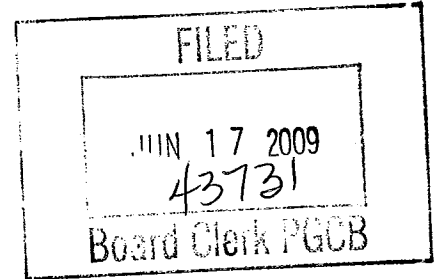


**BEFORE THE
PENNSYLVANIA GAMING CONTROL BOARD**

In re: Philadelphia Entertainment and
Development Partners, L.P., d/b/a
Foxwoods Casino Philadelphia

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Docket No. 1367



**ANSWER AND NEW MATTER OF
KEYSTONE REDEVELOPMENT PARTNERS, LLC
TO FOXWOODS CASINO PHILADELPHIA'S PETITION TO
EXTEND THE TIME TO MAKE SLOT MACHINES AVAILABLE**

Keystone Redevelopment Partners, LLC, ("Keystone") files its answer and new matter in opposition to the Petition filed by Philadelphia Entertainment and Development Partners, LP ("PEDP") d/b/a/ Foxwoods Casino Philadelphia to extend the time to make slot machines available, and states:

1. Denied as stated. The Pennsylvania Gaming Control Board ("Board") awarded PEDP a Category 2 slot-machine license to develop and operate a casino at the site referred to by the Board as the "Foxwoods" location. *See* Adjudication of the Pennsylvania Gaming Control Board in the Matters of the Applications for Category 2 Slot Machine Licenses in the City of the First Class, Philadelphia ("Decision") at 82. It is denied that PEDP was granted authority to operate a licensed facility at any other location within the City of Philadelphia.
2. Admitted with the clarification that PEDP's proposal to develop a licensed facility on the South Philadelphia waterfront at Columbus Boulevard between Reed and Tasker

Streets preceded and was the basis for the Board’s selection of PEDP for one of two Category 2 slot machine licenses issued for the City of Philadelphia.

3. The allegations of this paragraph constitute legal conclusions to which answers are not required.

4 - 20. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of these paragraphs and, so, they are denied. By way of further answer, PEDP, when it persuaded the Board to issue a license for its riverfront location, knew or should have known of the complications and potential for delay about which it now complains. PEDP, nevertheless, committed to the Board that it would be able to timely develop its riverfront location. Its failure to do so, therefore, does not constitute “good cause” for an extension of time to make slot machines available.

CONSIDERATION OF GALLERY II SITE

21. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied.

CONSIDERATION OF 801 MARKET STREET SITE

22 - 23. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of these paragraphs and, so, they are denied.

A. LEASE WITH PREIT

24. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied.

B. CITY APPROVALS

25. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied. By way of further

response, the Board lacks authority under the Pennsylvania Race Horse Development and Gaming Act (“Gaming Act”), 4 Pa.C.S. § 1101 *et seq.*, to grant the “re-location” anticipated by PEDP.

26. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied.

27.A, B. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of these paragraphs and, so, they are denied.

C. PENNSYLVANIA GAMING CONTROL BOARD APPROVAL

28. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied.

29. The allegations of this paragraph constitute legal conclusions to which an answer is not required.

30. Denied as stated. By way of further response, the cited provision of the Gaming Act states that “[e]ach slot machine license shall only be valid for the specific physical location within the municipality and county for which it was originally granted.” *See* 4 Pa.C.S. § 1329 (nonportability of slot machine license).

31. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied. By way of further response, PEDP’s anticipated petition to “relocate” the facility licensed by Category 2 Slot Operator License No. F-1367 is futile because PEDP seeks ultimate relief that the Board lacks authority to provide. *See* 4 Pa.C.S. § 1329 (nonportability of slot machine license).

32. The allegations of this paragraph constitute legal conclusions to which an answer is not required. To the extent they may be deemed to allege facts, they are denied. It is

denied that PEDP has good cause pursuant to the Gaming Act, 4 Pa.C.S. § 1210(a), to extend the time to operate and make available for play a minimum of 1,500 slot machines at the facility licensed by Category 2 Slot Operator License No. F-1367. To the contrary, PEDP does not have good cause to seek an extension for one licensed facility while actively pursuing a second, completely different casino site. PEDP seeks an extension of time not to make slot machines available at the Foxwoods location for which it received Category 2 Slot Machine License No. F-1367, but to establish a casino at a site different from that for which the license was issued.

**FOXWOODS CASINO PHILADELPHIA HAS PRESERVED ITS RIGHTS TO
DEVELOP A LICENSED FACILITY AT ITS BOARD-APPROVED
COLUMBUS BOULEVARD SITE**

33. The allegations of this paragraph constitute legal conclusions to which an answer is not required. To the extent they may be deemed to allege facts, they are denied. It is denied that PEDP has any “rights” in the Foxwoods location. To the contrary, in connection with its approval of PEDP’s application, the Board stated: “The grant and issuance of this Category 2 license does not give . . . [PEDP] a property right and the [Board] may, at its discretion, revoke or suspend the license of . . . [PEDP] if the [Board] finds that . . . PEDP . . . [has] not complied with the conditions of the license, the provisions in the [Gaming Act], of the [Board’s] regulations, and that it would be in the best interest of the public to revoke or suspend the slots license.” Decision at 112-13. *See* 4 Pa.C.S. 1102(7), (10); *see also* 4 Pa.C.S. § 1311(d) (“The issuance or renewal of a license . . . shall be a revocable privilege.”).

34. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied. It is denied that PEDP, under the guise of an extension of time to make slot machines available for play at the Foxwoods

location licensed by the Board, may gain time to develop a second casino in a different location. The response to ¶ 33 is incorporated herein.

35. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied. The response to ¶ 33 is incorporated herein.

36. Denied.

37. Admitted.

38. Despite diligent inquiry, Keystone is without sufficient knowledge to either admit or deny the allegations of this paragraph and, so, they are denied. By way of further response, it is denied that the time delays attributable to developing a site other than that for which licensed constitutes good cause for an extension of time to make slot machines available for play at the facility licensed by Category 2 Slot Operator License No. F-1367.

39. Denied. The response to ¶ 38 is incorporated herein.

NEW MATTER

40. The Board, pursuant to the Pennsylvania Race Horse Development and Gaming Act (“Gaming Act”), 4 Pa.C.S. § 1101 *et seq.*, is an agency with jurisdiction over all gaming and gaming-related activities in the Commonwealth of Pennsylvania, including issuing, approving, renewing, revoking, suspending, conditioning and denying slot machine licenses for casinos to be operated in Pennsylvania. *See* 4 Pa.C.S. § 1202(a)(1).

41. The Board is authorized to revoke any license issued under the Gaming Act “if it receives any information from any source that . . . the information contained in the applicant’s initial application or any renewal application is no longer true and correct.” 4 Pa.C.S. § 1326(b).

42. In or about December 2005, PEDP submitted an application to the Board for a Category 2 slot machine licenses for casinos to be operated in the City of Philadelphia.

43. The Board, when reviewing PEDP's application, considered site-specific factors including "the location and quality of the proposed facility, including, but not limited to, road and transit access, parking and centrality to market service area," *id.* at 79, and "the degree to which potential adverse effects which might result from the project, including costs of meeting the increased demand for public health care, child care, public transportation, affordable housing and social services, will be mitigated." *Id.* at 80.

44. Key among the Board's considerations was the precise location of the casino proposed by PEDP. *Id.* at 82.

45. Relying on PEDP's extensive representations and submissions regarding its proposed Foxwoods riverfront location – including PEDP's traffic study and its two alternative site development plans for a casino to be built along the Delaware River at a site deemed by the Board to be sufficiently distinct from the North Delaware Avenue sites – the Board awarded a license to PEDP.

46. The Board stated that it selected PEDP's application because of its waterfront location; the site's separation from primary residential areas by Interstate 95; PEDP's existing ownership of the proposed casino site; the proposed facility's synergy with the proposed HSP facility located on northern Philadelphia waterfront property; the public access to the Delaware River offered by the site; and its spur to Delaware River waterfront development.

47. PEDP's initial development plan described in PEDP's application submitted to the Board, together with PEDP's related submissions regarding the Foxwoods location (*e.g.*, PEDP's traffic study as referred to in ¶ 29 of the Decision) as were presented at PEDP's

November 14, 2006 suitability hearing, and as are reflected in the evidentiary record relied upon by the Board when it approved PEDP's application and when the Board made the findings at ¶¶ 104-07, 151-57 & 165-68 of the Decision are incorporated herein by reference.

48. In connection with its approval of PEDP's application, the Board noted: "The grant and issuance of this Category 2 license does not give . . . [PEDP] a property right and the [Board] may, at its discretion, revoke or suspend the license of . . . [PEDP] if the [Board] finds that . . . PEDP . . . [has] not complied with the conditions of the license, the provisions in the [Gaming Act], of the [Board's] regulations, and that it would be in the best interest of the public to revoke or suspend the slots license." Decision at 112-13. *See* 4 Pa.C.S. §§ 1102(7), (10); *see also* 4 Pa.C.S. § 1311(d) ("The issuance or renewal of a license . . . shall be a revocable privilege.")

49. PEDP, when it persuaded the Board to issue a license for its riverfront location, knew or should have known of the complications and potential for delay about which it now complains. PEDP, nevertheless, committed to the Board that it would be able to timely develop its riverfront location.

50. Subsequent to the Board's approval of its application, but after the time for an appeal thereof had passed, PEDP, effectively abandoning the Foxwoods location, began to take steps towards an application for a license to operate a casino at a non-riverfront location in the City of Philadelphia.

51. On May 22, 2009, PEDP filed a petition in which it confirmed its intent to seek, at some indefinite point in the future, to "relocate" its licensed facility from the waterfront Foxwoods site for which the Board issued the Category 2 slot machine license to 801 Market Street in Center City Philadelphia. *See* Petition at ¶ 31.

52. Unlike the Foxwoods location, PEDP's proposed casino site is not on the Delaware River; is not separated from residential areas by Interstate 95; is not owned by PEDP; will not create synergy along the waterfront with HSP's proposed casino; and does not afford public access to the Delaware River nor spur development along the Delaware River waterfront.

53. PEDP has failed to develop the Foxwoods location, or to take steps essential to developing the Foxwoods location, in accordance with its representations and submissions to the Board and has otherwise failed to comply with the Statement of Conditions to Category 2 Slot Operator License No. F-1367 Approved for Philadelphia Entertainment and Development Partners, LP ("Statement of Conditions"). A copy of the Statement of Conditions is attached hereto as Exhibit A.

54. PEDP, as a result of the actions described above, is no longer qualified, eligible or suitable to hold a Category 2 slots machine license. *See* 4 Pa.C.S. § 1326(b); *see also* 58 Pa. Code § 421a.2(a)(4).

55. PEDP, by acting in a manner consistent with a plan to abandon the Foxwoods location, but inconsistent with its previously approved application, has surrendered and forfeited its license for the Foxwoods location, and has rendered moot the Board's approval of its existing application. *See* 58 Pa. Code §§ 423a.4 & 421a.2(a)(4).

