should be placed on the fact that a particular litigation claim or projected objection to a particular Claim or Interest is, or is not, identified in this Disclosure Statement. The OpCo Debtors or the Reorganized OpCo Debtors may seek to investigate, file, and prosecute Claims and Interest and may object to Claims after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies such Claims or objections to such Claims.

7. **No Waiver of Right to Object or Right to Recover Transfers and Assets**

The vote by a Holder of an Allowed Claim for or against the Plan does not constitute a waiver or release of any Claims, Causes of Action, Insider Causes of Action, or rights of the OpCo Debtors or the Reorganized OpCo Debtors (or any party in interest, as the case may be) to object to that Holder's Allowed Claim, or recover any preferential, fraudulent, or other voidable transfer of assets, regardless of whether any Claims, Causes of Action, or Insider Causes of Action of the OpCo Debtors or their respective Estates are specifically or generally identified herein.

8. **Information Was Provided by the OpCo Debtors and Was Relied Upon by the OpCo Debtors' Professionals**

The Professionals have relied upon information provided by the OpCo Debtors in connection with the preparation of this Disclosure Statement. Although the Professionals have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not verified independently the information contained herein.

9. **Potential Exists for Inaccuracies, and the OpCo Debtors Have No Duty to Update**

The statements contained in this Disclosure Statement are made by the OpCo Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While the OpCo Debtors have used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the OpCo Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the OpCo Debtors may subsequently update the information in this Disclosure Statement, the OpCo Debtors have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

10. **No Representations Outside this Disclosure Statement Are Authorized**

No representations concerning or relating to the Debtors, these Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than as contained in, or included with, this Disclosure Statement, should not be relied upon by you in arriving at your

decision. You should promptly report unauthorized representations or inducements to the counsel to the OpCo Debtors, the counsel to the Creditors Committee, and the United States Trustee.

F. LIQUIDATION UNDER CHAPTER 7

If no plan can be Confirmed, the OpCo Debtors' Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the OpCo Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and the OpCo Debtors' liquidation analysis is set forth in Article V herein, "Statutory Requirements for Confirmation of the Plan" and the Liquidation Analysis attached hereto as **Exhibit B**.

VIII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain United States federal income tax consequences of the Plan to the OpCo Debtors and certain Holders of Claims. This summary is based on the Internal Revenue Code, Treasury Regulations thereunder, and administrative and judicial interpretations and practice, all as in effect on the date of this Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained and the OpCo Debtors do not intend to seek a ruling from the Internal Revenue Service (the "IRS") as to any of the tax consequences of the Plan discussed below. There can be no assurance that the IRS will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to Holders of Claims that are not "United States persons" (as such term is defined in the Internal Revenue Code) or that are otherwise subject to special treatment under United States federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through Entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, and regulated investment companies). The following discussion assumes that Holders of Allowed Claims hold such Claims as "capital assets" within the meaning of section 1221 of the Internal Revenue Code. Moreover, this summary does not purport to cover all aspects of United States federal income taxation that may apply to the OpCo Debtors and Holders of Allowed Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than United States federal income tax law, including under state, local, or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM. ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

IRS CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE INTERNAL REVENUE CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT WRITTEN TO SUPPORT THE MARKETING OR PROMOTION OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THE HOLDERS

OF ALLOWED CLAIMS

1. **Consequences to Holders of Allowed Class 3 Opco Credit Facility Secured Claims, Allowed Class 4 OpCo General Unsecured Claims, Allowed Class 5 Opco Noteholder Unsecured Claims, Allowed Class 6 OpCo Credit Facility Deficiency Claims, Allowed Class 7 Insider Claims, and Allowed Class 8 Unsecured Convenience Class Claims**

Pursuant to the Plan, Allowed Class 3 OpCo Credit Facility Secured Claims will be exchanged for Reorganized OpCo Common Stock, Reorganized OpCo Notes, and possibly Cash; Allowed Class 4 OpCo General Unsecured Claims ~~(under certain circumstances)~~ will be exchanged for Subscription Rights (for Eligible Holders of OpCo Unsecured Claims), Reorganized OpCo Warrants and rights to the Litigation Trust Proceeds (the "Litigation Trust Rights"); Allowed Class 5 Opco Noteholder Unsecured Claims will be exchanged for Subscription Rights (for Eligible Holders of OpCo Unsecured Claims) ~~and, under certain circumstances~~, Reorganized OpCo Warrants, and Litigation Trust Rights; Allowed Class 6 OpCo Credit Facility Deficiency Claims will be exchanged for Litigation Trust Rights; Allowed Class 7 Insider Claims will be exchanged for Cash (subject to offset); and Allowed Class 8 Unsecured Convenience Class Claims ~~(under certain circumstances)~~ will be exchanged for Cash. The amount received, if any, with respect to the Litigation Trust Proceeds is contingent on the outcome of the Insider Causes of Action placed into the Litigation Trust, and a value will not be assigned to the Litigation Trust Rights in connection with the Plan. As set forth below, a recipient of Subscription Rights generally should not recognize taxable gain or loss upon the exercise of such Subscription Rights.

As described below, the OpCo Debtors intend to take the position that the transaction undertaken pursuant to the Plan constitutes a taxable sale of substantially all of the OpCo Debtors' assets to the Reorganized OpCo Debtors. As a consequence, Holders of Claims will be treated as exchanging such Claims for the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, the Reorganized OpCo Warrants, the Litigation Trust Rights, the Subscription Rights, and/ or Cash in a taxable exchange. Each Holder of Allowed Class 3 OpCo Credit Facility Secured Claims should recognize gain or loss equal to the difference between (a) the amount of Cash and the fair market value as of the Effective Date of the Reorganized OpCo Common Stock and the Reorganized OpCo Notes received that is not allocable to accrued interest and (b) such Holder's tax basis in the Claims surrendered by such Holder. Each Holder of Allowed Class 4 OpCo General Unsecured Claims should recognize gain or loss equal to the difference between (a) the fair market value as of the Effective Date of the Subscription Rights (if any) received that is not allocable to accrued interest, ~~and, under certain circumstances,~~ the fair market value of Reorganized OpCo Warrants, and the Litigation Trust Rights, and (b) such Holder's tax basis in the Claims surrendered by such Holder. Each Holder of Allowed Class 5 OpCo Noteholder Unsecured Claims should recognize gain or loss equal to the difference between (a) the fair market value as of the Effective Date of the Subscription Rights (if any) received that is not allocable to accrued interest, ~~and, under certain circumstances,~~ the fair market value of Reorganized OpCo Warrants, and the Litigation Trust Rights, and (b) such Holder's tax basis in the Claims surrendered by such Holder. Each Holder of Allowed Class 6 OpCo Credit Facility Deficiency Claims should recognize gain or loss equal to the difference between (a) the fair market value as of the Effective Date of the Litigation Trust Rights received that is not allocable to accrued interest and (b) such Holder's tax basis in the Claims surrendered by such Holder. Each Holder of Allowed Class 7 Insider Claims or~~, under certain circumstances,~~ Allowed Class 8 Unsecured Convenience Class Claims should recognize gain or loss equal to the difference between (a) the amount of Cash that is not allocable to accrued interest and (b) such Holder's tax basis in the Claims surrendered by such Holder.

