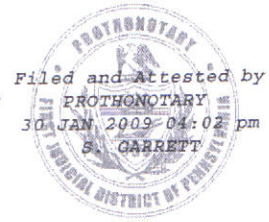


GILFILLAN, GILPIN & BREHMAN
BY: JOHN B. TAULANE, III, ESQUIRE
ID# 72679
BY: JOHN J. BRADLEY
ID# 02314
764 Old York Road
Jenkintown, PA 19046
Tele: (215) 881-6700
Fax: (215) 881-6701

Attorney for Plaintiff



THE PHILADELPHIA BELT LINE
RAILROAD COMPANY

v.

HSP GAMING, L.P. d/b/a
The SUGARHOUSE CASINO

COURT OF COMMON PLEAS
FOR PHILADELPHIA COUNTY

JANUARY TERM, 2009

NO:

CIVIL ACTION COMPLAINT
ACTION FOR DECLARATORY JUDGMENT
NOTICE

You have been sued in Court. If you wish to defend against the claim set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the Court your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you, and judgment may be entered against you by the court without further notice for any money claimed in the complaint or for any other claim or relief requested by the Plaintiff. You may lose money or property or other rights important to you.

YOU SHOULD TAKE THIS PAPER TO YOUR LAWYER AT ONCE. IF YOU DO NOT HAVE A LAWYER OR CANNOT AFFORD ONE, GO TO OR TELEPHONE THE OFFICE SET FORTH BELOW TO FIND OUT WHERE YOU CAN GET LEGAL HELP.

Philadelphia Bar Association
Lawyer Referral and Information Service
One Reading Center
Philadelphia, Pennsylvania 19107
Telephone: (215) 238-6333

Case ID: 090103642

AVISO

Le han demandado a usted en la corte. Si usted quiere defenderse de estas demandas expuestas en las paginas siguientes, usted tiene veinte (20) dias de plazo al partir de la fecha de la demanda y la notificacion. hace falta ascntar una comparencia escrita o en persona o con un abogado y entregar la corte en forma escrita sus defensas o sus objeciones a las demandas en contra de su persona. sea avisado que si usted no se defiende, la corte tomara medidas y puede continuar la demanda en contra suya sin previo aviso o notificacion. ademas, la corte puede decidir a favor del demandante y require qu usted cumpla con todas las provisiones de esta demanda. usted puede perder dinero o sus propiedades u otros derechos importantes para usted.

LLEVE ESTA DEMANDA A UN ABOGADO IMMEDIATMENT. SI NO TIENE ABOGADO O SI NO TIENE EL DINERO SUFICIENTE DE PAGAR TAL SERVICIO, VAYA EN PERSONA O LLAME POR TELEFONO A LA OFICINA CUYA DIRECCION SE ENCUENTRA ESCRITA ABAJO PARA AVERIGUAR DONDE SE PUEDE CONSEGUIR ASISTENCIA LEGAL.

Asociacion De Licenciados Defiladelfia,
Servicio De Referencia E Information Legal,
One Reading Center, Filadelfia, PA 19107
Telefono: (215) 238-6333

Plaintiff, by and through its counsel, files this Complaint, and in support thereof, avers as follows:

1. Plaintiff, The Philadelphia Belt Line Railroad Company, (“PBL”) is a Pennsylvania corporation, primarily engaged in the business of operating a railroad in and around the Philadelphia area.
2. Defendant, HSP Gaming, L.P. d/b/a/ SugarHouse Casino (“HSP”), is a limited partnership formed in Delaware. Its primary business purpose is the development, construction, and operation of SugarHouse Casino.
3. The PBL came into existence in May 10, 1889. Over the course of time, PBL has owned and possessed various properties and rights-of-way throughout the City of Philadelphia.
4. On December 26, 1890, the Philadelphia City Council enacted an Ordinance granting the PBL a right-of-way. The pertinent part of the Ordinance with

respect to the present controversy reads: “thence northwardly with a single track along Delaware avenue, and property adjacent thereto, nine and one-half (9 ½) feet east of the east rail of the tracks now laid in Delaware Avenue to a point at or near Callowhill street; thence with double track northeastwardly along Delaware avenue and Beach Street to a point at or near the Aramingo Canal.” A copy of the 1890 Ordinance is attached as Exhibit A.

5. In 1910, the City of Philadelphia renamed the portion of Delaware Avenue that is the subject of this controversy to Penn Street.