56. In light of the foregoing, the license previously issued to PEDP is, or should be deemed to be, available for issuance to a qualified, eligible and suitable applicant who satisfied the Board's requirements with respect to, among other things, the deadline for submission of a complete application for a Category 2 slot machine license.

57. PEDP's default, described above, necessitates re-opening of the Category 2 licensing process for the Category 2 slot machine license for the City of Philadelphia.

58. PEDP's failure to overcome the problems that PEDP was aware existed when it selected the Foxwoods site does not constitute good cause to extend the time to make slot machines operational at the Foxwoods site.

59. PEDP, under the guise of seeking an extension of time to make slot machines available for play at the facility licensed for the Foxwoods location, attempts to gain additional time to negotiate to develop a casino in a completely different location.

60. PEDP's petition, which purports to seek an extension of time to make slot machines available at the Foxwoods location while pursuing a casino project in a different location, cannot serve as a basis for the extension of time to make slot machines available contemplated by the Gaming Act. *See* 4 Pa.C.S. § 1210(a).

61. The time spent by PEDP to pursue a second potential casino site (the "Gallery II" site) and then a third potential casino site (the "801 Market Street" site) does not constitute good cause to extend the time to make slot machines available for play at the Foxwoods location for which the Board issued Category 2 Slot Operator License No. F-1367.

62. PEDP's request for an extension of time to develop not the Foxwoods site but another site without competition is not in the best interest of the Commonwealth. *See* 4 Pa.C.S. § 1102(10) (reflecting legislative intent that the public interest of the citizens of the Commonwealth be considered in any decision or order made pursuant to the Gaming Act).

63. The Gaming Act requires the Board to deny PEDP's petition because, by its failure to develop its casino in accordance with its approved application, PEDP has frustrated the legislative intent of the Gaming Act to provide "a significant source of new revenue to the Commonwealth to support property tax relief, wage tax reduction, economic development opportunities and similar initiatives." 4 Pa.C.S. § 1102(3).

64. On January 15, 2009, Keystone filed a Petition to Re-Open and for Related Relief (“Petition to Re-Open”) with the PGCB.

65. In its Petition to Re-Open, Keystone seeks a declaration that the Category 2 Slot Operator License No. F-1367 issued to PEDP is abandoned, forfeited or revoked and, therefore, available for issuance to an eligible, qualified and suitable applicant; to re-open the proceeding at Docket No. 1364; and to approve Keystone’s application for a Category 2 slot machine license.

66. In its Petition to Re-Open, Keystone asserts the following legal issues:

- (a) PEDP is no longer qualified, eligible or suitable to hold a Category 2 slots machine license. *See* 4 Pa.C.S. § 1326(b); *see also* 58 Pa. Code § 421a.2(a)(4). *Id.* at ¶ 21.
- (b) PEDP, by acting in a manner consistent with a plan to abandon the Foxwoods location, but inconsistent with its previously approved application, has surrendered and forfeited its license for the Foxwoods location, and has rendered moot the Board’s approval of its existing application. *See* 58 Pa. Code §§ 423a.4 & 421a.2(a)(4). *Id.* at ¶ 22.
- (c) In the alternative, PEDP’s license should be revoked on the grounds that, among other things, information in PEDP’s application is no longer true and correct. *See* 4 Pa.C.S. § 1326(b). *Id.* at ¶ 23.
- (d) The license previously issued to PEDP is, or should be deemed to be, available for issuance to a qualified, eligible and suitable applicant who satisfied the Board’s requirements with respect to, among other

things, the deadline for submission of a complete application for a Category 2 slot machine license. *Id.* at ¶ 26.

- (e) PEDP's application, which sought approval solely for the Foxwoods location, is now materially deficient and cannot serve as a basis, in whole or in part, for the grant or renewal of a license to PEDP. *See, e.g.,* 58 Pa. Code §§ 441a.3(a)(6) & 441a.7(g)(1). *Id.* at ¶ 27.
- (f) PEDP's application, to the extent it is deemed to be, in whole or part, an application for a location other than the Foxwoods location, was not timely submitted to the Board. *See, e.g.,* 58 Pa. Code §§ 441a.2(b) & 441a.3(a)(6). *Id.* at ¶ 28.

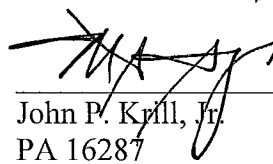
67. Resolution of the issues raised in the Petition to Re-Open in favor of Keystone will completely foreclose any action by the Board on PEDP's Petition.

68. Any action by the Board on PEDP's Petition should be stayed pending resolution of Keystone's Petition to Re-Open.

WHEREFORE, for the reasons set forth above, Keystone Redevelopment Partners, LLC requests that the Pennsylvania Gaming Control Board:

- (1) Deny Foxwoods Casino Philadelphia's Petition to Extend the Time to Make Slot Machines Available;
- (2) Declare Category 2 Slot Machine License No. F-1367 issued to Philadelphia Entertainment and Development Partners, LP for the Foxwoods site to be abandoned or forfeited, or to revoke same; and
- (6) Grant such further relief and take such further action as is necessary and just.

Respectfully submitted,

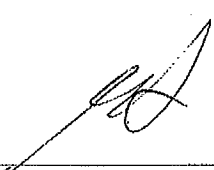


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DATED: June 16, 2009

VERIFICATION

I, Robert M. Pickus, Esquire, am Chief Administrative Officer and General Counsel for Trump Entertainment Resorts, Inc. and am authorized to make this verification on behalf of Keystone Redevelopment Partners, LLC. I hereby verify that the facts set forth above are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsifications to authorities).