Any such gain or loss described above should be capital in nature (subject to the "market discount" rules described below) and should be long term capital gain or loss if the Claims were held for more than one year by the Holder. To the extent that a portion of the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, the Reorganized OpCo Warrants, the Litigation Trust Rights, the Subscription Rights, and/ or Cash received in the exchange is allocable to accrued interest, the Holder may recognize ordinary income. See the discussion of accrued interest below. A Holder's tax basis in the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, the Reorganized OpCo Warrants, the Litigation Trust Rights, or the Subscription Rights should equal their fair market value as of the Effective Date. A Holder's holding period for the Reorganized OpCo Common Stock, the

Reorganized OpCo Notes, the Reorganized OpCo Warrants, the Litigation Trust Rights, or the Subscription Rights should begin on the day following the Effective Date.

The IRS may take the position that the transactions undertaken pursuant to the Plan constitute a tax-free reorganization. If the IRS were to succeed in asserting that the transactions qualify as a tax-free reorganization, the tax consequences to Holders of Claims that receive the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, the Reorganized OpCo Warrants, the Litigation Trust Rights, and the Subscription Rights may differ from the consequences described above.

It is plausible that a Holder receiving the Litigation Trust Rights could treat the transaction as an "open" transaction for United States federal tax purposes, in which case the recognition of any gain or loss on the transaction might be deferred pending the determination of the amount of the Litigation Trust Proceeds received. The United States federal income tax consequences of an open transaction are uncertain and highly complex, and a Holder should consult with its own tax advisor if it believes open transaction treatment might be appropriate.

2. **Accrued but Untaxed Interest**

A portion of the consideration received by Holders of Claims may be attributable to interest that has accumulated since the principal investment or since the previous interest payment that has not been paid or taxed ("Accrued but Untaxed Interest on such Claims"). Such amount should be taxable to that Holder as interest income if such accrued interest has not been previously included in the Holder's gross income for United States federal income tax purposes.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on an Allowed Claim, the extent to which such consideration will be attributable to Accrued but Untaxed Interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Allowed Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated unpaid interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for United States federal income tax purposes. The IRS could take the position, however, that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

3. **Market Discount**

Holders who exchange Allowed Claims for the Reorganized OpCo Common Stock, the Reorganized OpCo Notes, the Reorganized OpCo Warrants, the Litigation Trust Rights, the Subscription Rights or Cash may be affected by the "market discount" provisions of sections 1276 through 1278 of the Internal Revenue Code. Under these provisions, some or all of the gain realized by a Holder may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued "market discount" on such Allowed Claims.

In general, a debt obligation with a fixed maturity of more than one year that is acquired by a holder on the secondary market (or, in certain circumstances, upon original issuance) is considered to be acquired with "market discount" as to that holder if the debt obligation's stated redemption price at maturity (or revised issue price as defined in section 1278 of the Internal Revenue Code, in the case of a debt obligation issued with original issue discount) exceeds the tax basis of the debt obligation in the holder's hands immediately after its acquisition. However, a debt obligation is not a "market discount bond" if the excess is less than a statutory *de minimis* amount (equal to 0.25% of the debt obligation's stated redemption price at maturity or revised issue price, in the case of a debt obligation issued with original issue discount, multiplied by the number of complete years remaining until maturity at the time of the acquisition).

Any gain recognized by a Holder on the taxable disposition of Allowed Claims (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market

discount that accrued thereon while the Allowed Claims were considered to be held by the Holder (unless the Holder elected to include market discount in income as it accrued).

4. **Receipt of Beneficial Interests in the Litigation Trust**

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary, pursuant to Treasury Regulation section 301.7701-4(d) and related regulations, the OpCo Debtors believe that the Litigation Trust Committee intends to take a position on the Litigation Trust's tax return that the Litigation Trust should be treated as a grantor trust set up for the benefit of the Litigation Trust Beneficiaries. Holders of Allowed Claims that receive a beneficial interest in the Litigation Trust will be treated for United States federal income tax purposes as receiving their Pro Rata shares of the Litigation Trust Assets from the OpCo Debtors in a taxable exchange and then depositing them in the Litigation Trust in exchange for beneficial interests in the Litigation Trust. Holders of Allowed Claims that receive a beneficial interest in the Litigation Trust will be required to report on their United States federal income tax returns their share of the Litigation Trust's items of income, gain, loss, deduction, and credit in the year recognized by the Litigation Trust. This requirement may result in such Holders being subject to tax on their allocable share of the Litigation Trust's taxable income prior to receiving any cash distributions from the Litigation Trust. Holders of Allowed Claims that receive a beneficial interest in the Litigation Trust are urged to consult their tax advisors regarding the tax consequences of the right to receive and of the receipt (if any) of property from the Litigation Trust.

5. **Rights Offering**

The Plan contemplates that the OpCo Debtors may engage in the Rights Offering. A recipient of Subscription Rights generally should not recognize taxable gain or loss upon the exercise of such Subscription Rights. The tax basis in the Reorganized OpCo Common Stock received upon exercise of the Subscription Rights should equal the sum of the holder's tax basis in the Subscription Rights and the amount paid for such Reorganized OpCo Common Stock. The holding period in such Reorganized OpCo Common Stock received should commence the day following its acquisition.

6. **Information Reporting and Backup Withholding**

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim may be subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided, however, that the required information is provided to the IRS.

The OpCo Debtors will withhold all amounts required by law to be withheld from payments of interest. The OpCo Debtors will comply with all applicable reporting requirements of the IRS.

B. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THE REORGANIZED OPCO DEBTORS

The Debtors expect to report consolidated net operating loss ("NOL") carryforwards for U.S. federal income tax purposes of approximately $254 million as of December 31, 2008. As discussed below, the amount of the Debtors' NOL carryforwards may be significantly reduced or eliminated upon implementation of the Plan. In addition, the Reorganized OpCo Debtors' subsequent utilization of any losses and NOL carryforwards remaining and possibly certain other tax attributes may be restricted as a result of and upon the implementation of the Plan.

1. **Transfer of Business Assets**

The OpCo Debtors intend to take the position that the transaction undertaken pursuant to the Plan constitutes a taxable sale of substantially all of the assets of the OpCo Debtors to the Reorganized OpCo Debtors. As a consequence, the Reorganized OpCo Debtors should obtain a tax basis in the assets received from the OpCo Debtors equal to their cost to the Reorganized OpCo Debtors, which generally should equal the fair market value of Reorganized OpCo Common Stock, the Reorganized OpCo Notes, and the Reorganized OpCo Warrants transferred to the OpCo Debtors plus the amount of liabilities assumed by the Reorganized OpCo Debtors.

