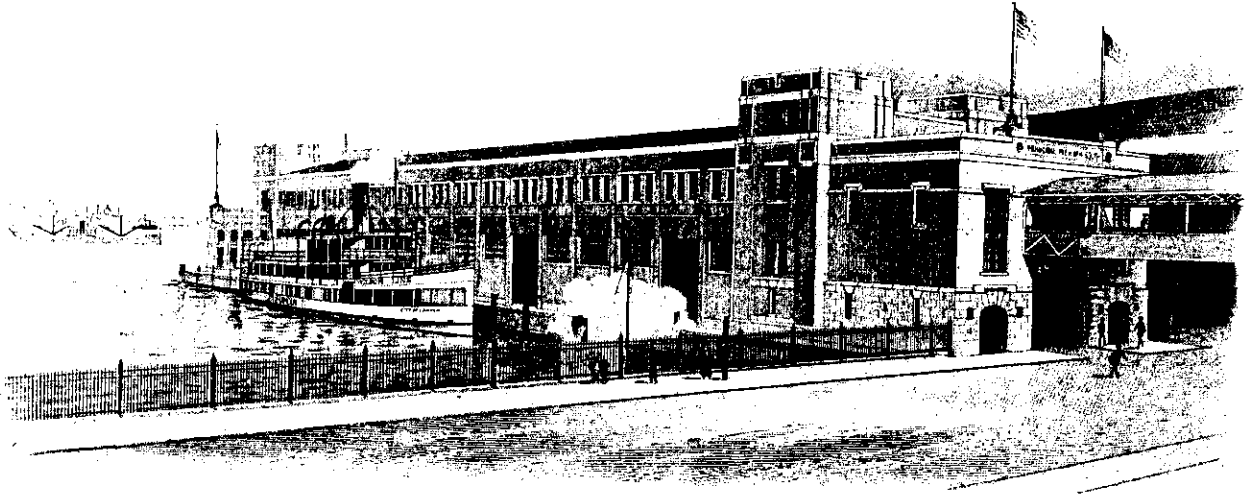


DEPARTMENT OF COMMERCE



Philadelphia, November 27, 2007

By Authority vested in me by the Commonwealth of Pennsylvania I hereby authorize HSP Gaming, L.P., its heirs, executors, administrators, successors, or assigns to encroach upon the waterway of the Delaware River and to construct upon submerged lands as described in Exhibit A subject to the Laws of the Commonwealth, Ordinances of City Council and rules and regulations of the Department of Commerce. Work under this license must be commenced within six (6) months.

The Working Plans, Materials and Construction to be approved by the Commissioner of Licenses and Inspections, and three (3) days notice to be given to the Commissioner of Licenses and Inspections prior to the commencement of the work.

Stephanie W. Naidoff
Stephanie W. Naidoff
Director of Commerce

Robert Solvibile

Robert Solvibile

Commissioner of Licenses & Inspections

EXHIBIT "A"

November 27, 2007

BY THE AUTHORITY vested in the Director of Commerce for the City of Philadelphia pursuant to delegation of such authority by the Commonwealth of Pennsylvania under Act 321 of June 8, 1907, P.L. 488, as implemented by Title 18 of the City Code and Chapter A-1, §A-101 of the Home Rule Charter, I hereby grant a Submerged Lands License authorized by 53 P.S. § 14199, *et seq.*, to HSP Gaming, L.P., and its successors and assigns, ("Licensee") for the property located at 941 – 1025 N. Delaware Avenue in the City of Philadelphia, Philadelphia County ("Premises") to enable Licensee to encroach upon the waterway of the Delaware River and to construct the SugarHouse Casino Project as described in the Application of October 29, 2007, (the "Application") upon the Licensee Submerged Lands, as such are set forth below, the improvements and structures identified below including a new pier structure to support a pedestrian promenade, and to fill in portions of the Delaware River and enclose the entire improved and filled area with a new bulkhead structure, to be located as indicated on the enclosed drawings. Included in the proposed improvements are provisions for future dockage and loading of passengers off and on river craft. The Premises include Piers 41 North through 48 North.

As described in detail within the Plan of Development, Licensee will construct a casino and entertainment complex in phases at the Premises. The project includes a casino and entertainment complex with up to 5,000 slot machines and other lawful attractions and ancillary facilities permitted under Philadelphia Code Chapter 14-400, with a total building floor area of approximately 3,318,500 square feet, including a parking garage. The project includes a riverfront promenade and associated greenway, dock, bulkheads, fill to create usable waterfront surfaces, dredging to facilitate boat access, and associated demolition and driving and loading of test pilings.