Robert M. Pickus

Dated: June 16, 2009

CERTIFICATE OF SERVICE

I certify that on June ___, 2009, I caused a copy of the foregoing Answer in Opposition to be served on the following in the manner indicated:

By Hand Delivery:

Pennsylvania Gaming Control Board
Bureau of Hearings & Appeals
Office of the Clerk
One Penn Center, Suite 502
2601 N. 3rd Street
Harrisburg, PA 17110

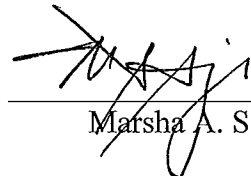
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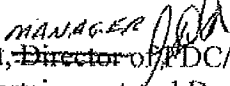
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Marsha A. Sajer

Statement of Conditions to Category 2 Slot Operator License #F-1367
Approved for Philadelphia Entertainment and Development Partners, LP

MANAGER

Gary Armentrout, ~~Director~~ of PDC/PEDP GP, LLC, having been duly authorized to legally bind Philadelphia Entertainment and Development Partners, LP, hereby expressly accepts, agrees and stipulates to the following conditions to the Category 2 Slot Operator license approved for Philadelphia Entertainment and Development Partners, LP by the Pennsylvania Gaming Control Board ("Board") pursuant to the Act of July 5, 2004 (P.L. 572, No. 71), as amended, known as the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §§ 1101 et seq., on December 20, 2006:

General:

1. To at all times comply with any and all provisions of the Pennsylvania Race Horse Development and Gaming Act ("Act") as amended and any rules, regulations, technical standards or orders in effect as of this date or later amended or promulgated by the Board.
2. To at all times acknowledge and agree that any license, permit or other authorization issued by the Board to Philadelphia Entertainment and Development Partners, LP, its affiliates, intermediaries, subsidiaries, holding companies, management companies, principals, key employees, permittees, and registrants is a non-transferable privilege to engage in activities regulated by the Board.
3. To promptly reimburse the Board for all costs associated with any background or other investigation conducted in connection with any application filed by, associated with or filed in connection with, Philadelphia Entertainment and Development Partners, LP, its affiliates, intermediaries, subsidiaries, holding companies, management companies, principals, key employees, permittees, and registrants and to promptly pay any other fine, fee, sanction or assessment imposed by the Board or the Department of Revenue.
4. To ensure at all times that information provided to the Board by Philadelphia Entertainment and Development Partners, LP, its affiliates, intermediaries, subsidiaries, holding companies, key employees, principals and permittees is true and correct, and to immediately notify the Board upon knowing or suspecting that any false or misleading information may have been provided to the Board by any such entity or individual.
5. To exercise due diligence to ensure that at all times, Philadelphia Entertainment and Development Partners, LP, its affiliates, intermediaries, subsidiaries, holding companies, management companies, principals, and key employees meet and maintain the suitability requirements of the Act, including but not limited to, those relating to good character, honesty, integrity and financial fitness.
6. To immediately notify the Board upon learning of the charging, indictment or conviction of Philadelphia Entertainment and Development Partners, LP, or any of its affiliates, intermediaries, subsidiaries, holding companies, principals, key employees or permittees, for any felony or gambling offense, and upon conviction, to cause the withdrawal of any pending application filed with the PGCB on behalf of any such person, and where applicable, to cause the divestiture of any such person.
7. To immediately notify the Board upon learning of any formal written inquiry or investigation by any regulatory agency or self-regulatory organization or of any action filed by any governmental



authority against Philadelphia Entertainment and Development Partners, LP or any of its affiliates, intermediaries, subsidiaries or holding companies.

8. In addition to any notification and action required by Conditions 6 and 7, to ensure that Philadelphia Entertainment and Development Partners, LP, its Pennsylvania-licensed affiliates, intermediaries, subsidiaries, holding companies, management companies, principals, key employees, permittees, and registrants comply with all of the following:
 - a. Provide any requested assistance or information required by the Board, the Pennsylvania Department of Revenue, or the Pennsylvania State Police and cooperate in any inquiry, investigation or hearing.
 - b. Inform the Board of any actions which they know or suspect constitute a violation of the Act or any rules, regulations, technical standards or orders in effect as of this date or later amended or promulgated by the Board.
 - c. Inform the Board of any arrests for any violations or offenses enumerated under 18 Pa.C.S. (relating to crimes and offenses) or any similar offense under the laws of another jurisdiction.
9. To develop, implement, and provide a Diversity Plan to the Board, in accordance with the Act and its regulations, which demonstrates that Philadelphia Entertainment and Development Partners, LP has made a good faith effort to ensure that all persons are accorded equality of opportunity in employment and contracting by the licensee, its contractors, subcontractors, assignees, lessees, agents, vendors and suppliers.
10. To provide to the Board on or before the twentieth day of the month following the end of each calendar quarter, and at any time upon the request of the Board, a Diversity Report in accordance with § 1325 of the Act and of the regulations promulgated thereunder. Each Diversity Report shall provide a performance assessment of the entity's Diversity Plan for the preceding quarter and shall provide data and any other supporting evidence that demonstrates a good faith effort on the part of the licensee to comply with the requirements set forth in §§ 1212 and 1325 of the Act.
11. To develop and provide a Compulsive and Problem Gambling Plan to the Board for approval in accordance with the Act and its regulations. The Plan must receive Board approval prior to its implementation.
12. To register with the Pennsylvania Department of Revenue and the Pennsylvania Department of Labor and Industry, as required, to ensure the proper reporting and remittance of all applicable Pennsylvania taxes.
13. To register with the Pennsylvania Department of State.
14. To maintain copies of Philadelphia Entertainment and Development Partners, LP's Category 2 Slot Operator License, Statement of Conditions associated therewith and approved gaming floor plan as required by 58 Pa. Code § 467.1, readily accessible for examination and inspection upon the demand of any agent, employee or representative of the Board, the Department of Revenue or the Pennsylvania State Police.
15. To submit to the Board, in such manner and in such form as the Board shall prescribe, within 30 days of the execution of this Statement of Conditions, and on the twentieth day of the month following the end of each calendar quarter thereafter, an affidavit executed by Philadelphia

