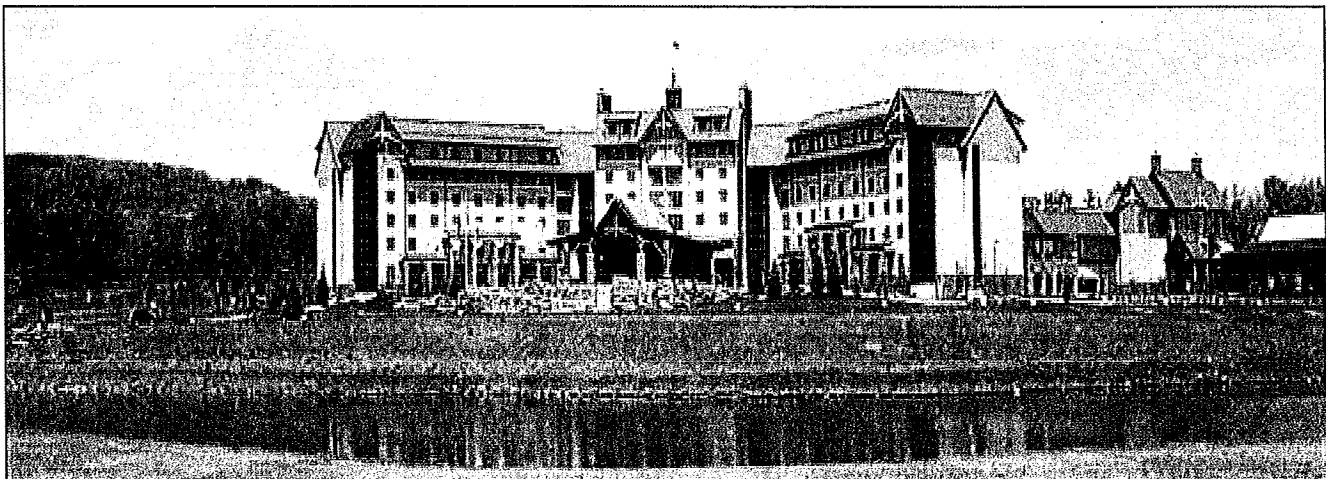


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PA GAMING CONTROL BOARD
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**PETITION OF CATEGORY 2 SLOT MACHINE
LICENSEE MOUNT AIRY #1, L.L.C.**



PENNSYLVANIA GAMING CONTROL BOARD

IN RE:	:	PGCB DOCKET NO. 1311
	:	
CATEGORY 2	:	
SLOT MACHINE LICENSEE	:	
MOUNT AIRY #1, L.L.C.,	:	
Petitioner	:	BEFORE THE PENNSYLVANIA
	:	GAMING CONTROL BOARD
	:	
	:	

**PETITION OF CATEGORY 2 SLOT MACHINE LICENSEE
MOUNT AIRY #1, L.L.C. FOR APPROVAL OF A TABLE GAME
OPERATION CERTIFICATE**

Mount Airy #1, L.L.C. d/b/a Mount Airy Casino Resort (“Mount Airy”), a Category 2 Slot Machine Licensee, respectfully petitions the Pennsylvania Gaming Control Board (the “Board”) pursuant to 4 Pa.C.S. § 1311A for approval of a Table Game Operation Certificate.

BACKGROUND

1. Pursuant to the Race Horse Development and Gaming Act (“Gaming Act”), 4 Pa. C.S. § 1101 et. seq. and the Pennsylvania Gaming Control Board’s accompanying regulations, on July 19, 2007, Mount Airy was issued its Category 2 Slot Machine License (License No. F-1311) by the Board.
2. On October 22, 2007, Mount Airy commenced gaming operations at its Category 2 facility in Monroe County, Pennsylvania.
3. With the passage of Senate Bill 711 (“S.B. 711”) on January 7, 2010, the General Assembly amended the Gaming Act to provide for the operation of table games at licensed facilities in the Commonwealth.

Petition of Mount Airy #1, LLC

4. Pursuant to § 1102 of S.B. 711, it is the intent of the General Assembly to authorize the operation and play of slot machines and table games under a single slot machine license issued to a slot machine licensee. 4 Pa.C.S. § 1102.

5. Section 1311A of S.B. 711 empowers the Board to authorize a Category 2 slot machine licensee to operate up to 250 (two hundred fifty) tables at any one time at its licensed facility. 4 Pa.C.S. § 1311A(b).

