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October 16, 2009  
HAND DELIVER

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Gregory C. Fajt, Esq.  
Chairman  
Pennsylvania Gaming Control Board  
P.O. Box 69060  
Harrisburg, PA 17106

Re: **Philadelphia Entertainment and Development Partners, L.P., d/b/a Foxwoods  
Casino Philadelphia, Docket No. 1367**

Dear Chairman Fajt:

Please accept this letter as our initial plan to make a minimum of 1500 slot machines available for play on or before May 29, 2011 at Columbus Boulevard, between Reed and Tasker Streets, on the South Philadelphia waterfront (the "Columbus Boulevard Site"), submitted by Philadelphia Entertainment and Development Partners, L.P., d/b/a Foxwoods Casino Philadelphia ("Foxwoods") to the Pennsylvania Gaming Control Board (the "Board") pursuant to the Board's September 1, 2009 Order granting Foxwoods' Petition to Extend Time to Make Slot Machines Available (the "Order").

The Board's Order directed Foxwoods to submit to the Board and/or the Board's Bureau of Investigations and Enforcement (the "BIE") certain written reports and other documentation concerning Foxwoods' project development plans and the progress of its efforts to develop and construct its licensed gaming facility at the Columbus Boulevard Site. Specifically, in Paragraph 1 of the Order, the Board directed Foxwoods to submit its written plan to make a minimum of 1,500 slot machines available for play on or before May 29, 2011, at the Columbus Boulevard Site.<sup>1</sup>

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<sup>1</sup> Foxwoods submitted its first monthly status update to the BIE on October 1, 2009 as the Board directed in the Order.

This initial plan identifies to the Board the steps that Foxwoods has taken in its development efforts since the Board's Order and outlines the steps that Foxwoods plans to undertake in order to have a minimum of 1,500 slot machines operational and available for play by May 29, 2011. For sake of consistency with the monthly updates Foxwoods is submitting to the BIE, and for the Board's ease of reference in reviewing Foxwoods' progress in its development efforts going forward, this written plan addresses in turn each of the following aspects of developing the licensed facility: (a) plans and efforts to develop and construct the facility; (b) efforts and progress to obtain financing to develop the facility; and (c) status of required licenses, certifications, and permits to construct and develop the facility.

1. **Development Plans and Efforts**

Foxwoods is diligently moving forward with its efforts on two fronts—financing and development planning. To date, it has received very positive responses in initially marketing the project to the financial community, and Foxwoods fully expects to be able to obtain the necessary financing for the development of the project. However, the responses received from the financial community pursuant to this effort have also raised unanticipated new issues that, for several reasons, are causing Foxwoods to seriously consider the advisability of applying to the Board pursuant to § 1207(17) of the Gaming Act for the right to develop and construct a temporary facility, rather than an “interim” phase facility as it has been pursuing.

The prospective debt and equity investors with whom Foxwoods has consulted have taken a broad and enthusiastic view of this project. Like the Board, and like Foxwoods, they envision an eventual gaming facility substantially similar to that which was presented to the Board in Foxwoods' licensure application materials. They also anticipate a new facility that can be suitably and timely developed to include table games based upon the presently pending legislation.<sup>2</sup> Moreover, each of the potential debt and equity investors has its own slightly different perspective as to the finer points of how the finished gaming facility should look and wants to participate in crafting that final vision, and in the actual development of same. Most importantly from a practical perspective, all of the potential investors so far have been less interested in financing an “interim” phase facility and instead want to finance development of a fully built-out final-phase facility.

While Foxwoods is equally excited by their vision, it is also well cognizant of the fact that it must have a facility with 1,500 slot machines operational and available for play by May 29, 2011. The need to quickly develop and construct a facility with 1,500 slot machines is the reason why Foxwoods had recently been contemplating an “interim” phase of the facility for a minimum of 1,500 slot machines, as the platform from which to then develop a facility that is substantially similar to that which was presented to the Board in Foxwoods' licensure application materials. However, given the current realities of the national credit and financial markets, if potential investors are less disposed to proceed by way of an “interim” phase facility, that plan may well not be feasible at this time.

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<sup>2</sup> Foxwoods recognizes that the privilege of any license holder to operate table games in the Commonwealth has not been established yet and that, if that occurred, Foxwoods would then have to petition the Board for permission to do so.

expects to be able to move forward with the further stages of the project once this key design and construction team is in place.

At present, Foxwoods is consulting with various design and construction professionals to evaluate how to prepare an updated development plan for the facility and who to retain as part of that process. These efforts have included the analysis of alternatives and courses of action regarding project development, architectural design, and civil and traffic engineering teams. As discussed above, Foxwoods has also been working with a construction advisor for the purpose of investigating the feasibility of a temporary facility. Given the short timeline to have its facility open and operational, Foxwoods is devoting appropriate efforts to ensuring that it retains the best and most-capable professionals available. During this period, Foxwoods has proceeded with the development of concepts regarding the placement of a facility, whether interim or temporary, and surface parking on its site, and also developed alternative approaches for addressing potential traffic issues relating to the site.

