

HSP Gaming, L.P. Economic Opportunity and Diversity Plan: Sugarhouse Project Development

I. Project and Plan Introduction

The "Project" consists of the development of the SugarHouse facility, located at 1080 Delaware Avenue in the City of Philadelphia, Pennsylvania by HSP Gaming, L.P. (referred to hereafter as "HSP" or "Developer"). The term "Participants" shall mean, as determined by the Developer, certain consultants, contractors, sub-contractors and vendors of supplies, equipment and materials. All Participants in the Project are encouraged to become familiar with and follow this Economic Opportunity Plan ("the Plan").

The Developer is committed to provide meaningful and representative opportunities for minority-owned, women-owned and disabled-owned business enterprises, and economically disadvantaged-owned business enterprises (collectively referred to hereafter as "M/W/DS-BEs") and individuals that are locally based in all phases of the Project in accordance with this Plan. It is expected all Participants will make the same commitment. Each Participant shall not, and furthermore, shall ensure that their associates, partners or representatives shall not discriminate on the basis of race, color, religion, sex or national origin in the award and performance of contracts pertaining to the Project or with respect to any and all related employment practices.

All Participants in the Project shall observe and be subject to the enforcement of all applicable City of Philadelphia, Commonwealth of Pennsylvania and federal laws, ordinances, orders, rules and/or regulations regarding M/W/DS-BE firms consistent with sound procurement policies and applicable laws, the Developer and Participants will make commercially reasonable good faith efforts to ensure that M/W/DS-BE firms are afforded a meaningful and representative opportunity to participate in contracts relating to the Project. However, Developer's business is subject to regulation by the Pennsylvania Gaming Control Board, and to the extent that any aspects of this Plan may conflict with any statute or regulation relating to gaming in Pennsylvania, such statute or regulation is and shall be controlling.

For the purposes of this Plan, the term "minority" shall refer to the following: black (all persons having origins in any of the Black African racial groups); Hispanic/Latino (all persons of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin); Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands); and American Indians (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

Agencies and representatives of the City of Philadelphia and/or Commonwealth of Pennsylvania may be consulted regarding the appropriate inclusion of M/W/DS-BE firms in this Project as outlined in this Plan, at the Developer's discretion.

II. Mission Statement

The following mission statement summarizes HSP's commitment to diversity. It will be posted in prominent places. It will communicate the foundation of HSP's diversity mission to employees, business partners and our community:

HSP Gaming, L.P. is devoted to building and nurturing a diverse environment and is committed to equal opportunity employment and participation by a diverse group of employees in all employment classifications throughout the organization, vendors, suppliers and contractors.

- *We are committed to recruiting, employing, training and advancing talented people of any race, sex, age, culture, religion, lifestyle or disability.*
- *We actively search for a diverse pool of candidates to provide us with a depth of talent, skills and potential to meet our goals in all employment levels of our operation.*
- *We celebrate our heterogeneous employee base and appreciate its cooperative power as a means to meet our business goals.*
- *We are dedicated to utilizing diverse Philadelphia area vendors, suppliers, contractors and other service providers to enhance the participation of such groups in the success of our facility, and to encourage the ownership and advancement of such firms.*
- *We require that our contractors and vendors practice equal opportunity policies when they deal with others who provide goods or services to us.*

HSP believes that when we partner with diverse persons and businesses, there are limitless opportunities to share knowledge and expertise, and to ultimately assist each other to grow and succeed.

III. Procedures for Determination

A. Scope/Duration. This Plan shall apply to contracts awarded and procurements by the Developer and all Participants throughout the entire length of the Project.

B. Statement of Objectives. The Objectives set forth in the Plan shall be incorporated in all requests for proposals, bid packages and solicitations for the Project and communicated to all Participant levels.

C. Commercially Reasonable Good Faith Efforts.

1) Efforts with Contractors and Procurement. Developer shall use commercially reasonable good faith efforts to provide appropriate participation and utilization opportunities for M/W/DS-BE firms. All Participants are expected to do likewise, consistent with sound procurement practices, and with applicable law. Commercially reasonable good faith efforts will be deemed adhered to when a Participant demonstrates and documents its good faith efforts in compliance with the suggestions below throughout the length of the Project. Upon request, Participants will submit a plan showing how commercially reasonable good faith efforts were made. As determined by the Developer, this plan may include, but not be limited to, the following:

- Written request for any required assistance to the Developer at least three (3) business days prior to the bid due date.
- Solicitation through newspapers, periodical advertisements, job fairs, etc. that are minority-owned and/or focused.
- Telephone logs demonstrating good faith efforts to provide participation opportunities to M/W/DS-BE firms.
- Evidence of solicitation to qualified, certified M/W/DS-BE firms.
- Upon the Developer's request, bid results and reasons (if applicable) as to why awards were made to contracted firms.
- Correspondence between contracting firm and any M/W/DS-BE firms.
- Attendance logs and/or records of any scheduled pre-bid or pre-proposal meetings
- Specific, general and technical assistance offered and provided to M/W/DS-BE firms related to their portion of the Project.
- Proof that there was notification of and access to bid documents at company or other office locations for open and timely review.

In addition:

- HSP will utilize the list of the minority and women's business enterprises that are prequalified by the Bureau of Minority and Women's Business Enterprises of the Pennsylvania Department of General Services to seek goods and services from diverse vendors.
- HSP will "partner" with local organizations in its efforts.
- HSP will create a procurement website itemizing procurement needs and providing informational assistance, such as certification requirements and certification bodies, for M/W/DS-BE firms.
- HSP will produce and distribute brochures describing procurement needs, processes and contract information to local M/W/DS-BE firms.
- HSP will participate in American Gaming Association events such as the Opportunity Expo, to find qualified and certified M/W/DS-BE firms to conduct business.

- Purchasing managers will work with identified M/W/DS-BE firms closely to ensure compliance with equal employment opportunity policies and to confirm ownership and/or other minority participation.
- Purchasing managers will help qualified vendors and suppliers (as defined by the Pennsylvania Department of General Services), where necessary, by providing pertinent information and feedback so that they can compete effectively on price, service and product quality.
- Purchasing personnel will track dollar volume and performance of suppliers and vendors and provide reports/data to monitor compliance with the Diversity Plan.

2). Efforts relating to project construction.

HSP will work with its construction contractor(s) to encourage and support the engagement of M/W/DS-BE firms as subcontractors/suppliers where appropriate. To this end, HSP will work with Philadelphia's Diversity Apprenticeship Program to develop a potential network of direct and indirect construction contractors.

HSP plans to retain Keating Building Corporation ("Keating") (an entity associated with Daniel J. Keating, III, one of the owners of HSP) as primary construction contractor. Keating has extensive experience and a strong track record in the execution of its M/W/DS-BE firm plan. HSP will work with Keating and the Board to develop a precise Participation Plan utilizing Keating's extensive experience in the Philadelphia area with M/W/DS-BE firms. Keating has a detailed M/W/DS-BE firm plan. Key points of the plan are the following:

- Identify local, state and regional M/W/DS-BE firms.
- Prequalify firms by area of expertise, similar experience, track record for and financial capability.
- Prepare and divide bid packages in a manner that maximizes the utilization of M/W/DS-BE firms.
- Assist in developing joint ventures between M/W/DS-BE firms and non-M/W/DS-BE subcontractors.
- Encourage bidder participation through direct solicitation of and assistance where required in bid preparation.
- Ensure diversity across all areas of the specifications.
- Assist M/W/DS-BE firms with their performance, fast-track and multi-track projects.
- Provide economic and bonding support, where required.
- Work with the local trade organizations to provide meaningful participation opportunities to both the skilled and unskilled available minority workforce.

D. Monitoring of Commercially Reasonable Good Faith Efforts. Developer requirements relative to monitoring of commercially reasonable good faith efforts of Participants engaged in the development phase of the Project shall be established by the Developer in consultation with appropriate city, state and federal agencies and/or private professional entities to include (in addition to further measures as may be required) the following:

- 1) Participants shall submit to the Developer copies of signed contracts and purchase orders with M/W/DS-BE subcontractors.
- 2) Participants shall be ready upon request of the Developer to provide to the Developer evidence of payments to their subcontractors, sub-consultants and supply vendors for participation verification.
- 3) At the conclusion of work, Participants shall provide to the Developer a statement or other evidence of the actual dollar amounts paid to M/W/DS-BE subcontractors.
- 4) Upon request made pursuant to applicable legal authority, all Participants shall be prepared to submit certified payrolls listing the following items for all employees engaged on the Project:
 1. Full name
 2. Social Security number
 3. Full address
 4. Trade classification (e.g., laborer, carpenter, apprentice, electrician, plumber, and foreman)
 5. Gender
 6. Race
 7. Hours worked
 8. All withholding (e.g., laborer, local, state, FICA, etc.)
 9. Name of Contractor and Indication of Prime for Subcontractors
 10. Name of Project
- 5) The Participant shall comply with all applicable requirements of any federal, state or local law ordinance or regulation relating to contract and payroll compliance.