Entertainment and Development Partners, LP's chief compliance officer, identifying all principals, key employees, permittees, and all persons who hold an ownership or other beneficial interest in Philadelphia Entertainment and Development Partners, LP and any such interest in any of its affiliated entities required to be licensed in Pennsylvania; provided however, if any of the affiliated entities are publicly traded, only interests equal or exceeding five percent must be disclosed pursuant to this condition.

16. To immediately notify the Board if any person identified in the affidavit submitted pursuant to Condition 15, who was required to be found suitable, fails to be or remain suitable to hold a license, permit, waiver or other authorization issued by the Board; and, as applicable, to cause the divestiture of any such person and to request a withdrawal of any pending application filed on behalf of any such person.
17. To cause any person identified in the affidavit submitted pursuant to Condition 15 whose application requesting a waiver from the requirement that they qualify for licensure has been denied, to file the appropriate license applications with the Board, along with all other submissions and fees required by the Board, or, if applicable, to cause any such person to divest.
18. To immediately notify the Board if the circumstances upon which any person identified in the affidavit submitted pursuant to Condition 15 was granted a waiver from the requirement that they qualify for licensure have changed; and, to cause any such person to file the appropriate license applications with the Board, along with all other submissions and fees required by the Board, or, if applicable, to cause any such person to divest.
19. If any person identified in the affidavit submitted pursuant to Condition 15 has not filed a waiver application or other appropriate application with the Board, to cause the person to file the appropriate application, along with all other submissions and fees required by the Board, or, as applicable, to cause the person to divest or withdraw any applications filed with the Board.
20. To ensure that all slot machines and associated equipment utilized by Philadelphia Entertainment and Development Partners, LP have been submitted to and tested by the Bureau of Gaming Laboratory Operations and approved by the Board.
21. To ensure that all slot machines and associated equipment utilized by Philadelphia Entertainment and Development Partners, LP, including but not limited to, any slot monitoring system, casino management system, player tracking system, wide area progressive system or automated gaming voucher, coupon, or jackpot payout machine, and any modification thereto, are configured and operate in compliance with the Act, and any rules, regulations, technical standards or orders in effect as of this date or later amended or promulgated by the Board.
22. To ensure that all slot machines utilized by Philadelphia Entertainment and Development Partners, LP are compatible and comply with the central control computer and the approved protocol.
23. To not enter into any sale, lease, contract or other type of agreement to obtain slot machines or associated equipment for use or play in the Commonwealth with any person other than a person licensed in the Commonwealth of Pennsylvania as a manufacturer or supplier.
24. With regard to slot machines and associated equipment, to immediately notify the Board, in such manner and in such form as the Board shall prescribe, of the following:

- a. Any known or suspected defects or malfunctions.
 - b. Any known lawsuit or regulatory investigation which involves an allegation or suspicion of a defect or malfunction utilized.
 - c. Any known or suspected noncompliance with the Act or the rules, regulations, technical standards or orders in effect as of this date or later amended or promulgated by the Board.
 - d. Any known or suspected failure to comply with any provision of this Statement of Conditions.
25. Except as otherwise required by Condition 24 with respect to defects or malfunctions in any slot machine or associated equipment, to provide to the Board, in such manner and in such form as the Board shall prescribe, within 30 days of the execution of this Statement of Conditions, and on the twentieth day of the month following the end of each calendar quarter thereafter, a list of any and all pending litigation wherein Philadelphia Entertainment and Development Partners, LP or any of its affiliated entities required to be licensed in Pennsylvania is named as a party.
26. Philadelphia Entertainment and Development Partners, LP acknowledges that slot machines and associated equipment are tested and approved in a laboratory environment. Philadelphia Entertainment and Development Partners, LP expressly agrees to immediately comply with any Board request to discontinue the use of any slot machine or associated equipment. Philadelphia Entertainment and Development Partners, LP further expressly agrees (1) to implement any system upgrade approved by the Board in accordance with a timeline specified by the Board and (2) to immediately implement procedural revisions in its system of control, should Board review of the slot machine or associated equipment in a live environment, or subsequent compliance audit or financial audit results, support the need to discontinue the use of a slot machine or associated equipment, install a system upgrade or modify a procedure as a means of insuring the integrity of the slot operation and/or its compliance with the Act, the regulations and technical standards in effect as of this date or as later amended.
27. To create, adopt and maintain internal safeguards intended to prevent a violation of § 1513 of the Act, concerning political influence. A copy of the internal safeguards, certified as true and correct, together with a detailed explanation of same, shall be submitted to the Board within 45 days after the execution of this Statement of Conditions. A copy of the internal safeguards adopted pursuant to this condition, certified as true and correct, together with a detailed explanation of same, shall be resubmitted to the Board upon the making of any amendments thereto.
28. To ensure that its executive officer annually certifies under oath to the Board and Department of State that Philadelphia Entertainment and Development Partners, LP has developed and implemented internal safeguards and policies submitted pursuant to Condition 27.
29. To immediately notify the Board of any act or occurrence which Philadelphia Entertainment and Development Partners, LP knows or suspects is a violation of any internal safeguard adopted pursuant to Condition 27 or which it knows or suspects may constitute a violation of § 1513 of the Act concerning political influence.
30. To submit to the Board, in such manner and in such form as the Board shall prescribe, within 30 days of the execution of this Statement of Conditions, and on the twentieth day of the month following the end of each calendar quarter thereafter, a list identifying all of its representatives, consultants, lobbyists, contractors, agents, management company, manufacturers, suppliers and



vendors, in any way associated with the operations of Philadelphia Entertainment and Development Partners, LP in the Commonwealth of Pennsylvania.

