

DIVERSITY PLAN

MOUNT AIRY #1, LLC

December 15, 2005

Initials



Mount Airy #1, LLC (the "Company") has developed the following Diversity Plan to assure that all persons are accorded equality of opportunity in employment and contracting by our Company, our contractors, subcontractors, assignees, agents, vendors and suppliers (that is, in all aspects of our business).

The objective of our Diversity Plan is to provide opportunity and to develop and foster relationships to enhance participation of diverse groups in our business operations including recruitment, professional development, advertising, marketing, sales, public relations, purchasing, construction and philanthropy. The diversification of our workforce and business relationships is important to our Company and to our community. We plan to reach out across diverse communities and constituencies throughout our community, the Commonwealth of Pennsylvania and the Nation. We will also develop all necessary internal systems and processes to maintain accountability of our diversity policy and commitment.

Why We Value Diversity

- Our experience demonstrates that a diverse workforce and diverse business partners reflect our patrons and our community.
- A diverse work environment is understanding and sensitive to varying backgrounds.
- A diverse workforce develops fresh and innovative ideas.
- A diverse workplace where different cultures, capabilities, gender and age are respected and appreciated reduces conflict among diverse groups of employees, increases effectiveness of managers and improves employee morale.

- Diversity increases cooperation, collaboration and team building.
- Diversity improves client/customer relations.

Approaching Diversity Together

Our three general approaches for implementing diversity are Diversity Action, Valuing Diversity, and Managing Diversity. These three approaches are characterized as follows:

- 1. Diversity Action:** An approach to provide opportunity with a goal to gain representation and upward mobility for racial / ethnic minorities and women. It is focused on special efforts to recruit targeted groups. It opens up the doors of the organization to establish the base for diversity.
- 2. Valuing Diversity:** An approach with a goal to develop, foster and improve the quality of relationships between people. It is motivated by a commitment to capitalize on the richness of different cultures. It is focused on understanding the cultural similarities and differences within an organization. It opens up people's emotions and minds to diversity and establishes mutual respect and greater receptivity to diversity initiatives.
- 3. Managing Diversity:** An approach with a goal to improve the full use of all human resources in our Company. It is motivated by our commitment to provide quality service and achieve increased productivity. It is focused on creating a diversity-friendly management system.

Our Diversity Policy Statement

Mount Airy Resort & Casino recognizes the importance of diversity in all aspects of its business

as an employer and as a consumer of goods and services in the gaming and resort industry. Therefore, we have established a Diversity Plan that contains three major objectives.

1. Our Diversity Plan is intended to promote nondiscrimination and the respect for diversity in all aspects of our business. Our Diversity Plan is a commitment to equal opportunity in all aspects of our business without regard to race, color, sex, national origin, age, religion, marital status, disability, sexual orientation, family status, socioeconomic status, or any other extraneous consideration not directly and substantively related to effective job performance.
2. Our Diversity Plan is intended to promote the recruitment, hiring, advancement and retention of racial / ethnic minorities, women and people with disabilities in all aspects of our business. To accomplish this objective, it is our policy to undertake efforts that recognize and value the racial / ethnic minority, gender or disability status of employees and applicants for employment as an additional and positive factor in employment and contracting. Accordingly, the Company will affirmatively and aggressively reach out to racial / ethnic minorities, women and the disabled in all its employment matters and will require its construction and goods and services vendors to do the same.
3. Our Diversity Plan is focused on our responsibility to provide for equal employment opportunity in our business practices and to require the assurance of similar diversity practices from those we contract with to do business. As part of our due diligence reviews of all contractors, subcontractors and vendors:
 - We incorporate as part of our bid process the requirement that all bidders or prospective contractors certify that their employment policies and practices do not discriminate on the grounds of race, color, religion, sex, national origin, physical or mental handicap, sexual orientation or age unless based upon bona fide occupational qualifications, and that they are otherwise in compliance with all

federal, state and local laws prohibiting discrimination.

- We require each contractor, subcontractor, assignee, agent, vendor and supplier to submit to us for our review their Diversity Plan prior to entering into a contract for goods or services.
- We make every effort to identify and enter into contracts with businesses owned and operated by companies certified by the Bureau of Minority and Women's Business Enterprises of the Department of General Services or otherwise listed as qualified by the Pennsylvania Gaming Control Board.

Communicating Our Belief in Diversity

To ensure that our employees and constituents are aware of our workforce diversity commitments and our Diversity Statement, internal and external communication systems have been established. The following guidelines will allow us to disseminate information about our Diversity Plan. These guidelines may be revised or adapted as needs arise.