Stage 2: Prepare and Submit Updated Development Plans.  
Expected Completion Date: December 1, 2009.

Once Foxwoods' design and construction team is in place, Foxwoods will work with these professionals to develop and submit updated development plans, architectural renderings, conceptual proposals, engineering opinions, and other documents relating to construction of the facility, as well as to prepare a timeline for the commencement and completion of all phases of development regarding the facility.

As discussed above, Foxwoods is analyzing whether to commence development with an "interim" phase for a minimum of 1,500 slot machines, as the platform from which to develop a facility that is substantially similar to that which was presented to the Board in Foxwoods' licensure application materials, or whether to seek the Board's permission to instead initially proceed with a temporary facility. In either event, Foxwoods' initial focus is on planning, developing, and constructing a facility that will include a minimum of 1,500 slot machines and necessary parking, so as to commence operations as quickly as possible. Foxwoods thereafter anticipates proceeding with its development efforts in further phases, and as part of that process is planning for the future expansion and development of the site to include a parking structure and a permanent facility based upon the input that Foxwoods is receiving from the financing community.

Foxwoods presently also intends to open and maintain lines of communication with the City of Philadelphia during the development planning process in an effort to work as cooperatively as possible with the City and streamline the City approval process.

Stage 3: Permitting and Approvals;  
Construction and Design Development Documents.  
Expected Completion Date: Rolling, January-September, 2010.

As soon as the Board and the City have reviewed and approved of Foxwoods' updated development plans, Foxwoods will move forward quickly to obtain all necessary permits and

### Temporary Facility

Thus, to the extent that it is not financially feasible to develop an "interim" phase facility based upon the foregoing considerations, Foxwoods is considering an application to the Board under § 1207(17) of the Gaming Act for permission to build a temporary facility at the Columbus Boulevard Site. To that end, it is working with a construction advisor which has significant experience in designing and constructing gaming facilities, to conduct an analysis of the feasibility of a "temporary" facility.

A significant potential benefit of proceeding with a temporary facility is that it can likely be constructed and operational more quickly, thereby generating revenues and tax revenues for the Commonwealth more quickly. At the present time, based on a preliminary analysis, Foxwoods believes that, assuming the anticipated full cooperation of the City and other governmental entities involved in the developmental process, the time necessary to design and construct such a facility could be two months less than that required for an "interim" phase facility. Likewise, from a financing standpoint, the cost of such a facility as opposed to an "interim" phase facility may provide Foxwoods with the ability to access different financing sources for that phase, while it continues to deal with more traditional financing sources for the permanent construction, given the ever changing dynamics of the finance markets and the issues and alternative financing opportunities presented by the potential for table games.

Additionally, while generating revenues from the operation of a temporary facility, Foxwoods would then have more time -- in response to the expressed desires of the anticipated sources of financing -- to complete the planning and development of its permanent gaming facility that is substantially similar to that which was presented to the Board in Foxwoods' licensure application materials, which could also be specifically designed in contemplation of anticipated table gaming.

### Next Steps

Irrespective of what course of action is chosen given the feedback that Foxwoods is receiving from the financing community, Foxwoods is well aware that it must decide very soon whether to proceed with an "interim" facility or seek the Board's permission to instead first build a "temporary" facility. Thus, Foxwoods expects to have 1500 slot machines operational and available for play at the Columbus Boulevard Site by May 29, 2011 under either scenario. Toward that end, the following is Foxwoods' plan for meeting that deadline under either path.

Stage 1:            Retain Primary Design and Construction Professionals.  
                         Expected Completion Date: November 2009.

Foxwoods must consult with and select the design and construction professionals whom it will retain to plan, design, and construct the facility. The primary design and construction professionals will include: a project development firm; a general contractor and construction manager; an architect; a civil engineering firm; a traffic engineering firm; and an interior designer. Foxwoods may also retain additional professionals as the project advances, but it

approvals to construct and operate its facility. Concurrently with the permitting process, Foxwoods will develop the detailed construction and design development documents necessary to commence construction. Foxwoods presently expects to obtain those permits and approvals on a rolling basis beginning in January 2010, with the final permits and approvals to be obtained around September 2010, although these dates are subject to revision as the project develops.

Permitting and approvals are addressed in greater detail later in this written plan.

Stage 4: Construction.  
Expected Completion Date: May 2011.

Foxwoods intends to begin construction of the facility as soon as it has the necessary permits and approvals. In the interest of timing, Foxwoods also plans to consider beginning construction of some aspects of the facility while completing the permitting and approval process of other aspects, to the extent that option is feasible. Construction is presently expected to commence around July 2010, depending on and subject to revision according to the timing of the permitting and approvals process.

Stage 5: Commencement of Operations.  
Expected Completion Date: May 29, 2011.