31. To notify the Board prior to or immediately upon becoming aware of any impending change of ownership or change in control, material change in financial status, including debt position, restructuring, receivership, merger, dissolution, bankruptcy, or transfer of assets to any third party.
32. To provide to the Board, in such manner and in such form as the Board shall prescribe, within 30 days of the execution of this Statement of Conditions, and on the twentieth day of the month following the end of each calendar quarter thereafter, a list of any and all pending bankruptcy or insolvency proceedings in which Philadelphia Entertainment and Development Partners, LP or any of its affiliated entities required to be licensed in Pennsylvania is named.
33. To intelligently, knowingly and voluntarily execute a separate indemnification agreement in a form prescribed by the Board. The indemnification agreement shall be executed no later than 30 days following the execution of this Statement of Conditions.
34. If Philadelphia Entertainment and Development Partners, LP or any of its affiliates, intermediaries, subsidiaries or holding companies intends to conduct an offering of securities that is required to be registered pursuant to the Securities Act of 1933, the Pennsylvania Securities Act of 1972 or the law of any other state, then Philadelphia Entertainment and Development Partners, LP or its affiliate, intermediary, subsidiary or holding company must provide a true copy of the registration statement and prospectus 7 days after the registration statement has been filed with the SEC or any other state securities commission. If Philadelphia Entertainment and Development Partners, LP or any of its affiliates, intermediaries, subsidiaries or holding companies intends to avail itself of an exemption to the requirements of Section 5 of the Securities Exchange Act of 1933, then Philadelphia Entertainment and Development Partners, LP or its affiliate, intermediary, subsidiary or holding company must notify the Board in writing 10 days prior to the commencement of the exempt offering and provide the Board with any prospectus, offering circular or other written communication that will be used in connection with the offer or sale of the securities.
35. Philadelphia Entertainment and Development Partners, LP acknowledges that any entity providing management services to the licensee must be licensed under 58 Pa. Code § 440 and any agreement pursuant to which such services are rendered must be approved by the Board prior to any action pursuant to, or reliance upon, the management agreement.
36. Licensee shall maintain at all times insurance coverage at commercially reasonable limits, including but not limited to:
 - a. Commercial General Liability Insurance
 - b. Workers Compensation Insurance
 - c. Automobile Liability Insurance
 - d. Property Insurance insuring the real and personal property of Philadelphia Entertainment and Development Partners, LP
 - e. Business Interruption Insurance
 - f. Public Liability Insurance
 - g. Such other insurance as deemed necessary by the Board after consultation with Philadelphia Entertainment and Development Partners, LP.



37. To submit to the Board, in accordance with 58 Pa. Code § 465.6(d), two copies of its audited financial statements, together with any management letter or report prepared thereon, not later than 60 days after the end of its fiscal year.
38. To at all times comply with the system of internal controls approved by the Board pursuant to 58 Pa. Code § 465.3(e) and any Board requirements with regard to changes or amendments in this system of internal controls. Philadelphia Entertainment and Development Partners, LP acknowledges that the system of internal controls is reviewed and approved in concept form and expressly agrees to immediately implement any procedural revisions in its system of internal controls requested by the Board should Board review of the system as implemented, or subsequent compliance audit or financial audit results, support the conclusion that the controls are not in compliance with the Act, the regulations and technical standards in effect as of this date or as later amended, are ineffective or do not function as expected.
39. To at all times comply with the surveillance monitoring room minimum staffing plan approved by the Board pursuant to 58 Pa. Code § 465.10(l) and any Board requirements with regard to changes or amendments in the minimum staffing plan. Philadelphia Entertainment and Development Partners, LP acknowledges that the surveillance monitoring room minimum staffing plan is reviewed and approved in concept form and expressly agrees to immediately implement any revisions in its minimum staffing plan requested by the Board should Board review of the staffing plan as implemented, or subsequent compliance audit or financial audit results, support the conclusion that the minimum staffing plan is not in compliance with the Act, the regulations and technical standards in effect as of this date or as later amended or is insufficient to insure a meaningful surveillance function.
40. To at all times comply with the security department minimum staffing plan approved by the Board pursuant to 58 Pa. Code § 465.15 and any Board requirements with regard to changes or amendments in the minimum staffing plan. Philadelphia Entertainment and Development Partners, LP acknowledges that the security department minimum staffing plan is reviewed and approved in concept form and expressly agrees to immediately implement any revisions in its minimum staffing plan requested by the Board should Board review of the staffing plan as implemented, or subsequent compliance audit or financial audit results, support the conclusion that the minimum staffing plan is not in compliance with the Act, the regulations and technical standards in effect as of this date or as later amended or is insufficient to insure a meaningful security function.
41. To at all times comply with the Act's requirement that Philadelphia Entertainment and Development Partners, LP provide adequate and effective surveillance of activities inside and outside the licensed facility. Specifically, Philadelphia Entertainment and Development Partners, LP acknowledges that its surveillance camera configuration and recording format specifications are reviewed and approved in concept form and expressly agrees to immediately implement any change in camera configuration or recording format specification requested by the Board should Board review of the surveillance system as implemented, or subsequent compliance audit or financial audit results, support the conclusion that the system is not in compliance with the Act, the regulations and technical standards in effect as of this date or as later amended or is insufficient to insure a meaningful surveillance function.
42. Philadelphia Entertainment and Development Partners, LP acknowledges and agrees that any agreement including a corporate overhead assessment agreement, shared service agreement or centralized service agreement pursuant to which it receives services such as SEC related



accounting services, information technology or internal audit services from an intermediary or holding company may not be utilized, relied upon or in any way be the basis for an intercompany transfer of funds unless the agreement has been formally submitted to the Board for review and receives the express approval of the Board.