Provided the transaction undertaken pursuant to the Plan constitutes a taxable transfer, the OpCo Debtors would recognize gain or loss upon the transfer of assets to the Reorganized OpCo Debtors in an amount equal to the difference between the fair market value of its assets and their tax basis in such assets. The degree to which the transfer will result in any federal tax liability will depend in part on the amount of any gain or loss on the transfer of assets as well as the amount of any operating income or losses generated by the Debtors between January 1, 2009 and the Effective Date. The amount of such gain, losses and income is uncertain, but the Debtors believe that to the extent the transfer of assets and 2009 operations result in net gain or income, existing NOLs will be sufficient to offset any such net gain or income. To the extent that the OpCo Debtors or the LandCo Debtors do incur any post-petition federal tax liability with respect to the asset transfer or otherwise for taxable years prior to or including the year of the Effective Date, the IRS could argue that the Reorganized OpCo Debtors are severally liable for such tax liability under the consolidated return regulations, Treasury Regulation section 1.1502-6 or under various state-law transferee liability theories.

There is no assurance, however, that the exchange will be treated by the IRS as a taxable sale of assets by the OpCo Debtors to the Reorganized OpCo Debtors. Instead, the IRS may take the position that the exchange constitutes a tax-free reorganization. If the IRS were to succeed in asserting that the exchange qualifies as a tax-free reorganization, the OpCo Debtors would not recognize any gain or loss on the exchange. Instead, the Reorganized OpCo Debtors would succeed to certain tax attributes of the OpCo Debtors, including the OpCo Debtors' tax basis in the assets transferred to the Reorganized OpCo Debtors, but only after taking into account the reduction in such tax attributes and tax basis on account of the discharge of indebtedness pursuant to the Plan. Thus, the Reorganized OpCo Debtors would generally have no NOL carryforwards (as described below) and would have a significantly diminished tax basis in the assets received from the OpCo Debtors, with the result that future tax depreciation and amortization with respect to the Reorganized OpCo Debtors' real and personal property would be substantially reduced.

2. **Reduction of Net Operating Losses**

The Internal Revenue Code provides that a debtor in a bankruptcy case must reduce certain of its tax attributes, such as NOL carryforwards, current year NOLs, tax credits and tax basis in assets, by the amount of any cancellation of indebtedness ("COD") realized upon consummation of the Plan. COD is the amount by which the indebtedness discharged (reduced by any unamortized discount) exceeds any consideration given in exchange therefor, subject to certain statutory or judicial exceptions that can apply to limit the amount of COD (such as where the payment of the canceled debt would have given rise to a tax deduction). Assuming that the transaction is treated as a taxable purchase by the Reorganized OpCo Debtors of the assets of the OpCo Debtors, this COD, and attribute reduction, should not result in any tax liability for the OpCo Debtors or the Reorganized OpCo Debtors.

3. **Limitation on NOL Carryforwards and Other Tax Attributes**

Under section 382 of the Internal Revenue Code, if a corporation undergoes an "ownership change," the amount of any remaining NOL and tax credit carryforwards and, possibly, certain other tax attributes of the OpCo Debtors allocable to periods prior to the Effective Date (collectively, the "Pre-Change Losses"), that may be utilized to offset future taxable income generally is subject to an annual limitation (the "Section 382 Limitation"). Because (a) substantially all of the OpCo Debtors' Pre-Change Losses will likely be eliminated or substantially reduced and (b) the OpCo Debtors intend to take the position that the transaction undertaken pursuant to the Plan constitutes a taxable sale of substantially all of the OpCo Debtors' assets to the Reorganized OpCo Debtors, the Reorganized OpCo

Debtors should not succeed to any of the Pre-Change Losses of the OpCo Debtors and, hence, the Section 382 Limitation will not be relevant to the OpCo Debtors or the Reorganized OpCo Debtors.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AGAINST THE DEBTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

IX. VOTING PROCEDURES

On March 6, 2009, the Bankruptcy Court entered the Disclosure Statement Order approving the adequacy of this Disclosure Statement and approving procedures for the solicitation of votes to accept or reject the Plan (the "Solicitation Procedures"). A copy of the Solicitation Procedures ~~is attached as **Exhibit B** an exhibit to the Disclosure Statement Order and is~~**will be** included in the Plan Supplement. In addition to approving the Solicitation Procedures, the Disclosure Statement Order established certain dates and deadlines, including the date for the Confirmation Hearing, the deadline for parties to object to Confirmation, the Voting Record Date, and the Voting Deadline. The Disclosure Statement Order also approved the forms of Ballots, Master Ballots, and certain Confirmation-related notices. The Disclosure Statement Order and the Solicitation Procedures should be read in conjunction with this Article IX. Capitalized terms used in this Article IX that are not otherwise defined in this Disclosure Statement or the Plan shall have the meanings ascribed to them in the Solicitation Procedures.

A. CONFIRMATION GENERALLY

The Bankruptcy Court may confirm the Plan only if it determines that the Plan complies with the requirements of chapter 11 of the Bankruptcy Code. One of these requirements is that the Bankruptcy Court find, among other things, that the Plan has been accepted by the requisite votes of all Classes of Impaired Claims and Interests unless approval will be sought under section 1129(b) of the Bankruptcy Code despite the non-acceptance by one or more such Classes. The process by which the OpCo Debtors solicit votes to accept or reject the Plan will be governed by the Disclosure Statement Order and the Solicitation Procedures.

The following is a brief and general summary of the Solicitation Procedures. Holders of Claims and Interests are encouraged to review the Disclosure Statement Order, the Solicitation Procedures, the relevant provisions of the Bankruptcy Code, and to consult their own advisors. To the extent of any inconsistency between the summary below and (i) the Disclosure Statement Order or (ii) the Solicitation Procedures, the Disclosure Statement Order and the Solicitation Procedures shall govern.

B. WHO CAN VOTE

In general, a holder of a claim or interest may vote to accept or to reject a plan if (i) no party in interest has objected to such claim or interest and (ii) the claim or interest is impaired by the plan but the plan does not make distributions on account of such claim or interest. If the holder of an impaired claim or interest will not receive any distribution under the plan in respect of such claim or interest, the Bankruptcy Code deems such holder to have rejected the plan in respect of such claim or interest. If a claim or an interest is not impaired, the Bankruptcy Code deems that the holder of such claim or interest has accepted the plan and the plan proponent need not solicit such holder's vote.

Pursuant to section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless the plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof or, notwithstanding any legal right to an accelerated payment of such claim or interest, the plan cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy), reinstates

the maturity of such claim or interest as it existed before the default, compensates the holder of such claim or interest for any damages incurred as a result of reasonable reliance on the holder's legal right to an accelerated payment, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder thereof.

Only the following Holders of Impaired Claims in Voting Classes shall be entitled to vote on the Plan with regard to such Claims:

1. Holders of Claims for which Proofs of Claims have been timely Filed, as reflected on the Claims Register, as of the Voting Record Date; provided, however, that Holders of Disputed Claims shall not be entitled to vote with respect to such Claims unless they become eligible to vote through a Resolution Event (as defined below);

2. Holders of Claims that are listed in the OpCo Debtors' Schedules, with the exception of those Claims that are listed in the Schedules as contingent, unliquidated, or disputed (excluding such scheduled Claims that have been superseded by a timely-Filed Proof of Claim); and

3. Holders whose Claims arise pursuant to an agreement or settlement with the OpCo Debtors executed prior to the Voting Record Date, as reflected in a document Filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the OpCo Debtors pursuant to authority granted by the Bankruptcy Court, regardless of whether a Proof of Claim has been Filed.