Foxwoods presently expects to have completed construction of its facility and to commence operations with a minimum of 1,500 slot machines available for play at the Columbus Boulevard Site by May 29, 2011.

Stage 6: Evaluation and Development of Future Phases.  
Expected Completion Date: To Be Determined.

Once Foxwoods has opened its licensed gaming facility and commenced operations, it will begin to evaluate potential future phases of development as appropriate and depending on how development of the initial facility proceeds.

## **2. Financing Efforts**

As discussed above, Foxwoods is actively working to obtain the necessary financing for the project at the same time that it is working to complete the initial stages of developing its licensed facility. To a large extent, as also discussed above, the realities of the current national credit and financial markets are driving the initial phases of development.

Foxwoods is working with The Blackstone Group to provide investment banking and financial advising services for the project, and it is now in the process of developing and issuing marketing materials and speaking and/or meeting with prospective sources of financing, including potential equity investors, and is working to generate interest for the project in the financial community. Foxwoods intends to consider both debt and/or equity financing as may be available and financially appropriate for the project.

Foxwoods presently expects to be in a position to submit financing documents and commitments for financing regarding the development of its licensed gaming facility within the six month timeframe set forth by the Board in Condition 4 of its Order. Foxwoods thereafter expects to close on its financing (at least for the first phases of the project, sufficient to have 1,500 slot machines operational and available for play by May 29, 2011) at or around the time that it anticipates the commencement of construction.

**3. Permits and Approvals**

The specific permits and approvals that Foxwoods will need to obtain to construct its licensed facility, and the order and timing of these applications, will depend on the specifics of the ultimate updated development plans. Based on its current analyses and conceptualization of an updated plan of development, however, Foxwoods currently anticipates submitting applications for the following major permits/approvals in connection with development, construction, and operation of the initial phase of its facility, including a minimum of 1,500 slot machines available for play:

**Local Permits and Approvals**

<b>Permit/Approval</b>	<b>Status</b>
City of Philadelphia Commercial Entertainment District ("CED") Zoning Classification.	Deemed approved by the Pennsylvania Supreme Court, April 2, 2008.
Zoning/Use Permit.	City directed to issue the permit by the Pennsylvania Supreme Court as of October 14, 2008. (Foxwoods contemplates that it may apply for a revised permit based on its anticipated updated plan of development.)
Amended Plan of Development Approval from the City Planning Commission.	Anticipated.
Revised Zoning and Use Permit from the City Department of Licenses and Inspections.	Anticipated.
Existing Resource Site Analysis from the City Water Department.	Anticipated.
Post-Construction Storm Water Management Permit from the City Water Department.	Anticipated.
Boiler/Generator Air Permit from the City Department of	Anticipated.

Public Health: Air Management Services.

Early Foundation Permit from the City Department of Licenses and Inspections. Anticipated.

Core/Shell Building Permit from the City Department of Licenses and Inspections. Anticipated.

Fit-Out Building Permit from the City Department of Licenses and Inspections. Anticipated.

**State Permits and Approvals**

<b>Permit/Approval</b>	<b>Status</b>
General Notices (Acts 14/67/68) from the Pennsylvania Department of Environmental Protection ("DEP").	Anticipated.
NPDES Construction/Post-Construction Permit from the DEP.	Anticipated.
Chapter 105 Dams & Waterways Permit from the DEP.	Anticipated.
Act 537 Sanitary Sewage Module from the DEP.	Anticipated.
Act 2 Brownfield Remediation Permit from the DEP.	Anticipated.
Highway Occupancy Permit from the Pennsylvania Department of Transportation.	Anticipated.
Rail Crossing Improvements Permit from the Pennsylvania Public Utility Commission.	Anticipated.

Additionally, Foxwoods intends to schedule a meeting in the near future with the City of Philadelphia and the Special Master appointed by the Pennsylvania Supreme Court to oversee the permitting process in connection with the Foxwoods project. Foxwoods will review with them its current plans for the project in an effort to identify any potential issues where it might be anticipated that there would be a need for the involvement of the Special Master. By doing so, it is anticipated that Foxwoods and the City would have the ability to achieve a speedy resolution of any development related issues in the event that they are unable to arrive at a mutually acceptable result. Having said that, Foxwoods believes that it has and will have the full and complete cooperation of the City of Philadelphia in this process.

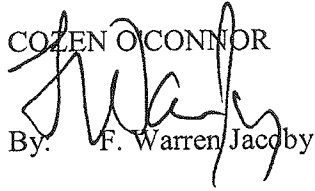
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Foxwoods will keep the Board apprised of its progress in performing and completing the actions identified in this written plan by way of the monthly status updates it is submitting to the BIE. In the interim, if the Board has any questions or requires any further information concerning this initial written plan, please do not hesitate to contact the undersigned.

Respectfully,

COZEN O'CONNOR

  
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By: ROBERT A. GRACI

FWJ:mts

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