ADHERENCE TO § 1312A(b) PETITION REQUIREMENTS

6. Mount Airy #1, LLC d/b/a Mount Airy Casino Resort is a Category 2 Slot Machine Licensee located at 44 Woodland Road, Mount Pocono Pennsylvania 18344.¹ 4 Pa. C.S. § 1312A (b)(1); *see also* Appendix 1 attached hereto.

7. Pursuant to § 1312A(b)(2) of S.B. 711, all known Mount Airy Principal and Key Employees already possess either temporary or permanent licenses with the Board. 4 Pa. C.S. § 1312A (b)(2); *see also* Appendix 2 attached hereto.

8. Pursuant to § 1312A(b)(3) of S.B. 711, attached hereto as Appendix 3 (three) is an itemized list of the number and type of gaming tables that Mount Airy is seeking authorization to install at its facility if Mount Airy is approved for a Table Game Operation Certificate. 4 Pa. C.S. § 1312A (b)(3); ~~*see also* Appendix 3 attached hereto~~ (Redacted).

9. Pursuant to § 1312A(b)(4) of S.B. 711, attached hereto as Appendix 4 (four) is both a breakdown of the estimated number of full-time and part-time employment positions that Mount Airy projects will be created if the Board authorizes Mount Airy to conduct table game operations, and an updated hiring plan pursuant to §

¹ The designated Board contact person for Mount Airy is the undersigned.

Petition of Mount Airy #1, LLC

1510 of S.B. 711. 4 Pa. C.S. §§ 1312A (b)(4) and 1510; *see also* Appendix 4 attached hereto.

10. Pursuant to § 1312A(b)(5) of S.B. 711, attached hereto as Appendix 5 (five) is a brief description of the economic benefits expected to be realized by the Commonwealth, its political subdivisions and its residents if Mount Airy is approved for a Table Game Operation Certificate. 4 Pa. C.S. § 1312A (b)(5); *see also* Appendix 5 attached hereto.

11. Pursuant to § 1312A(b)(6) of S.B. 711 attached hereto as Appendix 6 (six) are details relating to the financing that Mount Airy has in place to fund its table game expansion, which includes all modifications necessary to build out its current licensed facility. 4 Pa. C.S. § 1312A (b)(6); *see also* Appendix 6 attached hereto **(Redacted)**.

12. Pursuant to § 1312A(b)(7) of S.B. 711, attached hereto as Appendix 7 (seven) is information and documentation concerning Mount Airy's financial background and resources so as to establish by clear and convincing evidence that Mount Airy possesses the financial stability, integrity and responsibility sufficient to be approved for a Table Game Operation Certificate. 4 Pa. C.S. § 1312A (b)(7); *see also* Appendix 7 attached hereto **(Redacted)**.

13. Pursuant to § 1312A(b)(8) of S.B. 711, attached hereto as Appendix 8 (eight) is information and documentation to establish by clear and convincing evidence that Mount Airy has sufficient business ability and experience to create and maintain a successful table game operation. 4 Pa. C.S. § 1312A (b)(8); *see also* Appendix 8 attached hereto **(Redacted)**.

14. Pursuant to § 1312A(b)(9) of S.B. 711, attached hereto as Appendix 9

Petition of Mount Airy #1, LLC

(nine) is information and documentation establishing by clear and convincing evidence that Mount Airy has the financial wherewithal to pay, as required by § 1361A(a)(1), the one time nonrefundable table game authorization fee required in the amount of \$16.5 Million on or before June 10, 2010. 4 Pa.C.S. §§1312A(b)(9) and 1361A(a)(1); ~~see also Appendix 9 attached hereto~~ **(Redacted)**.

15. Pursuant to the requirements set forth in § 1312A(b)(10) of S.B. 711, attached hereto as Appendix 10 (ten) are detailed site plans of Mount Airy's proposed table game areas, including plans for all restricted areas within its permanent facility. 4 Pa.C.S. § 1312A (b)(10); ~~see also Appendix 10 attached hereto~~ **(Redacted)**.

16. Pursuant to the requirements set forth in §§ 1312A(11) and 1315A(8) of S.B. 711, attached hereto as Appendix 11 (eleven) is Mount Airy's executed Acknowledgement and Waiver of Rights form. 4 Pa.C.S. §§ 1312A (11) and 1315A(8); *see also* Appendix 11 attached hereto.

