

PENNSYLVANIA GAMING CONTROL BOARD

MOUNT AIRY #1, L.L.C.

DOCKET NO. 1311

MOUNT AIRY DIVERSITY PLAN

Pursuant to paragraph 9 of Mount Airy's executed Statement of Conditions the following is
Mount Airy's updated Diversity Plan

I. Diversity Policy Mission Statement

A. Mission Statement

It is the policy of Mount Airy #1, L.L.C. d/b/a Mount Airy Casino Resort ("Mount Airy") to foster and promote an appreciation for the unique values of different individuals and to allow employees to realize, grow and develop their potential to reach their personal goals, while recognizing the goals of Mount Airy. Our goal is to apply these same ideals in our interactions with customers, guests, vendors, consultants and the communities in which we work and live. In order to apply these ideals to others:

- Each employee shall treat others with respect and dignity.
- All Mount Airy policies and procedures shall support and encourage diversity goals; and
- Mount Airy shall create and support an environment in which each employee shall have the opportunity to maximizing their abilities and level of expertise.

Mount Airy is committed to a policy of operating its Casino Resort entertainment complex that achieves the following goals:

- A talented staff of employees that represents the diverse groups of the Commonwealth of Pennsylvania, particularly those within the Greater Northeastern Pennsylvania market;
- A group of contractors, subcontractors, vendors and suppliers that continues to achieve representation from the Commonwealth of Pennsylvania, particularly the Greater Northeastern Pennsylvania metropolitan market, so that we ensure a balanced representation of minority and women owned businesses;
- A marketing effort that targets prospective customers from all ethnicities in the Greater Northeastern Pennsylvania market.

Mount Airy promotes diversity and assures that all persons receive an equal opportunity in employment. The promotion of diversity extends to contractors, subcontractors, assignees, lessees, agents, vendors and suppliers. Mount Airy assures equal employment opportunity for all persons, regardless of race, color, religion, gender, sexual orientation, age, national origin, citizenship status, or disability and is committed to:

- Taking proactive steps in addressing the issue of diversity communicating with employees, patrons, and the community regarding diversity;
- Actively soliciting a diverse group of employees, contractors, subcontractors, assignees, lessees, agents, vendors, and suppliers;
- Developing and instituting practical strategies to ensure the implementation of the diversity Mission Statement.

Mount Airy is dedicated to operating an organization that reflects a fundamental respect for different ways of working and living. We intend to assure every individual the opportunity to reach his or her potential. Mount Airy is committed to being proactive in promoting diversity throughout all aspects of its operations. We believe that all employees are responsible for contributing to a work environment free from discrimination and prejudice, regardless of position or title. We promote this belief by:

- Posting the Mission Statement on Mount Airy's on-site bulletin boards;
- Making current employees aware of the existence of the Mission Statement through annual distribution of the Statement;
- Inclusion of diversity materials in Mount Airy's Employee Handbook.

B. Overview

Mount Airy consists of a casino and a resort hotel with various related amenities. Mount Airy employs various positions, both full-time and part-time. Priority is given to applicants from the greater northeastern Pennsylvania area.

Mount Airy is an equal opportunity employer. It is active and proactive in seeking and attracting qualified minority, female, disabled and veteran candidates in its recruiting and employment practices. Mount Airy continually focuses on promoting, where appropriate, these employees internally and will encourage them to apply for positions for which they are qualified. Mount Airy's policy is to provide an equal opportunity to qualified individuals, without regard to race, color, religion, sex, national origin, age, sexual orientation, marital status, disability or veteran status.

C. Implementation of Diversity Plan

1. Corporate Level Responsibility

The Pennsylvania Gaming Act requires that a corporate manager be appointed for diversity activities. Mount Airy Casino Resort's corporate manager for diversity activities will be Mount Airy's Carrie Ceece Corwin Human Resources Director. In this capacity, she is responsible for supervising the staff within Human Resources Department and the staff who work with the divisional and departmental management to coordinate diversity activities.

The appointed corporate manager for diversity activities responsibilities include but are not limited to:

- Coordination of the Diversity Plan and creation of standard goals and criteria to meet the requirements of the Pennsylvania Gaming Act and its regulations;
- Advising and directing management employees on all requirements of the Diversity Plan;
- Serving as the primary contact with the Pennsylvania Gaming Control Board and any other governmental officers, as well as other organizations which benefit minorities;
- Reviewing the various diversity activities and functions to assure conformity with corporate policy as to diversity;
- Review and recommend improved practices which advance the objectives of the Diversity Plan on an as-needed basis.