The assignee of a transferred and assigned Claim (whether a timely-Filed Claim or a Claim on the Schedules) shall be permitted to vote such Claim only if (a) the transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e) and such transfer is reflected on the Claims Register as of the close of business on the Voting Record Date and (b) the transferor and assignor of such Claim would be permitted to vote such Claim if such transfer and assignment had not occurred.

For purposes of determining the Claim amount associated with each Holder's vote, such amount shall not include applicable interest accrued after the Petition Date.

A vote may be disregarded if the Bankruptcy Court determines, pursuant to section 1126(e) of the Bankruptcy Code, that it was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code. The Solicitation Procedures also set forth assumptions and procedures for tabulating Ballots and Master Ballots.

C. CLASSES IMPAIRED UNDER THE PLAN

1. Unimpaired Classes of Claims. Classes 1 and 2 are Unimpaired under the Plan and are deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code. Thus, Holders in such Classes will not be solicited to vote to accept or to reject the Plan. Rather, acceptances or rejections of the Plan are being solicited only from those who hold Claims in an Impaired Class whose members will receive a distribution under the Plan. Pursuant to the Solicitation Procedures, these parties shall receive a notice, substantially in the form attached as an exhibit to the Disclosure Statement Order, notifying them of their non-voting status.

2. Voting Impaired Classes of Claims. Classes 3, 4, 5, 6, 7, and 8 are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

3. Non-Voting Impaired Classes of Claims and Interests. Classes 9, 10, 11, 12, and 13 are wholly Impaired under the Plan and are deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code. Thus, Holders in such Classes will not be solicited to vote to accept or to reject the Plan. Rather, acceptances or rejections of the Plan are being solicited only from those who hold

Claims in an Impaired Class whose members will receive a distribution under the Plan. Pursuant to the Solicitation Procedures, these parties shall receive a notice, substantially in the form attached as an exhibit to the Disclosure Statement Order, notifying them of their non-voting status.

D. CONTENTS OF SOLICITATION PACKAGE

The following materials shall constitute the Solicitation Package:

1. the Plan;

2. this Disclosure Statement;

3. the Disclosure Statement Order (without exhibits, except the Solicitation Procedures);

4. the Confirmation Hearing Notice (as defined herein);

5. the appropriate Ballot or Master Ballot[15] and voting instructions;

6. a pre-addressed, postage pre-paid return envelope;

7. an appropriate cover letter (a) describing the contents of the Solicitation Package, (b) explaining that the Plan Supplement will be filed with the Bankruptcy Court at least five days before the Voting Deadline, or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, and (c) urging the Holders in each of the Voting Classes to vote to accept the Plan;

8. for Solicitation Packages mailed to Holders of Claims in Classes 4, 5, and 8, a letter from the Creditors Committee regarding the Plan; and

9. such other materials as the Bankruptcy Court may direct.

E. DISTRIBUTION OF SOLICITATION PACKAGE

The Solicitation Package shall be served on: the Holders of Claims described in Article IX.A.1-3; with respect to any Beneficial Holder, to the applicable Nominee, as reflected in the relevant records as of the Voting Record Date; the Internal Revenue Service; the United States Trustee for the District of Delaware; and all parties in interest on the 2002 List as of the Voting Record Date.

F. TEMPORARY ALLOWANCE OF DISPUTED CLAIMS FOR VOTING PURPOSES

The Solicitation Procedures generally provide that Holders of Disputed Claims that will not be entitled to vote unless: (i) an order by the Bankruptcy Court is entered allowing such Disputed Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (ii) an order by the Bankruptcy Court is entered temporarily allowing such Disputed Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (iii) a stipulation or other agreement is executed between the Holder of the Disputed Claim and the Debtors resolving the objection and allowing the Disputed Claim in an agreed upon amount; or (iv) the pending objection to the Disputed Claim voluntarily is withdrawn by the Debtors (each, a "Resolution Event"). No later than two (2) Business Days after a Resolution Event, the Claims and Solicitation Agent or the Securities Voting Agent, as applicable, shall distribute a Ballot and a pre-addressed, postage pre-paid envelope to the relevant Holder of the

[15] The defined terms "Ballot" and "Master Ballot" shall include all ancillary and related information and any amendments or supplements thereto necessary for completing the Ballot and the Master Ballot, respectively. Consistent with securities industry practice in bankruptcy solicitations, Master Ballots will be distributed to Nominees after the OpCo Debtors distribute the Solicitation Packages to the Nominees.

Disputed Claim, which must be returned to the Claims and Solicitation Agent or the Securities Voting Agent, as applicable, by no later than the Voting Deadline.

Each Holder of a Disputed Claim will receive a notice notifying such Holder of the Solicitation Procedures applicable to Disputed Claims.

G. VOTING

The Claims and Solicitation Agent or the Securities Voting Agent will facilitate the solicitation process. For Holders of Claims and Interests on account of publicly-traded securities, the Securities Voting Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation. For Holders of all other Claims or Interests, the Claims and Solicitation Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials, and oversee the voting tabulation. The Claims and Solicitation Agent and the Securities Voting Agent, as applicable, will also process and tabulate Ballots for each Class entitled to vote to accept or reject the Plan.

BALLOTS CAST BY HOLDERS OF CLAIMS AND MASTER BALLOTS CAST ON BEHALF OF BENEFICIAL HOLDERS IN CLASSES ENTITLED TO VOTE MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT OR THE SECURITIES VOTING AGENT, AS APPLICABLE, BY THE VOTING DEADLINE, WHETHER BY FIRST CLASS MAIL, OVERNIGHT COURIER, OR PERSONAL DELIVERY. THE BALLOTS AND THE PRE-ADDRESSED, POSTAGE PRE-PAID ENVELOPES ACCOMPANYING THE BALLOTS WILL INDICATE WHETHER THE BALLOT MUST BE RETURNED TO THE CLAIMS AND SOLICITATION AGENT OR THE SECURITIES VOTING AGENT (OR, IN THE CASE OF OPCO NOTEHOLDER UNSECURED CLAIMS, INSTRUCTIONS FOR THE PROPER RETURN OF BALLOTS, AS INDICATED ON THE ENCLOSED RETURN ENVELOPE). THE ADDRESS FOR BALLOTS RETURNABLE TO THE CLAIMS AND SOLICITATION AGENT IS: TROPICANA ENTERTAINMENT, LLC, C/O KURTZMAN CARSON CONSULTANTS LLC, 2335 ALASKA AVENUE, EL SEGUNDO, CA 90245, ATTN: BALLOT PROCESSING DEPARTMENT. THE ADDRESS FOR MASTER BALLOTS RETURNABLE TO THE SECURITIES VOTING AGENT IS: TROPICANA ENTERTAINMENT, LLC, C/O FINANCIAL BALLOTING GROUP LLC, 757 THIRD AVENUE – THIRD FLOOR, NEW YORK, N.Y. 10017, ATTN: BALLOTING PROCESSING DEPARTMENT.