17. Pursuant to the guidelines set forth in §§ 1302A(7) and 1323A(a) of S.B. 711, attached hereto as Appendix 12 (twelve) is a description of Mount Airy's plan to partner with Northampton Community College to provide table game and related training for current and prospective employees. 4 Pa.C.S. §§ 1302A (7) and 1323A (a); *see also* Appendix 12 attached hereto.

18. Pursuant to § 1312A(b)(12), attached hereto as Appendix 13 (thirteen) is a breakdown of Mount Airy's total anticipated investment in its table game build-out including the number of construction jobs involved in the same. 4 Pa.C.S. § 1312A (b)(12); *see also* Appendix 13 attached hereto.

Petition of Mount Airy #1, LLC

WHEREFORE, for the reasons set forth in this Petition, Mount Airy respectfully requests that this Honorable Board grant Mount Airy the relief sought in the aforementioned Petition and approve Mount Airy for a Table Game Operation Certificate.

Respectfully submitted,



Donald P. Shiffer III, Esq.
Mount Airy Casino Resort
44 Woodland Road
P.O. Box 700
Mount Pocono, Pa. 18344
Phone: 570-243-4824
Facsimile: 570-243-5275
Counsel for Mount Airy #1, LLC

Dated: February 8, 2010

PUBLIC

ATTORNEY VERIFICATION

I, Donald P. Shiffer III, Esquire, hereby certify that the averments contained in the within Petition for approval of Mount Airy #1, LLC's Table Game Operation Certificate are based upon information within my own judgment is true and correct. I understand that this verification is made subject to the provisions of 18 Pa. C.S.A. §4904, pertaining to unsworn falsification to authorities.

Donald P. Shiffer III, Esq.

Counsel for Mount Airy #1, L.L.C.

February 8, 2010

APPENDIX 1

Name: Mount Airy #1, L.L.C. d/b/a Mount Airy Casino Resort

Address: 44 Woodland Road Box 700
Mount Pocono, Pa. 18344

Contact Information: Donald P. Shiffer III, Esq.
Mount Airy Casino Resort
44 Woodland Road
P.O. Box 700
Mount. Pocono, Pa. 18344
Phone: 570-243-4824
Facsimile: 570-243-5275
E-Mail: dshiffer@mtairycasino.com

PUBLIC FILINGS

APPENDIX 2

Currently, all of the Principal and Key Employees are currently involved in Mount Airy's table game operations possess either a temporary or permanent principal or key license with the Board. As Mount Airy adds additional personnel who require such licensure, each will be duly licensed with the Board.

Public Filings

APPENDIX 3 (Redacted)

The following is an itemized list of the number and type of table games for which Mount Airy is seeking Board authorization to put in place in connection with its table game expansion:

Total Number of Table Games 68

Public Filings

APPENDIX 4

If table games are authorized at Mount Airy, it is anticipated that Mount Airy will add an additional **330** full-time and **150** part-time employees to its team. Mount Airy is committed to adding to its employee compliment in the same manner and form that it has recruited and hired employees from the outset of Mount Airy's commencement of gaming operations in October 2007. Under this initiative, Mount Airy has consistently maintained one of the most diverse work forces of any Pennsylvania Casino with the percentage of women and minority employees making up some 37 (thirty-seven) percent of Mount Airy's workforce. See Mount Airy Diversity Statistics attached hereto.

In light of Mount Airy demographics and location in the northeastern Pennsylvania region, this percentage of minority and women employees not only far exceeds the percentage of women and minorities employed in similarly situated licensed gaming facilities in the northeast, but also far exceeds other larger businesses in its region. Mount Airy is extremely proud of its diverse workforce and as a means of continuing its standard of excellence in this regard has modified its current hiring plan pursuant to §§ 1212, 1304A and 1510 of S.B.711; 4 Pa.C.S. §§1212, 1304 and 1510. See Updated Mount Airy Hiring Plan attached hereto as Appendix 4A.