2. Management Level Responsibility

Mount Airy's CEO has the responsibility for compliance with the Gaming Act and Gaming Control Board regulations. However, to fully realize diversity, management employees must also implement equal employment and diversity policies at the division and departmental levels and their duties include the following:

- Compliance with both the letter and the spirit of the diversity policy;
- Educating all management employees of the diversity policy and how to implement the policy in employee relations;
- Ensuring that all employees comply with the diversity policy;

- Promptly and effectively addressing any efforts to avoid or impede compliance with the diversity policy;
- Maintaining any necessary documents, data and/or information related to implementation, compliance and enforcement of the diversity policy;
- Establishing, maintaining and auditing systems that will measure effectiveness, achieving objectives and compliance with state and federal requirements;
- Keeping abreast of all federal, state and local laws and regulations affecting the diversity policy;
- Keeping Mount Airy management informed of any issues and/or problems related to the implementation and execution of the diversity policy;
- Developing and implementing training programs on an as-needed basis.

3. Employee Level Responsibility

Recognizing that achievement of diversity involves every level of employment; all employees' duties include the following:

- Compliance with both the letter and the spirit of Mount Airy's diversity policy;
- Keeping the corporate manager informed of any issues and/or problems related to the implementation and execution of the diversity policy, and
- Participating in training programs when needed.

II. Diversity Plan Overview

A. Scope

Mount Airy is committed to a policy of operating its Casino Resort entertainment complex in a manner that achieves the following goals:

- A talented staff of employees that represents the diverse groups of the Commonwealth of Pennsylvania, particularly those within the Greater Northeastern Pennsylvania market;
- A group of contractors, subcontractors, vendors and suppliers that continues to achieve representation from the Commonwealth of Pennsylvania, particularly the Greater Northeastern Pennsylvania metropolitan market, so that we ensure a balanced representation of minority and women owned businesses;
- A marketing effort that targets prospective customers from all ethnicities in the Greater Northeastern Pennsylvania market.

Mount Airy promotes diversity and assures that all persons receive an equal opportunity in employment. The promotion of diversity extends to contractors, subcontractors, assignees, lessees, agents, vendors and suppliers. Mount Airy assures equal employment opportunity for all persons, regardless of race, color, religion, gender, age, national origin, sexual orientation, citizenship status, or disability and is committed to:

- Taking proactive steps in addressing the issue of diversity communicating with employees, patrons, and the community regarding diversity;
- Actively soliciting a diverse group of employees, contractors, subcontractors, assignees, lessees, agents, vendors, and suppliers;
- Developing and instituting practical strategies to ensure the diversity Mission Statement.

Mount Airy is dedicated to maintaining an organization that reflects a fundamental respect for different ways of working and living. We allow every individual the opportunity to reach his or her potential. Mount Airy is committed to being proactive in promoting diversity throughout all aspects of its operations. We believe that all employees are responsible for contributing to a work environment free from discrimination and prejudice, regardless of position or title through:

- Posting the Mission Statement on Mount Airy's on-site bulletin boards;
- Making new employees aware of the existence of the Mission Statement through new hire orientation;
- Making current employees aware of the existence of the Mission Statement through annual distribution of the Statement.

Mount Airy disseminates its Mission Statement externally by:

- Incorporating the Mission Statement in purchase agreements, leases and contracts;
- Through the inclusion of provisions prohibiting discriminatory practices in all contracts;
- Through the posting of the Mission Statement on Mount Airy's website.

B. Components of Mount Airy's Plan

Mount Airy's Diversity Plan is comprised of the following components:

- A Diversity Committee
- Building Community Involvement
- Recruitment and Employment
- Vendors and Suppliers
- Marketing and Entertainment
- Diversity Awareness Training Programs
- Procurement and Construction
- Periodic Performance and Program Review
- Continuous Improvement and Industry Best Practice

1. Diversity Committee

The CEO of Mount Airy has formed a group of executive management under the direction of the Executive Director of Administration who are actively involved with monitoring diversity and diversity-related activities. This Committee reports directly to the CEO. The Diversity Committee is comprised of Mount Airy's CEO, Executive Director of Administration and its Diversity Officer, Director of Purchasing, Manager of Human Resources and Director of Surveillance. The committee monitors and reviews the progress and results of Mount Airy's diversity program. All segments of the program, including recruiting and training of employees are reviewed, along with the evaluation of the contractor, supplier and vendor initiatives. The committee continues to meet on a regular basis, and provides meeting notes and makes recommendations to upper level management.