Internal Communication

- Management will maintain a copy of the Diversity Policy Statement as part of our Company manual and periodically reaffirm its commitment to workforce and supplier diversity and equal employment opportunity.
- The Diversity Policy Statement will be posted in the Employee Lounge and locker rooms.
- Employees will be provided with a copy of the Diversity Policy during new

employee orientation and training.

- Special meetings will be held periodically with all administrators and supervisors who have hiring, promotion and contracting for goods and services authority, to communicate individual responsibility for effective implementation of the Diversity Plan.

External Communication

- Recruitment announcements and classified advertisements for employment and employment applications will identify our Company as an Equal Opportunity Employer.
- Contractors, subcontractors, vendors and suppliers will be notified of our Nondiscrimination / Equal Opportunity policy. We will require each contractor, subcontractor, vendor and supplier to submit to us for our review a copy of his / her Diversity Plan.
- Our Diversity Committee will be an active participant in workforce diversity and affirmative action planning and evaluation, and will be kept apprised of and consulted on new developments in the areas of workforce diversity and affirmative action.

Diversity Committee

To ensure success of our Diversity Plan we will establish a Diversity Committee to provide leadership, involvement and implementation of the Plan throughout the entire Company.

The Diversity Committee will function as an advisory body to management and will be composed of key managers, supervisors and employees who will develop the vision, strategy and policy for our diversity initiatives. The Committee will identify policies, programs and practices to further promote diversity. The Diversity Committee members will be representative of the Company's diverse workforce and include women, racial and ethnic minorities and persons with disabilities.

Training and Other Diversity Initiatives

The Diversity Committee will oversee implementation, training and other diversity initiatives. Through a combination of training efforts that focus on awareness, knowledge and employee training, we will create the climate for motivating positive behavior change in valuing diversity in the workplace.

OUR GOALS AND OBJECTIVES

We are committed to our Diversity Plan Statement. Our commitment is supported by positive practical efforts to ensure equal opportunity for racial / ethnic minorities, women and people with disabilities in securing employment, in promotional opportunities at all levels and occupational categories, and in contracting for goods and services.

This commitment will also include an organization that in the broader context:

- Reflects the contributions and interests of diverse cultures in its mission, operations and instructional services.
- Includes members of diverse cultures in decisions that affect them.

- Values diversity and views the differences between people as a strength.
- Uses management practices and policies that emphasize participation and empowerment of all people in the organization.
- Creates a working environment where all people are valued.
- Follows through on broader external social responsibilities by educating employees in perspectives of diverse cultures.

Program Goals

Our Diversity Plan goal is to achieve and maintain in all aspects of our business levels of racial / ethnic minorities, women and people with disabilities at least in proportion to their availability in our relevant labor market.

Program Objectives

In furtherance of our diversity values and program goals, we have the following program objectives:

- To identify areas of under-representation of racial / ethnic minorities, women and people with disabilities, and outline the action steps necessary to increase their representation.
- To employ women, racial / ethnic minorities and people with disabilities throughout all levels of the organization and throughout all job classifications and occupational categories.

- To eliminate and prevent discriminatory practices relating to employment, or access to promotion, for women, men, racial / ethnic minorities or people with disabilities.
- To identify and define problem areas and barriers to achieving workforce diversity and take affirmative actions where necessary.
- To outline and implement management actions and targeted recruitment plans for the attainment of program goals.
- To implement a diversity evaluation process in order to systematically gauge our progress toward goals and the effectiveness of action plans.
- To provide an annual report on the performance of our Diversity Plan and file the annual report with the Pennsylvania Gaming Control Board pursuant to Regulation Section 481.5(a).

**SUPPLIER DIVERSITY – MOUNT AIRY RESORT & CASINO DIVERSITY
OUTREACH PROGRAM**

We will take steps to obtain goods and services from qualified minority, women, disabled veterans and disadvantaged-owned business enterprises (MBEs, WBEs, DVBEs and DBEs), and expand the base of MBEs, WBEs, DVBEs and DBEs with whom we do business.

Our Diversity Outreach Program is the foundation for implementing processes to offer contracting opportunities for MBEs, WBEs, DVBEs and DBEs.

Under the program, we will provide MBEs, WBEs, DBEs, and DVBEs with information

regarding contracting opportunities timely and reliable.

We will develop proactive methods of communication to keep local area businesses and community residents informed about upcoming construction opportunities.

We will establish cooperative relationships with business organizations and community groups interested in the success of MBEs, WBEs, DBEs and DVBEs; develop and coordinate a network of existing resources to assist with the outreach effort; and participate in meetings and events, and encourage the exchange of information and ideas.