FEO GROUPS	ALL EMPLOYEES	MALES										FEMALES				
		WHITE	BLACK	HISPANIC	ASIAN AMER.	AMER. INDIAN	NAT. HAW.	TWO RACES	WHITE	BLACK	HISPANIC	ASIAN AMER.	AMER. INDIAN			
1.1 EXEC/SR LVL OFC AND MGT	11	8	0	0	0	0	0	0	0	0	0	0	0	0	0	
1.2 FIRST/MID LVL OFC AND MGRS	53	27	1	1	0	0	0	0	0	0	0	18	2	2	2	
2 PROFESSIONALS	68	25	2	3	0	0	0	0	0	0	0	27	2	6	2	
3 TECHNICIANS	21	16	1	2	0	0	0	0	0	0	0	1	0	1	0	
5 ADMINISTRATIVE SUPPORT WORKERS	21	3	0	0	0	0	0	0	0	0	0	14	2	2	0	
7 OPERATIVES	9	7	1	0	0	0	0	0	0	0	0	1	0	0	0	
8 LABORERS AND HELPERS	233	80	34	44	1	1	1	1	1	2	2	41	13	16	0	
9 SERVICE WORKERS	505	119	34	28	2	4	0	0	0	0	0	187	43	73	5	
EMPLOYER TOTALS:	921	285	73	78	3	5	1	1	2	2	2	292	62	100	7	4

FEO COMPANY SNEESHOT		MALES	FEMALES	TOTALS
Total number of active employees		447	474	921
Percentages		48.53%	51.47%	100.00%
Minorities		162	474	636
Percentages		17.59%	51.47%	69.06%

RESIDENCE STATISTICS	
Total number of employees	921
Number of PA residents	907
Percentage of PA residents	98.48%

MINORITY PROMOTIONS			
EMPLOYEE NAME	PROMOTED TO	RACE	GENDER
Thomas Trice	Count Room Mgr	B	M
Tara Soto	Housekeeping Supervisor	H	F
Wyvyl Rosamilla	Operations Controller	W	F

PROMOTION STATISTICS	
Number of promotions	8
Minority promotions	3
Percentage of minority promotions	37.50%

		TWO	
NAT.	HAW.	RACES	
0	0	0	
0	0	0	
0	0	1	
0	0	0	
0	0	0	
0	0	0	
0	0	0	
1	1	7	
1	1	8	

APPENDIX 4A

MOUNT AIRY #1, L.L.C.

DOCKET NO. 1311

MOUNT AIRY HIRING 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.

- 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 the corporate manager 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
- 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.

The 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. 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.

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. Mount Airy will continue to recruit and train qualified diverse employees for its table game operation who are currently Pennsylvania resident or who would relocate to Pennsylvania as a result of their employment with Mount Airy

VI. Conclusion

As is reflected in this plan, 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. Mount Airy is confident that it will be able to continue its initiatives as it moves forward to implement table game operations at its facility.

APPENDIX 5

Through the creation of a premier casino resort destination in northeast Pennsylvania, Mount Airy has already, in less than three years of operation created some 800 quality living wage jobs, generated over \$216 Million in tax revenue for the Commonwealth of Pennsylvania, and had innumerable positive secondary effects on the its surround local economy and the economy of the Commonwealth as a whole. Mount Airy feels strongly that the advent of table games at its facility will only further enhance this positive economic impact through both the creation of more quality jobs with benefits and through a significant increase in tax revenue slated to be generated by commencement of table game operations.

In addition to the foregoing, another significant economic benefit Mount Airy believes will be realized is that through the increased revenues it plans to realize through table games, it will be able to expand its facility and invest in further development opportunities that it has on the significant acreage surrounding its facility.

APPENDIX 6 (Redacted)

Mount Airy#1 plans to fund its \$35 Million table game expansion through an equity infusion from its sole member, Mount Airy Holdco LLC. Mount Airy Holdco LLC will obtain the \$35 Million necessary to make this equity investment from the Grantor Trust II of Lisa DeNaples (“Lisa Trust) , which in turn will have obtained the \$35 Million through a loan from Mount Airy’s Principal and Guarantor Louis A. DeNaples. ~~Attached hereto is the near final copy of the promissory note memorializing said loan agreement and the commitments of the Lisa Trust and Mount Airy Holdco LLC. (Redacted)~~

PUBLIC FILING

Mount Airy Sources and Uses Statement

On behalf of Mount Airy, the following is a breakdown of the sources and uses covering the sources of funds Mount Airy is going to utilize for the build out and implementation of table games into its existing facility. Mount Airy anticipates spending \$35 Million on its table game expansion project which breaks down as follows:

Sources: Redacted

Uses :Redacted

PUBLIC FILING

APPENDIX 7 (Redacted)

Pursuant to § 1312A(b)(7), Mount Airy asserts the following information and documentation establishes by clear and convincing evidence that it has the financial stability, integrity and responsibility to warrant Board authorization to conduct table game operations through approval of a Table Game Certificate. Apart from the Board's initial finding of financial suitability necessary to warrant the issuance of its Category 2 Slot Machine license, Mount Airy, through both slot machine and resort revenues, and in certain instances capital contributions of its former owner and current Principal Guarantor Louis A. DeNaples, has maintained the financial stability and integrity necessary to operate Mount Airy Casino as a viable going concern and in such a manner as to warrant the Board's authorization to add table games to its gaming operations.

As evidence of the foregoing, ~~attached hereto is a copy of Mount Airy's audited financial statement for 2008 (Redacted), and four quarters of financial statements through period ending September 30, 2009 (Redacted).~~ In addition, pursuant to § 1207(4) of S.B. 711, Mount Airy will submit audited financial statements for 2009 to the Board on or before (Redacted).

APPENDIX 8 (Redacted)

Through the following information and documentation, Mount Airy seeks to establish, by clear and convincing evidence that it possesses sufficient business ability and experience to maintain a successful table game operation over and above the current success that it has realized through its slot machine revenues and resort operations. Mount Airy is confident that the business model that it has created since its inception, in conjunction with its location and percentage of market share will enable it to realize significant increases in revenue through the addition of table games at its facility. Mount Airy anticipates this will come directly from revenues in connection with its table game operations as well as the secondary effect that the presence of table games will have on its slot revenues. Mount Airy's make up and location, unlike any other casino in Pennsylvania, relative to the northern New Jersey and New York markets, put it in the best position for what Mount Airy management believes is the greatest increase in revenue given that it already possesses a full service Category 2 resort.

Mount Airy commenced gaming operations in October 2007 as the Commonwealth's first stand alone licensed Category 2 facility in the heart of the Pocono Mountains in northeast Pennsylvania. Mount Airy's current resort casino was constructed on the site of the former well known Mount Airy Lodge overlooking the Pocono Mountains. Additionally, Mount Airy is in close proximity to Pennsylvania State Routes 80 and 380 as well as the New York, northeastern Pennsylvania and North Jersey population centers. Mount Airy was not only the Commonwealth's first stand alone Category 2 casino, but it also possesses the most amenities for its patrons

Petition of Mount Airy #1, LLC

including a full service luxury hotel, golf course, state of the art spa and fitness area, high-end restaurants and night club, located on nearly 1000 acres of picturesque land, which represents the largest physical footprint and development opportunity of any licensed gaming facility in the Commonwealth.

Mount Airy also has the advantage of having a seasoned management team with vast levels of gaming experience stemming from years of working in other highly regulated gaming jurisdictions such as New Jersey and Las Vegas. It is through this group's level of experience a expertise that Mount Airy is more than prepared to create and maintain a successful table game operation.

Including the payment of the Category 2 Slot License fee in the amount of \$50 Million, Mount Airy has invested some \$400 Million into the construction and infrastructure of its state of the art facility. Beyond consistently providing quality living wage jobs to some (800) eight hundred people from the commencement of its gaming operations in 2007 to date, Mount Airy has generated over **\$216,732,473.00** in tax revenue for the Commonwealth of Pennsylvania that has been used to fund property tax relief as well as a myriad of programs and causes for the citizens and communities of this Commonwealth. *See* EEO-1 Report attached hereto. In addition, apart from the millions of dollars Mount Airy injects into the northeastern Pennsylvania economy through the payment of the salary, wages and benefits of its employees, Mount Airy, through its business relationships with local and national vendors and suppliers also does a great deal to stimulate the economies of northeastern Pennsylvania and surrounding jurisdictions.

Petition of Mount Airy #1, LLC

As evidence of the forgoing, attached to this Appendix are copies of ~~(4) four quarters of Mount Airy's financial statements through September 2009. See Mount Airy Balance Sheets Through September 30, 2009 (Redacted)~~. In further support of Mount Airy's ability to create and maintain a successful table game operation, ~~also attached hereto are Mount Airy's overall budgets for 2010 and 2011 including anticipated table revenue. See Mount Airy 2010 and 2011 revenue projections (Redacted)~~. Given Mount Airy's debt structure, coupled with what Mount Airy believes are conservative, achievable revenue numbers in connection with the implementation of its table game operations, Mount Airy is confident that adding table games to its already successful casino will result in further economic growth.