Mount Airy's Diversity Officer provides counseling to employees regarding appeal rights and options, problems, complaints, and discrimination issues. Mount Airy's Diversity Officer investigates complaints that involve allegations of discrimination based on race, color, religious creed, age, sex, ancestry, union membership, sexual orientation, national origin, AIDS or HIV status, general identity or expression, or non job-related disability.

The Diversity Committee conducts quarterly reviews to ensure compliance with all aspects of Mount Airy's diversity program. The review will assess the overall effectiveness of the program, centered on the diversity of employees, contractors, vendors and suppliers. The diversity goals for the next period will be presented by Mount Airy management. Mount

2. Community Involvement

Mount Airy ensures that diversity is respected, encouraged, and embraced throughout its organization, and strives to promote the same throughout its community. Mount Airy has developed relationships with local community organizations such as the United Way, various chambers of commerce, and other organizations representing minority constituents, and uses the internet and advertising opportunities to promote diversity efforts.

3. Recruitment & Employment

As it has proven in its hiring practices, Mount Airy is committed to recruiting, retaining and developing the best employees regardless of race, color, religion, sex, age, disability or national origin. Mount Airy complies with the Equal Employment Opportunity Act and will adopt policies consistent with the Act that apply to all employment practices including recruitment, hiring, evaluation, promotion, transfer, discipline and termination, as well as forms of employee compensation.

Recruiting tools that are utilized to help ensure a diverse workforce include classified advertising in targeted newspapers, job fairs, posting job listings on the internet, working with local organizations and chambers of commerce, and listing job openings with local and state agencies. Mount Airy also utilizes niche publications that reach out to a broad spectrum of ethnicities to advertise our job opportunities. Mount Airy has identified civic groups and community organizations that represent diverse constituencies to help promote the message of our employment opportunities. In order to maximize diverse recruitment, Mount Airy also does the following:

- Recruit in different languages so that we do a responsible job of promoting our employment opportunities to those persons who speak English as a second language;
- We will identify those local organizations that train and help secure employment for persons with disabilities;
- Job descriptions are carefully written to not include restrictive and unnecessary minimum requirements that might restrict our ability to employ ethnic minorities and the disabled;
- Provide training and development to our premiere performers so that excellent employees who are either women or ethnic minorities can be qualified to assume positions of management responsibility.

4. Vendors and Suppliers

Mount Airy utilizes the Pennsylvania Gaming Control Board's list of minority and women businesses to ensure that it procures goods and services from a number of qualified companies that are owned by women and ethnic minorities. Further, Mount Airy endeavors to hire vendors and suppliers, etc. that maintain a diverse workforce and implement a diversity plan. Additionally, its efforts include:

- Active measures on the part of Mount Airy's director of purchasing to solicit and secure services with qualified minority and woman owned vendors;

- Networking with ethnic chambers of commerce and civic organizations to help recruit qualified vendors;
- Utilizing niche media to help attract qualified vendors;
- Utilizing public information that lists businesses owned by women and ethnic minorities.

5. Marketing and Entertainment

Mount Airy aggressively markets to attract ethnic minorities and niche groups. Such efforts will include:

- Advertising in targeted ethnic publications;
- Motor coach bookings of ethnic and religious organizations;
- A diverse program of onsite performers that will allow us to offer something that is appealing to a variety of ethnic groups.

6. Diversity Awareness Training Program

The objective of Mount Airy's diversity awareness training program is to employ a staff that is cognizant of the needs of its fellow employees and also the diverse customer base that patronizes Mount Airy. Mount Airy's training efforts are designed to ensure that all employees are aware of diversity issues and have an understanding of ethnic changes in the workplace. In order to provide the very best customer service, it is necessary for Mount Airy's employees to understand the importance and appreciation of individuals' differences, so that stereotypes and prejudices may be overcome. Mount Airy has a zero tolerance policy towards discrimination of women, ethnic minorities and persons with disabilities. All Mount Airy employees required to complete the diversity awareness training program during employee orientation.

7. Procurement and Construction

Mount Airy requests proposals in order to receive and select from a wide range of bidders for each of its major contracts. Mount Airy seeks to identify a diverse group of potential vendors and suppliers. Certified minority-owned, women-owned, disabled and small business enterprises will be encouraged to support diversity efforts through both first and second-tier supplier programs.