In addition, HSP shall file an annual report with the Pennsylvania Gaming Control Board, relating to the following:

- The total number and value of all contracts or transactions awarded for goods and services.
- The total number and value of contracts or transactions awarded to certified M/W/DS-BE firms.
- The total number and value of contracts awarded that contain a Participation Plan for M/W/DS-BE subcontractors.

- The total number and value of all subcontracts to be awarded to M/W/DS-BE firms under contracts containing a Participation Plan.
- An identification of each subcontract actually awarded to a minority or women's business enterprise under contracts containing a participation plan during each calendar quarter and the actual value of each such subcontract.
- A comprehensive description of all efforts made by the licensed entity or applicant to monitor and enforce the participation plan.
- Information on minority and women investment, equity ownership, and other ownership or management opportunities initiated or promoted by the licensed entity.
- Other information deemed necessary or desirable by the PGCB to ensure compliance with The Pennsylvania Race Horse Development and Gaming Act.

E. Oversight Committee. The Developer, in consultation with the appropriate agencies and entities, will establish and identify the members of a Project Oversight Committee, including representatives from the Developer and/or the General Contractor and Construction Manager, and/or some of the following, as appropriate: City Solicitors Officer and the Building Trades. Committee Participants will engage in monitoring, reporting and problem solving activities which are to include regular meetings to address all matters relevant to further development of the Plan, carrying out its implementation and the successful completion of the Project.

A meeting of the Oversight Committee shall be called by the Developer within one (1) month of the initiation of the Project, and the Oversight Committee shall meet on a regular basis during all phases of the Project. Participants will engage in monitoring, reporting and problem solving activities which are to include regular meetings to address all matters relevant to further development of the Plan, carrying out its implementation and the successful completion of the Project.

IV. M/W/DS-BE Firms

A. Only businesses that are owned, managed and controlled, in both form and substance, as M/W/DS-BE firms shall be considered to be M/W/DS-BE firms with the meaning of that term as used in this Project's Economic Opportunity Plan.

B. M/W/DS-BE certification is not determinative of Bidder's or Contractor's financial or technical ability to perform specified work. The Developer reserves the right to evaluate the Contractor's or Subcontractor's ability to satisfy financial, technical, or other criteria separate and apart from said certifications before bid opening. Pre-qualification conditions and requirements shall be conveyed in a fair, open and non-discriminatory manner to all.

C. The Developer recognizes that a business may meet the standard set out in Paragraph (A) above, but not have M/W/DS-BE certification, and that M/W/DS-BE certifications

may expire or the firm may experience de-certification by an authorized governmental entity. Firms with certifications that expire during a firm's participation on a particular phase of the Project, and firms that obtain certification with six (6) months of being awarded a contract may be recognized as having such certification for the Project.

V. Non-Compliance

A. In cases where the Developer has cause to believe that a Participant, acting in good faith, has failed to comply with the provisions of the Plan, the Developer and/or the Oversight Committee, with the assistance and consultation of the appropriate agencies and professional entities, shall attempt to resolve the noncompliance through conciliation and persuasion.

B. In conciliation, the Participant should satisfy the Developer and the Oversight Committee that they have made commercially reasonable good faith efforts to achieve participation by certified M/W/DS-BE firms. Commercially reasonable good faith efforts on the part of the Participant/Contractor include:

- 1) Demonstrating that, once an M/W/DS-BE firm has been selected, the Participant has entered into a contractual relationship with such firm in a timely, responsive and responsible manner, and fulfilling all contractual requirements, including payments, in said manner.
- 2) Notifying all parties, including the Developer, the M/W/DS-BE firm, the Oversight Committee and all relevant Participants, of any problems in a timely manner.
- 3) Requesting assistance from the Developer and/or the Oversight Committee in resolving any problems with any M/W/DS-BE firm.
- 4) Making every reasonable effort to appropriately facilitate successful performance of contractual duties by a M/W/DS-BE firm through timely, clear and direct communications.

C. In cases where the Developer and/or the Oversight Committee believes that any Participant has failed to comply with the provisions of the Plan, they may conduct an investigation, and recommend appropriate action.

HSP Gaming, Inc.

By: _____

Title: _____

Dated: _____