EEO GROUPS	ALL EMPLOYEES	MALES										FEMALES				
		WHITE	BLACK	HISPANIC	ASIAN AMER.	AMER. INDIAN	NAT. HAW.	TWO RACES	WHITE	BLACK	HISPANIC	ASIAN AMER.	AMER. INDIAN			
1.1 EXEC/SR LVL OFC AND MGT	11	8	0	0	0	0	0	0	0	0	0	0	0	0	0	
1.2 FIRST/MID LVL OFC AND MGRS	53	27	1	1	0	0	0	0	0	0	0	18	2	2	2	
2 PROFESSIONALS	68	25	2	3	0	0	0	0	0	0	0	27	2	6	2	
3 TECHNICIANS	21	16	1	0	0	0	0	0	0	0	0	1	0	1	0	
5 ADMINISTRATIVE SUPPORT WORKERS	21	3	0	0	0	0	0	0	0	0	0	14	2	2	0	
7 OPERATIVES	9	7	1	0	0	0	0	0	0	0	0	1	0	0	0	
8 LABORERS AND HELPERS	233	80	34	44	1	1	1	1	1	2	2	41	13	16	0	
9 SERVICE WORKERS	505	119	34	28	2	4	0	0	0	0	0	187	43	73	5	
EMPLOYER TOTALS:	921	285	73	78	3	5	1	2	2	2	2	292	62	100	7	4

EEO COMPANY SNEESHOT		MALES	FEMALES	TOTALS
Total number of active employees		447	474	921
Percentages		48.53%	51.47%	100.00%
Minorities		162	474	636
Percentages		17.59%	51.47%	69.06%

RESIDENCY STATISTICS	
Total number of employees	921
Number of PA residents	907
Percentage of PA residents	98.48%

MINORITY PROMOTIONS			
EMPLOYEE NAME	PROMOTED TO	RACE	GENDER
Thomas Trice	Count Room Mgr	B	M
Tara Soto	Housekeeping Supervisor	H	F
Wyvyl Rosamilia	Operations Controller	W	F

PROMOTION STATISTICS	
Number of promotions	8
Minority promotions	3
Percentage of minority promotions	37.50%

NAT. HAW.		TWO RACES	
0	0	0	0
0	0	0	0
0	0	1	1
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
1	1	7	7
1	1	8	8

APPENDIX 9 (Redacted)

Regarding the one time non-refundable \$16.5 Million table game authorization fee, Mount Airy will pay [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] (Redacted).

In addition, pursuant to § 1361A(b) of S.B. 711 Mount Airy will remit [REDACTED] payment for the [REDACTED]

[REDACTED] (Redacted).

PUBLIC HEARING

APPENDIX 10 (Redacted)

~~Attached hereto as Appendix 10A and 10B are detailed site plans of Mount Airy's build-out for table games to its existing facility, including all restricted areas within its permanent facility.~~ **(Redacted)** As the Board will note from the attached site plans, none of Mount Airy's build-out plans for table games include an expansion of its current facility's footprint, but instead will involve reconfiguration and internal refurbishing of its existing facility.

PUBLIC FILING

APPENDIX 11

Attached hereto is Mount Airy's fully executed Acknowledgement and Waiver of Rights Form. See Executed Acknowledgment and Waiver of Rights Form.

Public Filings

Acknowledgement ad Waiver of Rights

Mount Airy #1 LLC d/b/a Mount Airy Casino Resort ("Mount Airy"), and Lisa A. DeNaples, on behalf of Mount Airy as well as its principals, owners, affiliates, officers and directors hereby acknowledge that a Table Game Operation Certificate authorized under the Pennsylvania Race Horse Development and Gaming Act, 4 Pa. C.S. §§1101, et. seq. as amended, is a privilege to conduct table game operations in Pennsylvania under the purview, discretion and authorization of the Pennsylvania Gaming Control Board, and that there is no right created by State law to obtain said table game Operation Certificate. Mount Airy further acknowledges that by petitioning for the approval of a Table Game Operation Certificate, Mount Airy as well as its principals, owners affiliates, officers and directors hereby knowingly waive certain rights which may otherwise arise as a result of amendments or additions to the Pennsylvania Race Horse development and Gaming Act that took effect on January 7, 2010 as set forth below:

(1) The right under section 1209 (F) (relating to slot machine license fee) or under any contract executed by the slot machine licensee/ petitioner and the Department of Revenue under section 1209(c) to receive the return of any portion of the slot machine licensee/ petitioner for its slot machine license;

(2) The right, if any, to sue for the return of any portion of the slot machine license fee paid by the petitioner for its slot machine license. 4 Pa.C.S. §1312A (B) (11).