8. Continuous Improvement & Industry Best Practices

Mount Airy intends to continually look for ways to improve existing operations and to ensure that industry best practices are employed whenever possible.

III. Mount Airy Employment Data

Mount Airy currently employs over 800 employees. Of these total numbers of employees, a large majority are Pennsylvania residents. Mount Airy compiles data regarding its diversity statistics, and expounds upon this data. Mount Airy remains proud of the continued high percentage of diverse employees throughout its workforce. Attached hereto is a breakdown of the diversity statistics available to Mount Airy at this time.

As part of Mount Airy's continuing effort to actively seek qualified women and minority employee candidates through all aspects of its operation, this quarter has seen both the continued strong presence of minority candidates placed throughout the Company, in addition to the fact that three women have recently assumed senior management within Mount Airy. Dr. Lisa DeNaples was named Mount Airy's COO, Lianne Rocco was named Mount Airy's Director of Security, and Carri Corwin was recently named as Executive Director of Human Resources. Moreover, Yokasta Hiraldo-Rosario is the Human Resources Manager, Wyval Rosamilia is the Operations Controller, Vivian Carrion is the Accounts Payable Manager, Tina Reynolds is the Payroll Manager, and Marie Sauers is the Cage Manager. In addition, all of the Cage and Slots Shift Managers (7 people in total) are female.

In addition to having an international member of our Executive team, Edmondo Granci (CFO), Mount Airy has many African-American and Latino employees in management positions. For example, Livingston Simpson is the Director of Surveillance, Thomas Trice is the Countroom Manager, and Cheri Hurtado-Kolesar is the Parking Manager. Another minority placement includes Esteban Lopez, who was promoted to Director of Housekeeping and Stewarding. In fact, Mount Airy was selected for the Corporate Latino Support Award from the Latino Task Force of Monroe County. With these examples coupled with its daily practices, Mount Airy demonstrates its commitment to a diverse, equal opportunity workforce.

IV. Diversity Committee Meeting

The Diversity Committee monitors and reviews the progress and results of Mount Airy's diversity programs. All segments of the programs, including recruiting and training of employees, are reviewed, along with the evaluation of the contractor, supplier and vendor initiatives. The committee meets on a regular basis and attached hereto are summaries of Mount Airy's diversity committee notes from March through June.

V. Vendors and Suppliers

Throughout its construction Mount Airy made every effort to promote business relationships with construction subcontractors and suppliers who were owned in whole or in part locally, and were also owned in whole or in part by women and/or minority contractors. Mount Airy is committed to continue to build relationships with

such vendors, suppliers, contractors and service providers who can provide products and services to the company.

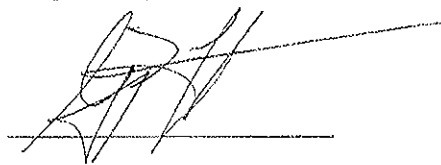
Mount Airy's director of purchasing, in conjunction with Mount Airy's Diversity Officer, makes every effort to reach out to qualified minority and women owned vendors who are able to provide the products and services necessary to meet Mount Airy's operational needs. As part of Mount Airy's ongoing effort to contract with women owned vendors, Mount Airy has partnered with four Certified Women's Business Enterprises: Creative Benefits to both broker and administer all of its health and life benefits, Pavilion Enterprises, LTD to coordinate weddings, entertainment and other special events at Mount Airy Casino Resort, Service Central Inc. to provide locks, and Wilson Communications to coordinate and initiate publicity and to serve as a press liaison in procuring media coverage of a variety of casino and resort functions. In addition, Mount Airy recently hired Body Works, Etc., LTD to run our spa facility.

Finding minority owned vendors has proven to be a challenge in the greater northeastern Pennsylvania area since there is a very limited pool of such vendors available. Despite limited availability, Mount Airy, wherever possible attempts to reach out to such MBE vendors and community organizations that support such vendors such as the Monroe County Chambers of Commerce as well as various community organizations. Mount Airy also uses the Board's list of minority and women owned vendors as a resource to finding and contracting with such vendors. For example, Mount Airy does business with World Wide Concessions Inc., which is a certified MBE and which provides us with promotional items.

VI. Conclusion

Mount Airy takes the issue of diversity in its workforce, hiring and business practices very seriously and works every day to run the type of facility which embraces the principles and practices set forth in this plan. To do so is integral to a successful operation. The foregoing plan serves as our template to meet our diversity goal. We are dedicated to continued success in this regard.

Respectfully Submitted,



George Toth
Chief Executive Officer