FOR ANSWERS TO ANY QUESTIONS REGARDING SOLICITATION PROCEDURES, PARTIES MAY CALL THE CLAIMS AND SOLICITATION AGENT TOLL FREE AT (888) 733-1425. THOSE HOLDERS OF CLAIMS AND INTERESTS BASED ON PUBLICLY-TRADED SECURITIES MAY CONTACT THE SECURITIES VOTING AGENT DIRECTLY TOLL FREE AT (866) 734-9393, WITH ANY QUESTIONS RELATED TO THE SOLICITATION PROCEDURES APPLICABLE TO SECURITY-BASED CLAIMS AND INTERESTS.

To obtain an additional copy of the Plan, this Disclosure Statement, the Plan Supplement, or other Solicitation Package materials (except Ballots or Master Ballots), please refer to the OpCo Debtors' restructuring website at http://www.kccllc.net/tropicana or request a copy from the Claims and Solicitation Agent, by writing to Kurtzman Carson Consultants, LLC, 2335 Alaska Avenue, El Segundo, California 90245, Attn: Tropicana Entertainment Balloting; calling (888) 733-1425; or sending an e-mail to tropicanainfo@kccllc.com.

Ballots and Master Ballots received after the Voting Deadline will be counted in the sole discretion of the OpCo Debtors. The method of delivery of Ballots or Master Ballots to be sent to the Claims and Solicitation Agent or the Securities Voting Agent, as applicable, is at the election and risk of each Creditor, except as otherwise provided, a Ballot or Master Ballot will be deemed delivered only when the Claims and Solicitation Agent or the Securities Voting Agent, as applicable, actually receives the original executed Ballot or Master Ballot. In all cases, sufficient time should be allowed to assure timely delivery. An executed original Ballot or Master Ballot is required. Delivery of a Ballot or Master Ballot to the Claims and Solicitation Agent or the Securities Voting Agent, as applicable, by facsimile, e-mail, or any other electronic means will not be accepted. Ballots or Master Ballots should not be sent to

any of the OpCo Debtors, the OpCo Debtors' agents (other than the Claims and Solicitation Agent or the Securities Voting Agent, as applicable), any indenture trustee (unless specifically instructed to do so), or the OpCo Debtors' financial or legal advisors, and any Ballots or Master Ballots sent to such parties will be counted only in the discretion of the OpCo Debtors. The OpCo Debtors expressly reserve the right to amend from time to time the terms of the Plan (subject to compliance with the requirements of section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification).

H. RELEASES UNDER THE PLAN

As set forth in detail in Article IV above, (i) voting to accept the Plan or (ii) abstaining from voting on the Plan and electing not to opt out of the release contained in this paragraph (which by definition, does not include Holders of Claims and Interests who are not entitled to vote in favor of or against the Plan), shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the OpCo Debtors, the Reorganized OpCo Debtors, and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative Claims asserted on behalf of an OpCo Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the OpCo Debtors, the OpCo Debtors' restructuring, the OpCo Debtors' Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the OpCo Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any OpCo Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than Claims or liabilities arising out of or relating to any act or omission of an OpCo Debtor, a Reorganized OpCo Debtor, or a Released Party that constitutes a failure to perform the duty to act in good faith, with the care of an ordinarily prudent person and in a manner the OpCo Debtor, the Reorganized OpCo Debtor, or the Released Party reasonably believed to be in the best interests of the OpCo Debtors (to the extent such duty is imposed by applicable non-bankruptcy law) where such failure to perform constitutes willful misconduct or gross negligence. The releases set forth in this paragraph shall not be given to the Yung Entities.

The OpCo Debtors are not aware of Causes of Action of the OpCo Debtors that are subject to the release or exculpation provisions of the Plan that, if pursued by the Reorganized OpCo Debtors, would be likely to provide a material benefit to the Reorganized OpCo Debtors.

X. PLAN SUPPLEMENT

The Plan Supplement will be filed with the Bankruptcy Court no later than five Business Days prior to the Voting Deadline. The OpCo Debtors reserve the right to modify and supplement the Plan Supplement through and including the Confirmation Date.

XI. CONCLUSION AND RECOMMENDATION

The OpCo Debtors believe the Plan is in the best interests of all Holders of Claims and urge all Holders of Claims entitled to vote to accept the Plan and to evidence such acceptance by returning their Ballots or Master

Ballots, as applicable, so they will be received by the OpCo Debtors' Claims and Solicitation Agent or the Securities Voting Agent, as appropriate, by the Voting Deadline.

Dated: March ~~6,~~**20,** 2009

Respectfully submitted,

TROPICANA ENTERTAINMENT, LLC
(for itself and all other OpCo Debtors)

By: /s/ Scott C. Butera
Name: Scott C. Butera
Title: President and Chief Executive Officer

EXHIBIT C

Financial Projections

Financial Projections

The Financial Projections[1] consist of a statement of operations (the "Income Statement"), a statement of financial position (the "Balance Sheet"), and a cash flow statement (the "Cash Flow Statement") for the time period from January 1, 2008 through December 31, 2013. The Financial Projections are based on the actual and projected results for the nine portfolio properties[2] expected to make up the Reorganized OpCo Debtors' ongoing business operations. Results for the fiscal year ending December 31, 2008 have not yet been audited. Projected results for the fiscal year ending December 31, 2009 are separated into two six month periods, the first ending June 30, 2009 ("1H09") and the second ending December 31, 2009 ("2H09"), based on an Effective Date of June 30, 2009, which was assumed for purposes of the Financial Projections. The Financial Projections are based on the OpCo Debtors' November 2008 business plan. Additionally, a balance sheet (the "Pro Forma Balance Sheet") has been provided as of the Effective Date with pro forma adjustments to account for (i) the reorganization and related transactions pursuant to the Plan and (ii) the implementation of "fresh start" accounting pursuant to Statement of Position 90-7 ("SOP 90-7"), Financial Reporting by Entities in Reorganization Under the Bankruptcy Code, as issued by the American Institute of Certified Public Accountants (the "AICPA"). The Balance Sheet may not be in accordance with generally accepted accounting practices.

THE OPCO DEBTORS' MANAGEMENT PREPARED THE FINANCIAL PROJECTIONS WITH THE ASSISTANCE OF THEIR PROFESSIONALS. THE OPCO DEBTORS' MANAGEMENT DID NOT PREPARE SUCH FINANCIAL PROJECTIONS TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE OPCO DEBTORS' INDEPENDENT ACCOUNTANTS HAVE NEITHER COMPILED NOR EXAMINED THE FINANCIAL PROJECTIONS THAT ACCOMPANY THE DISCLOSURE STATEMENT AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT TO THE FINANCIAL PROJECTIONS, ASSUME NO RESPONSIBILITY FOR THE FINANCIAL PROJECTIONS, AND DISCLAIM ANY ASSOCIATION WITH THE FINANCIAL PROJECTIONS. EXCEPT FOR PURPOSES OF THE DISCLOSURE STATEMENT, THE OPCO DEBTORS DO NOT PUBLISH FINANCIAL PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITION OR RESULTS OF OPERATIONS. THE FINANCIAL PROJECTIONS ARE QUALIFIED IN THEIR ENTIRETY BY THE DESCRIPTION THEREOF CONTAINED IN ARTICLE V OF THE DISCLOSURE STATEMENT.