Additionally, Mount Airy acknowledges that should it be entitled to a return of any portion of the \$ 50 Million slot machine license fee, a one-time slot machine license renewal fee will be assessed in a amount equal to the amount of the fee returned to the slot machine licensee as provided in 4 Pa.C.S. §1209 (f) (3).

Petition of Mount Airy #1, LLC

I, as an officer of the slot machine licensee, hereby certify that I am authorized on behalf of the slot machine licensee, and its principals, owners, affiliates, officers and directors, to sign this waiver and to bind the slot machine licensee to the terms and conditions of this Acknowledgement and Waiver of Rights. I further certify that I have had the opportunity to consult with counsel regarding this matter and am knowingly and voluntarily agreeing to the terms of the waiver as a condition of petitioning the Pennsylvania Gaming Control Board for the approval of a Table Game Operation Certificate pursuant to 4 Pa.C.S. Chapter 13A.

I certify that this Acknowledgement and Waiver of Rights has been presented to each of the slot machine licensee's/ petitioner's principals for review and approval and that each principal has acknowledged and accepted the terms as indicated by his or her signature below.

I further certify and agree that if the slot machine licensee, on its own behalf or by and through its principals, owners, shareholder, officers and directors attempts to asset a challenge to the requirement of this waiver as a condition to receiving a Table Game Operation Certificate as provided for and required by 4 Pa.C.S. Chapter 13A and Section 1312A (b) (11), the slot machine licensee shall be responsible for indemnifying, and holding harmless the Pennsylvania Gaming Control Board and its members, officials and employees from, all costs and expenses of litigation as well as from any claims or judgments for damages or other harm relating in any way to the subject matter of the Acknowledgment and Waiver of Rights, the petition for a Table Game Operation Certificate, or a refund of license fees provided for under Section 1209 (f) of the Pennsylvania Race Horse Development and Gaming Act, 4 Pa.C.S. §1209 (f).

APPENDIX 12

In order to meet the guidelines set forth in §§ 1302A (7) and 1323A(a) of S.B. 711, Mount Airy has partnered with Northampton Community College (“NCC”) to effectuate its table game training. To date, a location has been secured approximately 5 miles from Mount Airy’s property and in conjunction with Mount Airy, NCC is finalizing the purchase of very well established table game training curriculum from Atlantic Cape Community College in New Jersey. For many years, Atlantic Cape Community College refined this table game training curriculum and has used it to successfully train thousands of dealers and casino pit personnel who are employed in licensed gaming facilities throughout the United States. Mount Airy anticipates that this curriculum will meet all of the guidelines of the Department of Labor and Industry. Attached hereto please find a summary breakdown of the dealer-training program that Mount Airy anticipates using to effectuate its dealer and pit personnel in collaboration with NCC. *See Dealer Training Curriculum Summary.*

In addition, pursuant §1323A.1(a), Mount Airy is in the process of acquiring table game devices and associated equipment that will be used by NCC for the sole purpose of conducting table game training. Mount Airy anticipates that the foregoing will be in place within 30 (thirty) days, and, in the interim is also actively seeking qualified table game personnel to join Mount Airy’s team. It is anticipated that these individuals will, during the pendency of the initial rounds of table game training, serve as trainers for NCC but be employees for Mount Airy. Following the initial 6 (six) months of table game training, NCC’s temporary training facility near Mount Airy’s property will close and all future training will take place at NCC’s facility in Bethlehem, Pennsylvania.

APPENDIX 13

Pursuant to §1312A(b)(12), the total anticipated investment by Mount Airy in connection with both the build-out, infrastructure and implementation of its table game operations including construction expenses is projected to be \$35 Million. In connection with the same it is anticipated that approximately 75 (seventy-five) to 100 (one hundred) construction jobs will be involved.

PUBLIC FILINGS