6. PBL has consistently attempted to protect this right of way. Sometime in the late 1990s, a fence was erected through Penn Street, which completely interfered with PBL’s interest. PBL immediately notified the City of Philadelphia and LHTW, Inc., the party believed to be responsible for erecting the fence, and demanded its removal. See Exhibit B.

7. On July 1, 2004, the City of Philadelphia, by ordinance, removed Penn Street from the City Plan. This eradication of Penn Street from the City Plan was contingent upon “The Party requesting changes to the City Plan hereunder shall file an agreement or agreements satisfactory to the Law Department, executed by all owners of property affected by this Ordinance, to release the City from all damages and claims for damages that may arise by reason of such City Plan Changes.” See Exhibit C.

8. PBL never entered into any agreements with respect to any party regarding the PBL right-of-way in Penn Street. In addition, PBL was never provided with any notice regarding this Ordinance either prior to its enactment or any time thereafter, even though such notice was expressly required by the Ordinance.

9. Even though the July 1, 2004 Ordinance purportedly struck Penn Street from the City Plans, nothing in the Ordinance eliminated, changed, or otherwise modified PBL's right-of-way.

10. On August 2, 2007, the City of Philadelphia entered into an agreement that granted the HSP the right to develop, construct, complete and operate SugarHouse Casino at 1080 Delaware Avenue, Philadelphia, Pa. This location had previously been the site of the Jack Frost Sugar Refinery. This site is adjacent to the right-of-way possessed by PBL.

11. On or about December 13, 2006, Urban Engineers prepared on behalf of Defendant a Survey and Consolidation Plan for Sugar House Casino Site. In the section entitled, "Exceptions, Conditions and Agreements" the following language was found: "Philadelphia Beltline Railroad right-of-way within the former bed of Penn Street (formerly Delaware Avenue) created by Ordinance of City Council approved December 26, 1890, as amended by Ordinance of City Council approved July 1, 2004 (affects Premises A and C)." Defendant is in possession of the survey, and therefore, it is not attached as an Exhibit.

12. At the end of 2007 and in the beginning of 2008, discussions between representatives of PBL and Defendant engaged in discussions regarding compensating the PBL in consideration of an abandonment of its right of way. No agreement was ever reached.

13. During these discussions, representatives from HSP claimed the Belt Line's right-of-way did not exist in Penn Street, and that PBL's property interest did not exist in the proposed area where the casino was to be built.

14. In December of 2008, HSP began making preparation for construction of the Casino on or near the location of PBL's right-of-way. See Exhibit D.

15. Upon information and belief, Plaintiff believes that Defendant does not recognize PBL's right-of-way, it will continue construction until the project is finished, even if this includes building structure on the land where PBL has its right-of-way, rendering the right-of-way useless for railroad purposes.

16. As per Pennsylvania law, courts are empowered to declare "rights, status, and other legal relations" which are affected by a "statute, municipal ordinance, contract or franchise", and "may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract or franchise and obtain a declaration of rights, status, or other legal relations thereunder." 42 P.S. § 7533.

17. This matter is ripe for determination because a final and conclusive judicial affirmation of the PBL's right-of-way will irrefutably confirm Petitioner's right-of-way and consequently provide actual notice to HSP that it cannot interfere or obstruct PBL's right-of-way, generally, and that Defendant has no right to build its proposed casino on the property in question, specifically. Such relief will avert irreparable harm to PBL.


WHEREFORE, Plaintiff requests the Court to enter judgment:

(a) Declaring that Plaintiff has a right-of-way existing in the bed of what was formerly Penn Street, in the vicinity of the area between Shackamaxon Street and Ellen Street.

(b) Permanently enjoining the Defendant from taking any action to interfere, block, obstruct or otherwise prevent Plaintiff from exercising now or in the future its rights to utilize said right-of-way;

(c) Granting such further relief as the Court may deem appropriate.

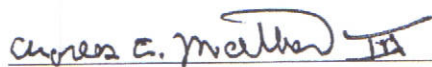
GILFILLAN, GILPIN & BREHMAN



John B. Taulane, III, Esquire
John J. Bradley, Esquire
Attorneys for Plaintiff

VERIFICATION

I, Charles E. Mather III, verify that I am President of The Philadelphia Belt Line Railroad Company and as President, I verify that the facts set forth in the foregoing Complaint are true and correct to the best of my knowledge, information and belief; and the foregoing Verification is made subject to the penalties of 18 Pa. C.S.A. §4904, relating to unsworn falsifications to authorities.



Charles E. Mather III
President of The Philadelphia Belt Line
Railroad Company