We will implement aggressive outreach techniques to identify local businesses interested in participating in our Diversity Outreach Program to increase the number of qualified bidders who can provide goods and services required by the Company.

We will develop and implement a reporting system to continually track MBE, WBE, DBE and DVBE outreach and participation. We will review procurement reports to track the extent to which these groups are participating in contracting opportunities.

Through the Mount Airy Resort & Casino Outreach Program, we will:

- Create a database of qualified and certified MBE, WBE, DBE and DVBE.
- Provide mentoring to MBE, WBE, DBE and DVBE businesses that have acceptable products but are unable to meet all the specifications of a purchase order such as volume of product.
- Track purchases from minority and women owned businesses and report on a quarterly basis.
- Participate at trade shows targeting MBE, WBE, DBE and DVBE businesses.

- Become active members of organizations that represent MBE, WBE, DBE and DVBE companies.
- Advise construction companies and vendors of our commitment to our Plan, and encourage them to utilize MBE, WBE, DBE and DVBE as subcontractors.

Accountability

The key to success in achievement of any plan or goal is assessment and accountability. We will analyze our people and our systems to determine whether we are accomplishing our goals and whether our actions are congruent with our values.

Annual Status Reports

In addition to the information required to be reported to the Pennsylvania Gaming Control Board pursuant to Regulation Section 481.5(a):

- We will set workforce diversity goals for women, racial / ethnic minorities and people with disabilities. We will review our achievements and progress towards diversity on an annual basis.
- The Director of Human Resources will provide an Annual Status Report to top management for reviewing the status of our Diversity Plan goals and objectives.
- Our Diversity Plan reviews will include analyses of new hires, promotions, applicant flow, separations and vendor contracts, as well as assessment of achievement of other goals in the Diversity Plan.

The specific intent of these analyses is to determine progress towards program goals, to correct problem areas, and to establish or modify action plans as needed.

Employee Performance Evaluations

Performance evaluations of employees shall include progress in implementing Company diversity goals as part of the performance review.

- Managers and supervisors with hiring, promotion and vendor contracting authority will be specifically evaluated as part of the performance review.
- Factors related to Company diversity will be considered in the promotion process for supervisors and managers.

INITIATIVES IN COMMUNITY AND CHARITABLE GIVING

Giving to Our Community

We recognize the importance of our obligation to be a positive influence and responsible business member of our community. We consider the value of diversity in reviewing all requests for charitable contributions. The Company directs its corporate charitable funding to children, public education and community development initiatives. These initiatives will, by their nature, inherently provide support to diverse groups in our community.

CONCLUSION

Diversity is about providing equality of opportunity by developing and fostering relationships that enhance the participation of diverse groups in all aspects of our business.

The Company's support and long-term commitment to diversity are the foundations of a successful program. As new diversity issues and challenges arise, our Company will develop new initiatives to address the issues and challenges.

More employees will become involved in the diversity process as membership on the Diversity Committee changes. As we strive toward providing culturally sensitive services to a diverse population, we welcome the challenges ahead and we understand that we are truly connected through diversity.

DIVERSITY PLAN STATEMENT

SLOT MACHINE LICENSE APPLICANT NAME Mount Airy # 1, L.L.C.

SLOT MACHINE LICENSE APPLICANT MAILING ADDRESS 299 Main St - Sturges

Olyphant, PA 18447

SLOT MACHINE LICENSE APPLICANT PHONE NUMBER (570) 876-2300

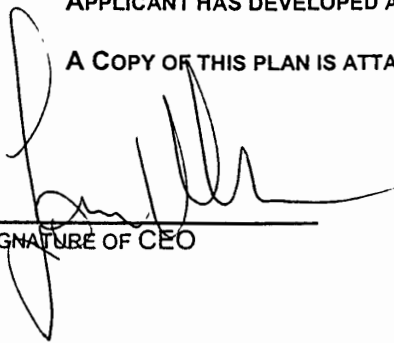
EQUAL OPPORTUNITY OFFICER _____

DATE SUBMITTED / /

PURSUANT TO §1325(B)(1) OF THE PENNSYLVANIA RACE HORSE DEVELOPMENT AND GAMING ACT:

APPLICANT HAS DEVELOPED AND IMPLEMENTED A DIVERSITY PLAN.

A COPY OF THIS PLAN IS ATTACHED. SEE TAB, "DIVERSITY PLAN".



SIGNATURE OF CEO

Louis DeNaples

NAME PRINTED

12 / 14 / 05

DATE