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[1] Capitalized terms used and not otherwise defined herein shall have those meanings ascribed to them in the Disclosure Statement.

[2] The properties include: the Tropicana Express, the River Palms Hotel and Casino, the MontBleu Resort Casino, the Lake Tahoe Horizon Casino and Resort, the Casino Aztar Evansville, the Belle of Baton Rouge, the Vicksburg Horizon Casino, the Lighthouse Point Casino, and Bayou Caddy's Jubilee Casino.

MOREOVER, THE FINANCIAL PROJECTIONS CONTAIN CERTAIN STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE STATEMENTS ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS, AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE OPCO DEBTORS, INCLUDING THE CONSUMMATION AND IMPLEMENTATION OF THE PLAN, THE CONTINUING AVAILABILITY OF SUFFICIENT BORROWING CAPACITY OR OTHER FINANCING TO FUND OPERATIONS, ACHIEVING OPERATING EFFICIENCIES, MAINTENANCE OF GOOD EMPLOYEE RELATIONS, EXISTING AND FUTURE GOVERNMENTAL REGULATIONS AND ACTIONS OF GOVERNMENTAL BODIES, NATURAL DISASTERS AND UNUSUAL WEATHER CONDITIONS, ACTS OF TERRORISM OR WAR, INDUSTRY-SPECIFIC RISK FACTORS (AS DETAILED IN ARTICLE VI OF THE DISCLOSURE STATEMENT ENTITLED "CERTAIN FACTORS TO BE CONSIDERED PRIOR TO VOTING"), AND OTHER MARKET AND COMPETITIVE CONDITIONS. HOLDERS OF CLAIMS AND INTERESTS ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE MADE AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, AND THE OPCO DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS.

THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE OPCO DEBTORS, MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE REORGANIZED OPCO DEBTORS' CONTROL. THE OPCO DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE OR ARE MADE AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR TO THE REORGANIZED OPCO DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL BE INCORRECT. MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE OPCO DEBTORS PREPARED THE FINANCIAL PROJECTIONS MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE OPCO DEBTORS AND THE REORGANIZED OPCO DEBTORS, AS APPLICABLE, DO NOT INTEND AND UNDERTAKE NO OBLIGATION TO UPDATE OR OTHERWISE REVISE THE FINANCIAL PROJECTIONS TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE ON WHICH THE DISCLOSURE STATEMENT IS INITIALLY FILED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE FINANCIAL PROJECTIONS MAY

NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE FINANCIAL PROJECTIONS AND SHOULD CONSULT WITH THEIR OWN ADVISORS.

OPCO DEBTORS' INCOME STATEMENT

Unaudited

($ in millions)	2008E	1H 09E	2H 09E	2010E	2011E	2012E	2013E
Revenue							
Casino	$404.7	$212.9	$204.6	$426.3	$418.9	$409.6	$411.1
Hotel	57.6	29.6	28.4	60.0	57.5	57.3	57.8
Food & Beverage	72.6	37.8	36.3	78.0	72.2	71.8	72.4
Other	21.2	9.8	9.5	19.6	18.3	17.7	18.0
Total Gross Revenue	$556.2	$290.2	$278.8	$583.9	$566.9	$556.4	$559.3
Less Promotional Allowances	67.5	34.3	32.9	68.2	65.4	65.2	65.4
Net Revenue	**$488.7**	**$255.9**	**$245.8**	**$515.6**	**$501.5**	**$491.2**	**$493.9**
Operating Expenses							
Casino	$136.3	$71.2	$68.4	$139.2	$136.9	$133.0	$133.3
Hotel	35.7	17.0	16.3	34.7	32.0	31.5	31.9
Food & Beverage	66.7	32.9	31.6	65.5	60.6	59.9	60.3
Other	8.3	4.6	4.4	9.3	8.8	8.6	8.8
SG&A	138.1	72.6	69.8	141.0	135.8	133.9	134.9
Total Operating Expenses	**$385.1**	**$198.3**	**$190.5**	**$389.7**	**$374.0**	**$366.8**	**$369.1**
Corporate Expenses	30.4	13.2	12.7	25.9	26.7	27.5	28.3
EBITDA	**$73.2**	**$44.4**	**$42.7**	**$99.9**	**$100.8**	**$96.9**	**$96.4**
EBITDA margin	*15.0%*	*17.4%*	*17.4%*	*19.4%*	*20.1%*	*19.7%*	*19.5%*
Depreciation & Amortization	52.2	28.7	17.9	31.4	31.2	26.7	28.0
Operating Income	**21.0**	**15.7**	**24.8**	**68.6**	**69.6**	**70.2**	**68.4**
Restructuring Charges	64.3	43.2	5.1	-	-	-	-
(Gain)/ Loss on Extinguishment of Debt	-	(2,039.0)	-	-	-	-	-
Other (Gain)/ Loss	(6.6)	-	-	-	-	-	-
Interest Expense	134.4	4.7	15.7	31.5	31.5	31.5	31.5
Earning Before Taxes	**(171.0)**	**2,006.8**	**4.0**	**37.1**	**38.2**	**38.7**	**37.0**
Taxes	-	-	1.6	14.8	15.3	15.5	14.8
Net Income	**($171.0)**	**$2,006.8**	**$2.4**	**$22.3**	**$22.9**	**$23.2**	**$22.2**

OPCO DEBTORS' BALANCE SHEET

Unaudited

($ in millions)	2008E	1H09E	2H09E	2010E	2011E	2012E	2013E
Cash and Cash Equivalents	$53.4	$47.5	$49.4	$79.0	$115.4	$148.7	$181.0
Cage Cash	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Accounts Receivable	3.8	3.8	3.9	4.0	3.9	3.8	3.8
Inventory	2.4	2.5	2.5	2.5	2.4	2.3	2.3
Due from Related Parties	0.6	-	-	-	-	-	-
Income Tax Receivable	-	-	-	-	-	-	-
Prepaid Expenses and Other Assets	13.4	13.6	13.8	14.2	13.8	13.5	13.6
Total Current Assets	**104.7**	**98.4**	**100.5**	**130.6**	**166.5**	**199.3**	**231.8**
Property & Equipment	$540.7	328.8	326.7	318.7	308.0	301.9	296.7
Goodwill	34.1	-	-	-	-	-	-
Intangibles	172.3	-	-	-	-	-	-
Other Assets	41.6	34.7	37.3	37.6	32.9	28.2	23.5
Deferred Tax Asset	29.7	-	-	-	-	-	-
Total Assets	**$923.1**	**$461.8**	**$464.5**	**$486.9**	**$507.4**	**$529.5**	**$552.0**
Accounts Payable	$38.0	$32.6	$32.8	$32.8	$31.5	$30.9	$31.1
Amounts due to Affiliate Related Parties	1.1	-	-	-	-	-	-
Accrued Expenses and Other Liabilities	55.4	27.9	28.1	28.1	27.0	26.5	26.7
Current Portion, Long-Term Debt	66.2	-	-	-	-	-	-
Total Current Liabilities	**160.7**	**60.5**	**60.8**	**61.0**	**58.5**	**57.4**	**57.8**
Intercompany - Liabilities Subject to Compromise	600.8	-	-	-	-	-	-
Third Party - Liabilities Subject to Compromise	2,334.3	-	-	-	-	-	-
Liabilities Subject to Compromise	**2,935.1**	**-**	**-**	**-**	**-**	**-**	**-**
Long-Term Debt	-	250.0	250.0	250.0	250.0	250.0	250.0
Other Long-Term Liabilities	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Deferred Tax Liabilities	75.5	-	-	-	-	-	-
Total Liabilities	**$3,171.6**	**$310.9**	**$311.2**	**$311.3**	**$308.9**	**$307.7**	**$308.1**
Minority Interest in Consolidated Subsidiaries	1.5	-	-	-	-	-	-
Shareholders' Equity	**(2,250.0)**	**150.9**	**153.3**	**175.6**	**198.5**	**221.7**	**243.9**
Total Liabilities and Shareholders' Equity	**$923.1**	**$461.8**	**$464.5**	**$486.9**	**$507.4**	**$529.5**	**$552.0**

