

KG NEW BEDFORD, LLC
125 Park Avenue
New York, New York 10017

July 22, 2015

BY E-MAIL AND U.S. MAIL

Stephen Crosby
Chairman
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, Massachusetts 02109

Re: Notice of KG Urban's Withdrawal of its Region C Application

Dear Chairman Crosby:

Unfortunately, I write this letter to inform you that KG New Bedford, LLC is abandoning the Cannon Street project and withdrawing the Phase I Applications of it and its entity and individual qualifiers pursuant to 205 CMR 111.05.

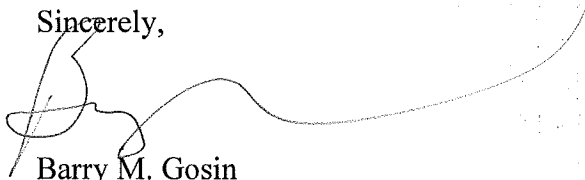
Despite significant efforts and expenditures on our part, we and our lenders/partners have been unable to create a viable financing package for the project. In particular, both primary and mezzanine financing in the requisite amounts have proved to be significantly harder to obtain than we had anticipated. The reluctance of lenders to provide the requisite financing is due to several factors, including the possibility of competition from a nearby Indian casino which would pay no taxes or other compensation to the Commonwealth. Given the uncertainty of obtaining viable financing for the project and the time constraints of the license application process, we cannot justify investing any additional funds in the project beyond the significant amount already invested. In addition, we cannot in good conscience ask the Massachusetts Gaming Commission to invest any more of its valuable time and resources considering the project.

We are thankful for all of the help and support we have received on the project, and we want to express our sincere gratitude to the citizens of New Bedford, the Mayor of New Bedford, the MGC and the various regulatory agencies who have been involved, and to our own employees, advisors and consultants, all of whom have worked so very hard on the project for such a long time.

As you can well imagine, we deeply regret reaching this conclusion, but we believe our decision is in the best interests of all involved.

Thank you for your attention.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barry M. Gosin', with a long, sweeping horizontal line extending to the right.

Barry M. Gosin
Vice President
KG New Bedford, LLC