43. Continue to maintain a provision in all of Philadelphia Entertainment and Development Partners, LP's loan instruments that specifies that any pledged collateral must exclude amounts owed to the Commonwealth that are held in a special fund in trust for the Commonwealth of Pennsylvania pursuant to Chapter 14 of Act 71. All new loan documents should also contain this provision.
44. To at all times comply with the compulsive and problem gambling plan submitted to and approved by the Board pursuant to 58 Pa. Code Chapters 501, 503 and 513, any Board requirements with regard to changes or amendments in the plan and the signage requirements pursuant to 4 Pa.C.S. § 1509(c). Philadelphia Entertainment and Development Partners, LP acknowledges and expressly agrees to immediately implement any revisions in its compulsive and problem gambling plan requested by the Board should Board review find the compulsive and problem gambling plan as implemented, or subsequent revision thereto, is not in compliance with the Act, the regulations and technical standards in effect as of this date or as later amended or is insufficient to insure meaningful compliance.
45. To at all times comply with, and to ensure that its affiliates, intermediaries, subsidiaries, holding companies, principals, key employees, and permittees at all times comply with this Statement of Conditions and such other general or specific conditions as may, through subsequent amendment of the Conditions, be required by the Board.
46. To discontinue as expeditiously as possible the use of a particular advertisement or promotion upon notice from the Board that it has determined that the use of the particular advertisement or promotion in, or with respect to, Pennsylvania is not within the spirit or intent of the Act.

Prior to Issuance of a Slot Machine License Under § 1301:

47. To post with the Board, in accordance with 58 Pa. Code § 441.11, the payment bond in the amount of not less than the sum of \$1,000,000 required pursuant to § 1316 of the Act.

Prior to Commencement of Slot Operations Under 58 Pa. Code § 467:

48. To deposit and maintain, not later than 2 business days prior to the commencement of slot machine operations, the initial \$5,000,000 deposit required under § 1401 of the Act and to thereafter timely make the weekly deposits required to reimburse the fund established pursuant to that section.
49. To ensure that Philadelphia Entertainment and Development Partners, LP's affiliates, intermediaries, subsidiaries, holding companies, or principals, remain substantially similar in all material respects to those enumerated in its application to the Board, presented at its suitability hearing and reflected in the evidentiary record relied upon by the Board, unless notice of any changes are reported to the Board at least 90 days prior to any proposed change and approval is obtained from the Board prior to opening the licensed facility.
50. To demonstrate to the Board's satisfaction, in such manner and in such form as the Board shall prescribe, that Philadelphia Entertainment and Development Partners, LP has obtained, and to the

extent required satisfactorily secured its performance with regard to any federal, state, county, local or other agency approvals prerequisite to use and occupancy of an initial development phase substantially similar in all material respects to that proposed in its application to the Board, presented at its November 14, 2006 suitability hearing and reflected in the evidentiary record relied upon by the Board.

51. To submit to the Board for approval, in accordance with 58 Pa. Code § 441.4(a)(25), any design, construction schedule or financing modifications to the initial development plan described in its application to the Board, presented at its November 14, 2006 suitability hearing and reflected in the evidentiary record relied upon by the Board.
52. To submit a waiver of sovereign immunity by the Mashantucket Pequot Tribal Nation for all actions relating to or arising out of slot machine operations and licensure in Pennsylvania. The waiver must be authorized by a tribal resolution adopted by the Mashantucket Pequot Tribal Council and provide an express and unequivocal waiver whereby Philadelphia Entertainment and Development Partners, LP and its affiliates, subsidiaries, intermediaries, and holding companies waive the jurisdiction of the Mashantucket Pequot Tribal Court and all associated tribunals and submit to the jurisdiction of the courts of the Commonwealth of Pennsylvania and federal courts located within Pennsylvania with respect to any cause of action related to or arising from the slot machine operations and licensure of Philadelphia Entertainment and Development Partners, LP. Any assertion of sovereign immunity by Philadelphia Entertainment and Development Partners, LP or its affiliates, subsidiaries, intermediaries, and holding companies pertaining to its slot machines operations and licensure in Pennsylvania may, in the discretion of the Board, constitute grounds for the imposition of administrative sanctions, including the denial, suspension or revocation of a license or permit issued by the Board.
53. To begin construction of the Phase 1 facility within 30 days after the last to occur: (a) the final adjudication of all appeals challenging the license of Philadelphia Entertainment and Development Partners, LP; (b) receipt by Philadelphia Entertainment and Development Partners, LP of all permits, approvals, consents and the like required for the construction of the licensed facility from the City of Philadelphia and any other governmental authorities having jurisdiction and final adjudication of all third-party challenges and appeals thereto; and (c) receipt by Philadelphia Entertainment and Development Partners, LP of its construction financing. As pledged during the licensing process, Phase I of the licensed facility will open approximately 21 months after the commencement of construction and will include, at minimum, approximately 3,000 slot machines, an approximately 2,000-seat showroom, an entertainment lounge, retail shops, an approximately 600-seat buffet, an approximately 250-seat five-outlet food court, an approximately 500-seat sports bar, and a parking garage with at least 4,200 parking spaces and an additional 300 surface parking spaces. The total costs and expenses for Phase I should amount to at least \$525,800,000, including land acquisition costs and license fee.
54. That all full-time employees of Philadelphia Entertainment and Development Partners, LP be paid "a living wage" with full medical benefits.
55. To use commercially reasonable efforts to work in partnership with local community groups and leaders to establish and fully-fund at a cost not to exceed \$1,000,000 a Special Services District whose purpose is to mitigate impacts to the neighboring communities that are most directly impacted by the construction and operations of the licensed facility.