OPCO DEBTORS' CASH FLOW STATEMENT

Unaudited

($ in millions)	2008E	1H09E	2H09E	2010E	2011E	2012E	2013E
Operating Activities							
Net Income	($171.0)	$2,006.8	$2.4	$22.3	$22.9	$23.2	$22.2
Depreciation & Amortization	52.2	28.7	17.9	31.4	31.2	26.7	28.0
Noncash Restructuring Charges	-	(2,091.9)	-	-	-	-	-
Change in Working Capital	(3.0)	(33.1)	0.0	(0.3)	(1.9)	(0.7)	0.2
Change in Other Assets & Liabilities	188.6	6.9	(2.7)	(0.8)	4.2	4.2	4.2
Cash Flow from Operating Activities	**66.8**	**(82.5)**	**17.7**	**52.5**	**56.4**	**53.4**	**54.6**
Investing Activities							
Capital Expenditures	(33.7)	(15.8)	(15.8)	(22.9)	(19.9)	(20.2)	(22.2)
Cash Flow from Investing Activities	**(33.7)**	**(15.8)**	**(15.8)**	**(22.9)**	**(19.9)**	**(20.2)**	**(22.2)**
Financing Activities							
Long-Term Debt Borrowings/ (Repayments)	4.0	92.4	-	-	-	-	-
Cash Flow From Financing Activities	**4.0**	**92.4**	**-**	**-**	**-**	**-**	**-**
Beginning Cash	16.3	53.4	47.5	49.4	79.0	115.4	148.7
Change in Cash	37.1	(5.9)	1.9	29.6	36.5	33.2	32.4
Ending Cash	**$53.4**	**$47.5**	**$49.4**	**$79.0**	**$115.4**	**$148.7**	**$181.0**

OPCO DEBTORS' PRO FORMA BALANCE SHEET ADJUSTMENTS

($ in millions)	**Projected 6/ 30/ 09E** (Unaudited)	**Fresh Start & Recap Adj.** (Unaudited)	**Pro Forma 6/ 30/ 09E** (Unaudited)
Cash and Cash Equivalents	$34.0	13.4	$47.5
Cage Cash	31.0		31.0
Accounts Receivable	3.8		3.8
Inventory	2.5		2.5
Due from Related Parties	0.6	(0.6)	-
Prepaid Expenses and Other Assets	13.6		13.6
Total Current Assets	**$85.6**		**98.4**
Property & Equipment	527.8	(199.1)	328.8
Goodwill	34.1	(34.1)	-
Intangibles	172.3	(172.3)	-
Other Assets	49.2	(14.5)	34.7
Deferred Tax Asset	29.7	(29.7)	-
Total Assets	**$898.7**		**$461.8**
Accounts Payable	38.2	(5.6)	32.6
Amounts due to Affiliate Related Parties	1.1	(1.1)	-
Accrued Expenses and Other Liabilities	38.1	(10.1)	27.9
Current Portion, Long-Term Debt	66.2	(66.2)	-
Total Current Liabilities	**$143.5**		**60.5**
Intercompany - Liabilities Subject to Compromise	600.8	(600.8)	-
Third Party - Liabilities Subject to Compromise	2,342.8	(2,342.8)	-
Liabilities Subject to Compromise	**$2,943.7**		**-**
Long-Term Debt	-	250.0	250.0
Other Long-Term Liabilities	0.3		0.3
Deferred Tax Liabilities	75.5	(75.5)	-
Total Liabilities	**$3,163.0**		**310.9**
Minority Interest in Consolidated Subsidiaries	1.5	(1.5)	-
Shareholders' Equity	**($2,265.8)**		**$150.9**
Total Liabilities and Shareholders' Equity	**$898.7**		**$461.8**

I. Income Statement and Cash Flow Statement

(A) Approach

The Income Statement consolidates the financial performance of the OpCo Debtors' nine portfolio properties using an approach established by the OpCo Debtors' management and professionals to forecast operating results. The Income Statement accounts for conditions in each regional market, including competitive pressures and demographic characteristics and also for property specific factors, such as gaming floor composition and room quality.

The Financial Projections were separately prepared at each of the OpCo Debtors' properties on a "bottom-up" basis, with each revenue-contributing department submitting budget forecasts and capital requests. Individual stand-alone property financial projections were then aggregated with corporate overhead and reviewed by senior management to create the consolidated Financial Projections.

Revenues were categorized into one of four categories: (i) Casino; (ii) Hotel; (iii) Food & Beverage; and (iv) Other. Similarly, expenses were allocated to one of the same four categories or else to a fifth category: sales, general & administrative ("SG&A"). Each department forecasted estimates by analyzing key revenue drivers and anticipating the associated cost requirements.

(B) Operational Drivers

Total operating revenue represents gross revenues derived from casino operations, hotel operations, food and beverage, and other operations. Net operating revenue represents total operating revenue less promotional allowances, which include the retail value of accommodations, food and beverage and other services provided to casino patrons without charge and "cash back" awards, such as cash coupons, rebates, cash complimentaries and refunds, or "complimentaries."

Casino operating revenue is derived primarily from patrons wagering at table games and slot machines and other gaming operations. Table games include blackjack, craps, roulette, poker, and specialty games. Casino operating revenue is recognized as earned at the time the relevant services are provided.

Hotel revenue is derived from hotel rooms and suites rented to guests. Hotel room revenue is recognized at the time the hotel rooms are provided to guests.

Food and beverage revenues are derived from food and beverage sales in the food outlets of the casino properties, including restaurants, room service, and banquets. Food and beverage revenue is recognized at the time the relevant food and/ or beverage service is provided to guests.

Other revenue is obtained from ancillary hotel operations such as telephone service sales, gift shop sales, arcade revenues, retail amenities, concessions, entertainment

offerings, and show room sales and certain other ancillary activities conducted at the casino properties.

(C) Casino Operating and Maintenance Costs

Operating expense represents the direct costs associated with, among other things, operating casinos, rooms departments, food and beverage outlets, and other operations, and also includes the cost of providing complimentaries. These direct operating costs primarily relate to payroll, supplies and, in the case of food and beverage operations, the cost of goods sold. SG&A expenses typically consist of utility costs, marketing and advertising, repairs and maintenance, insurance, administrative and general expenses, land and building leases, gaming taxes, and real estate and property taxes.