The "Licensee Submerged Lands" upon which development is licensed are as follows:

All of the property within the Premises constituting submerged lands and intended to be improved as described in the Application of the Licensee, east of the mean low water line, which for purposes of this legal description is deemed to be the bulkhead line:

BEGINNING at the point of intersection of said Bulkhead Line of the Delaware River with the southwesterly line of property described as Premises "I" as conveyed from Sugarhouse Realty, Inc., a Pennsylvania Corporation, to LHTW Corp., a Delaware Corporation on May 16, 1996 and recorded in the City of Philadelphia Department of Records on May 24, 1996 in Book J.T.D. 4 of Deeds, Pages 583 &c.; said point of beginning being the following three courses from the intersection of the southeasterly line of Delaware Avenue (140 feet wide) with the northeasterly line of Ellen Street (50 feet wide):

(1) Along the northeasterly line of Ellen Street, South 46 degrees 28 minutes 57 seconds East 230.073 feet to its point of intersection with the center line of Penn Street, said point of intersection being the westernmost corner of the reversion parcel to West Highland Holdings, L.L.C. as described in Deed, Document No. 51473923, said point being also the southernmost corner of the reversion parcel to LHTW Corp., and being also a point in the southwesterly end of the portion of Penn Street vacated and stricken from the City Plan by Ordinance Bill No. 040563, dated July 1, 2004; thence (2) along the center line of Penn Street as vacated and stricken, being the division line between the reversion parcel to LHTW Corp. and the reversion parcel to West Highland Holdings, L.L.C., North 43 degrees 31 minutes 03 seconds East 99.250 feet to an angle point in said division line, thence (3) still along said division line to the southeasterly line of Penn Street as vacated and stricken, and continuing along the same course along the division line between lands of LHTW Corp. and lands now or formerly of West Highland Holdings, L.L.C., South 46 degrees 28 minutes 57 seconds East 221.795 feet to its point of intersection with the aforesaid Bulkhead Line of the Delaware River, said point being the point of beginning; and running thence:

1. Along said Bulkhead Line, North 43 degrees 18 minutes 08 seconds East 839.937 feet to an angle point; thence
2. Still along said Bulkhead Line, North 58 degrees 21 minutes 15 seconds East 168.058 to its point of intersection with the northeasterly line of land of LHTW Corp., said line being also the former center line of Shackamaxon Street as vacated and stricken from the City Plan by ordinance dated June 20, 1946 and confirmed July 22, 1946; thence
3. Along said center line of the portion of Shackamaxon Street which was stricken from the City Plan, South 22 degrees 26 minutes 57 seconds East 440.102 feet to a point; thence
4. South 43 degrees 31 minutes 03 seconds West 244.331 feet to a point on a circular curve; thence
5. Along said circular curve in a southwesterly direction on a curve to the right and northwest with a radius of 222.136 feet, an arc distance of 397.691 feet to a point, said point being South 43 degrees 31 minutes 03 seconds West 346.667 feet from the beginning point of this course; thence
6. South 43 degrees 31 minutes 03 seconds West 67.642 feet to a point; thence
7. South 46 degrees 28 minutes 57 seconds East 103.366 feet to a point; thence
8. South 43 degrees 31 minutes 03 seconds West 49.323 feet to a point; thence
9. North 46 degrees 28 minutes 57 seconds West 42.663 feet to a point; thence
10. North 43 degrees 31 minutes 03 seconds East 35.994 feet to a point; thence

11. North 46 degrees 28 minutes 57 seconds West 50.601 feet to a point; thence
12. South 43 degrees 31 minutes 03 seconds West 75.286 feet to a point; thence
13. North 59 degrees 30 minutes 19 seconds West 67.001 feet to a point; thence
14. North 30 degrees 29 minutes 41 seconds East 9.976 feet to a point; thence
15. North 59 degrees 30 minutes 19 seconds West 150.215 feet to a point; thence
16. South 43 degrees 04 minutes 10 seconds West 36.664 feet to a point in the northeasterly line of property now or formerly owned by West Highland Holdings, L.L.C., as described in Deed, Document ID # 51473923; thence
17. Along the northeasterly line of said West Highland Holdings, L.L.C. property, North 46 degrees 28 minutes 57 seconds West 238.335 feet to the point and place of beginning.

The "Licensee Submerged Lands" upon which development is licensed are: (i) depicted as developed on Drawing C-02, dated March 29, 2007, of Section 3 of the Plan of Development, included in the Application as such is more fully described in the bound copy of the schematic design documents C-111, C-112, C-113, C-114, C-121, C-122, C-123, C-124, C-130, C-134, C-332, C-333 and C-334, and (ii) depicted in connection with foundation and pilings in the bound copy of the foundation permit set of drawings for the Phase I casino building and ten-story parking garage, anticipated to be submitted for a foundation permit to construct such foundations on the drawings GS-001, GS-002, GS-101, GS-102, GS-201, S-001, S-002, S-010, S-020, S-101, S-101A, S-101D, S-101E, S-101F, S-101G, S-101H, S-101J, S-200, S-201, S-202, S-210, S-300, S-301, S-410, S-411 and S-420.