56. To work in partnership with one or more local training and employment opportunities groups, programs and other similar organizations to train local residents for employment positions at the licensed facility.
57. Washington Partners Community Charities, LP's ("WPCC") owners have irrevocably committed to allocate all of their net profits to charities and non-profit organizations, as selected by such owners, and on a biannual basis, they shall provide the Board with written notice of all charitable contributions made during the six month period then ended. In the event that Philadelphia Entertainment and Development Partners, LP obtains additional equity owners which causes WPCC's ownership interest held therein to fall or be diluted below 42%, WPCC will nevertheless continue to contribute all funds, income, dividends or other distributions of either cash, partnership interests or other assets received as a result of its ownership of partnership interests in Philadelphia Entertainment and Development Partners, LP to charities and other non-profit organizations pursuant to the terms of the limited partnership agreement of WPCC. In addition, in the event of a sale or transfer of any of the partnership interests of Philadelphia Entertainment and Development Partners, LP, the proceeds of such sale or transfer received by WPCC will be contributed by WPCC to charities and non-profit organizations in the same manner as outlined above. There shall be no amendment to the limited partnership agreement of WPCC which affects, in any way, the above-described obligations of WPCC without the approval of the Board.
58. To use commercially reasonable efforts to utilize union labor throughout all Phases of the construction of the licensed facility proposed by Philadelphia Entertainment Development Partners, LP.
59. To fully-fund those traffic mitigation measures proposed during the licensing process with respect to Phase I of the licensed facility, which, at present, includes widening Tasker Street as it approaches Columbus Boulevard, constructing double left turn lanes at two intersections, re-striping other intersections, and adding two new traffic signals along Columbus Boulevard; and to complete such Phase I improvements prior to the opening of the licensed facility.
60. To fund its "fair share" of the traffic mitigation measures proposed by Philadelphia Entertainment and Development Partners, LP during the licensing process or that otherwise may be required in connection with the construction of Phase II of the licensed facility, which may include the construction of a new southbound off-ramp from Interstate 95 to Dickenson Street and reversal of travel along that street between Front Street and Columbus Boulevard, provided that Philadelphia Entertainment and Development Partners, LP will use commercially reasonable efforts to seek federal, state and/or local assistance to offset the costs of any new off-ramp from Interstate 95 other traffic mitigation measures.
61. In connection with the construction of the licensed facility, to provide public access to the Delaware River waterfront.
62. To use commercially reasonable efforts to obtain all local zoning approvals from the City of Philadelphia or other governmental or judicial authority that is required to construct and operate its licensed facility at the property located along the Delaware River on Columbus Boulevard between Tasker and Reed Streets.
63. During the period prior to the commencement of construction of Phase II of the licensed facility, to use commercially reasonable efforts to pursue applicable Riparian rights in connection with its

project along the Delaware River on Columbus Boulevard between Tasker and Reed Streets; and, if Philadelphia Entertainment and Development Partners, LP is able to obtain Riparian rights on commercially reasonable terms, at its option, it may implement an alternative project plan that does utilize Riparian rights, subject to Board approval or such other project plan as may reasonably be approved by the Board.

- 64. To immediately notify the Board upon learning of any written agreement, contract or memorandum executed by the Mashantucket Pequot Tribal Nation, its affiliates, intermediaries, subsidiaries, or holding companies and relating to the ownership of any gaming-related interests in Atlantic City, New Jersey.

I hereby certify and affirm that I have read and fully understand the foregoing Statement of Conditions and acknowledge that my signature below shall legally bind Philadelphia Entertainment and Development Partners, LP and Gary Armentrout, as the executive officer of Philadelphia Entertainment and Development Partners, LP.

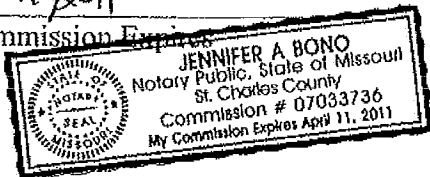
Sworn to and subscribed before me this

11th day of July, 2007.

[Signature]
Signature of Notary Public

Jennifer A. Bono
Printed Name of Notary Public

4/11/2011
Date Commission Expires



Philadelphia Entertainment and Development Partners, LP

By: [Signature] 7/11/07
Signature and Title Date

GARY D ARMENTROUT
Printed Name and Title of Signatory authorized to sign for Philadelphia Entertainment and Development Partners, LP

Foxwoods Management, LLC

By: [Signature] 7/11/07
Signature and Title Date

GARY D ARMENTROUT
Printed Name and Title of Signatory authorized to sign for Foxwoods Management, LLC

CERTIFICATE OF SERVICE

I certify that on June 16, 2009, I caused a copy of the Petition to Intervene to be served on the following in the manner indicated:

By Hand Delivery:

Pennsylvania Gaming Control Board
Bureau of Hearings & Appeals
Office of the Clerk
One Penn Center, Suite 502
2601 N. 3rd Street
Harrisburg, PA 17110

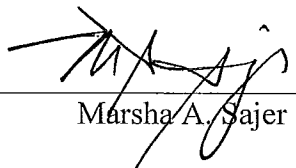
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Marsha A. Sajer