Among the costs described above, gaming taxes and licenses and casino expenses account for the greatest proportion of operating expenses. Expenses associated with gaming taxes and licenses reflect amounts payable to authorities in connection with gaming operations and were computed in various ways depending on the type of gaming or activity involved. Casino expense includes, among other things, costs associated with payroll, fixtures and equipment, and other similar costs. Food and beverage expense varies on the basis of the cost of certain food items and generally increases in relation to increases in food and beverage sales. Corporate costs consist of expenses that cannot be allocated to the individual properties, such as executive salaries, professional services and information technology.

(D) Restructuring Charges

Management estimates that the OpCo Debtors will incur approximately $48.2 million of restructuring charges in 2009. These expenses are primarily Professional fees relating to the Chapter 11 Cases, but also include an estimate for certain compensation of the OpCo Debtors' management upon emergence. Professional fees were projected by examining the run-rate for Professionals billing at hourly and fixed-rates and account for success fees and projected post-exit work plans.

The estimated gain of $2.0 billion is based on $2.3 billion of Liabilities Subject to Compromise and $66 million of DIP Facility claims less $340 million, the midpoint Total Enterprise Value adjusted for $47.5 million of **net** cash distributions upon emergence. These distributions include cure costs, fees paid to professionals, bonuses paid to management, Exit Facility financing fees, and funding of the Litigation Trust.

(E) Interest Expense

Interest expense for 2009 includes anticipated payments to lenders on account of the DIP Facility through the first six months of the year and the estimated interest expense on $250 million of debt, as contemplated in the Disclosure Statement, for the last six months of the year. Also included in interest expense is the estimated amortization of financing fees associated with the Exit Facility. The Financial Projections assume no adequate protection payments are made in 2009 or beyond on account of the OpCo Credit

Facility. Adequate protection payments totaling $72.1 million in fiscal year 2008 on account of the OpCo Credit Facility have been recharacterized as principal repayments.

(F) Income Taxes

Income taxes were calculated based on a 40% blended rate for federal and state taxes. For purposes of forecasting provisions for taxes, the Financial Projections assume that the OpCo Debtors' cancellation of debt ("COD") income offsets any available net operating losses ("NOLs"). However, a final assessment of the OpCo Debtors' COD income and usable NOLs may vary based on the structure of the Plan and events occurring after the Effective Date.

(G) Operating Activities

Cash Flow from operating activities captures cash flows generated from the OpCo Debtors' and the Reorganized OpCo Debtors' daily operations and includes the net impact of revenues less operating expenses, interest expense and working capital. The $189 million increase in cash in 2008 allocated to Other Assets & Liabilities includes, among other things: (i) approximately $25 million of trade credit; (ii) approximately $38 million of accrued interest expense from the Subordinated Notes prior to the Petition Date; (iii) the incurrence of a $55 million expense related to the cancellation of a swap contract; and (iv) a $24 million tax refund.

(H) Capital Expenditures

Capital expenditures projected in the Plan are primarily maintenance in nature. These expenditures are considered "catch-up" spending designed to restore the properties to desired standards. Such expenses include the revamping of slot-composition, surveillance system upgrades, facilities repair, and room upgrades, but also include several one-time, mandatory infrastructure implementation charges, such as network hardware, that are related to corporate functions.

(I) Financing Activities

Principal repayments and proceeds from borrowings reflected in the 2008 Cash Flow Statement represent modest borrowings on the OpCo Credit Facility and the receipt of $67 million in proceeds from the DIP Facility less $72.1 million of adequate protection payments made on account of the OpCo Credit Facility that have been recharacterized as principal repayments. The 2009 cash proceeds represent anticipated net proceeds from the Exit Facility after repaying borrowings on the DIP Facility.

II. Balance Sheet and Pro Forma Balance Sheet

The Pro Forma Balance Sheet contains certain adjustments as a result of Consummation of the Plan. Liabilities subject to compromise will be extinguished and receive treatment based on the Plan. Certain Liabilities Subject to Compromise will be

converted to equity as a result of the Reorganized OpCo Debtors' issuance of Reorganized OpCo Common Stock to satisfy Allowed Claims under the Plan.

The OpCo Debtors have included various line-item adjustments to the Balance Sheet, including Goodwill, Intangibles, Deferred Tax Assets and Liabilities, and Property and Equipment, to reflect assumed equity value as of the Effective Date based on the average of the low and high Claim cases and the midpoint Total Enterprise Value. The effect of "fresh start" accounting, when implemented, may result in further adjustments to assets and liabilities to reflect the appropriate equity value. The proposed fresh start accounting and reorganization effects have been prepared for illustrative purposes only. These adjustments may not reflect the final generally accepted accounting principles when applied.

The Pro Forma Balance Sheet reflects the Reorganized OpCo Debtors' pro forma projected consolidated Balance Sheet as of the Effective Date, based upon a Total Enterprise Value of $387.5 million, which is the midpoint of the range of Total Enterprise Values of the Reorganized OpCo Debtors, as set forth in Article [V.C] of the Disclosure Statement. The Pro Forma Balance Sheet was developed from the OpCo Debtors' fiscal year 2008 Balance Sheet, as adjusted for the projected income and cash flow for the first six months of 2009. Adjustments were made to the June 30, 2009 Balance Sheet for illustrative purposes only to demonstrate the effect of the Plan on a Pro Forma Balance Sheet.

On the Effective Date, the Reorganized OpCo Debtors will enter into the Exit Facility and use the proceeds to satisfy DIP Facility Claims, Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, and Allowed Other Secured Claims in full in Cash. Additional cash will be used to pay Allowed Insider Claims (subject to right of setoff against the total aggregate value of Insider Causes of Action), commensurate with the recovery provided to OpCo General Unsecured Claims. Further, additional cash will be used to satisfy Unsecured Convenience Class Claims, as described in the Plan.

The $13.4 million increase in cash on the Pro Forma Balance Sheet reflects the OpCo Debtors' current estimate of the excess proceeds from the Exit Facility after paying the previously specified claims, restructuring fees, management emergence bonuses, financing fees, and funding for the litigation trust. The OpCo Debtors believe this cash is required to operate the business in the ordinary course as projected in the OpCo Debtors' business plan. Actual Cash on the Effective Date may vary from cash reflected in the Pro Forma Balance Sheet because of variances in the Financial Projections and potential changes in the OpCo Debtors' need for cash to consummate the Plan.

Adjustments to Other Assets on the Pro Forma Balance Sheet reflect the OpCo Debtors' current estimate of the net impact of extinguishing existing financing fees associated with the OpCo Credit Facility, capitalizing the incremental upfront financing fees associated with the Exit Facility, funding the Litigation Trust, and capitalizing

prepayments and development costs on account of a potential amendment to the land lease in Evansville, Indiana, which the OpCo Debtors are in the process of negotiating.

The impairment adjustment of Property and Equipment on the Pro Forma Balance Sheet is due to the surplus of tangible book value over the fair market value of the assets implied by the midpoint Total Enterprise Value of $387.5 million. The surplus is accounted for after impairing various other assets, including Intangibles and Goodwill.