

## **Final Compliance Plan**

### **As Approved and Agreed on March 31, 2015 by the Oversight Committee**

In accordance with Section 6.1 of the Community Benefit Agreement (“CBA”) which was entered into effective June 9, 2014 by and between MGM National Harbor, LLC (“MGM National Harbor”) and Prince George’s County, Maryland (“County”).

The rights, obligations, authorizations, and limitations of the County and MGM National Harbor with regard to Business Enterprise Utilization and Employment Goals for the MGM National Harbor Video Lottery Terminal facility to be located in Prince George’s County, Maryland (“Project”) as set forth in the CBA are fully incorporated herein by this reference. In the event of a conflict or inconstancy between the CBA and this Plan, the CBA shall control. For purposes of this Plan, the applicable definitions contained in Article I of the CBA are hereby incorporated by reference. Capitalized terms and phrases used in this Plan, but not otherwise defined shall have the same meaning as attributed to those same terms and phrases in their controlling Maryland Statutes, Regulations (“Governing Authority”). This Plan is for the mutual and exclusive benefit of MGM National Harbor and the County; no third party shall claim right or entitlement under this Plan.

MGM Resorts International (“MGM”) has been the pioneer in diversity and inclusion in the gaming and hospitality industry since its voluntary adoption of its Diversity Initiative in 2000. MGM regards diversity and inclusion as the foundation of its culture of Integrity, Teamwork and Excellence. MGM has systematically incorporated diversity into its Company’s value system, organizational culture, and its business operations, as a matter of progressive business policy for itself, its affiliates and subsidiary companies.

MGM National Harbor is committed to creating new economic opportunities for County Residents, Minority Business Enterprises, County Based Businesses, County Located Businesses and County Based Minority Business Enterprises. MGM National Harbor recognize that diversity without economic inclusion is incomplete. Thus, MGM National Harbor seeks to foster an enterprise-wide culture of inclusion as organized around its contracting and employment opportunities. This Plan sets forth a procedural framework required to allow MGM National Harbor the flexibility required to maximize the results of its Best Efforts in achieving its goals for contracting and employment in general and those stated in Section 2.2 (a), (b), (c), and (d) of the CBA specifically.

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## **Article I** **Purpose**

As best illustrated by Section 2.1 of the CBA, MGM National Harbor and the County have acknowledged that the economic development goals of establishing the MGM National Harbor Project in County, Maryland included: (i) the creation of opportunities for all business located in the County with particular attention being paid to CBB, CLB, MBE, CMBE, and LBE (collectively referred to as “Certified Business Entities”) during the Project’s construction and operations phases, as well as (ii) creating employment opportunities for all County Residents with particular attention being paid to previously underrepresented ethnic groups (as indicated in Section 1.28 (a) through (i) of the CBA), all County Residents and Veterans (collectively referred to as “Covered Workers”).

In accordance with the CBA, the County and MGM National harbor have agreed that adoption and implementation of this Plan will provide the most appropriate means by which to monitor, document, and realize the Project’s above-stated economic development goals. In accordance with its obligations under Section 6.1 of the CBA, MGM National Harbor shall issue quarterly reports of its compliance with this Plan. MGM National Harbor’s compliance objective shall be to achieve all goals for procurement and employment as stated in Section 2.2 (a), (b), (c), and (d) as stated in the CBA.

## **Article II** **Compliance Plan Scope and Function**

### **Section 2.1 The Plan’s Scope as Mutually Adopted by The County and MGM National Harbor.**

In accordance with Section 6.1 of the CBA, the County and MGM National Harbor have adopted this Plan in satisfaction of their obligations under Section 6.1 of the CBA to: (a) reasonably demonstrate how MGM National Harbor will comply with its obligations with respect to the Business Enterprise Utilization and Employment Goals under section 2.2(a) Construction---related Business Opportunities and 2.2(b) Construction---related Employment of the CBA; and (b) establish the form of quarterly compliance report (“Quarterly Reports”) required in accordance with Section 5.6 of the CBA. Thus, this Plan also sets forth the form, items, and detail to be included in the Quarterly Compliance Report required under the CBA.

### **Section 2.2 The Plan’s Functional Framework.**

This Plan creates a functional procedural framework for monitoring, and documenting MGM National Harbor’s Best Efforts as required to maximize impacts resulting from its: (a) Construction Phase diversity program for equal opportunity in employment and contracting; (b) Operational Phase diversity program for equal opportunity in employment and contracting; (c) Marketing program for disseminating information to Certified Business Entities who might be qualified to bid on contracts to be awarded during the construction phase which will be included in the Project’s Total Construction Purchase Value and for goods and services during operations which will be included in the Project’s Total Operational Purchase Value; and (d) the form and content of the Quarterly Compliance Report.

## Article III

### **MGM Compliance Task Force Staffing and Structure**

#### **Section 3.1 Composition of MGM's Compliance Task Force.**

MGM Compliance Task Force will consist of the following six (6) positions: (a) the **President** and **COO** for MGM National Harbor, shall be responsible for the general oversight and supervision required to ensure MGM National Harbor's compliance with this Plan; (b) the **Executive Vice President for Development** for MGM Resorts Development, LLC shall be responsible, during the Project's construction phase, for general oversight and supervision of MGM National Harbor's Construction-related Contracting and Employment Opportunities; (c) the **Director of Government Affairs** for MGM National Harbor shall serve as MGM National Harbor's representative on the Oversight Committee in accordance with Section 5.1 (b) of the CBA and shall be responsible for coordinating with the Third Party Compliance Staff (Required by Section 6.1 of the CBA) for the completion and submission of the Quarterly Compliance Reports; (d) the **Vice President of Human Resources** for MGM National Harbor shall be responsible for the training and tracking required by Covered Workers in preparation of and during the Project's operational phase; (e) the **Diversity Liaison Officer** for MGM National Harbor shall be responsible for the day-to-day tasks required to monitor and document MGM National Harbor's Best Efforts undertaken to achieve compliance with this Plan and shall be personally engaged as MGM National Harbor's contact for fostering productive relationships with various community stakeholders, and community groups which promote increased utilization of minority and local Certified Business Entities and/or employment of County Residents. Additionally, MGM National Harbor's Diversity Liaison Officer shall act as MGM National Harbor's direct contact and resource for the County's Compliance Manager; (f) the **Executive Director of Diversity and Contracts** for MGM Resorts Development, LLC shall, during the construction phase only, be responsible for compliance with CBA obligations and for the day-to-day tasks required to monitor and document MGM National Harbor's Best Efforts for construction obligations and take proactive steps and appropriate intervention with contractors and vendors to ensure such their compliance. The individuals who hold the positions described above shall be collectively referred to as the "MGM Compliance Task Force."

#### **Section 3.2 Participation of National Harbor's General Contractor.**

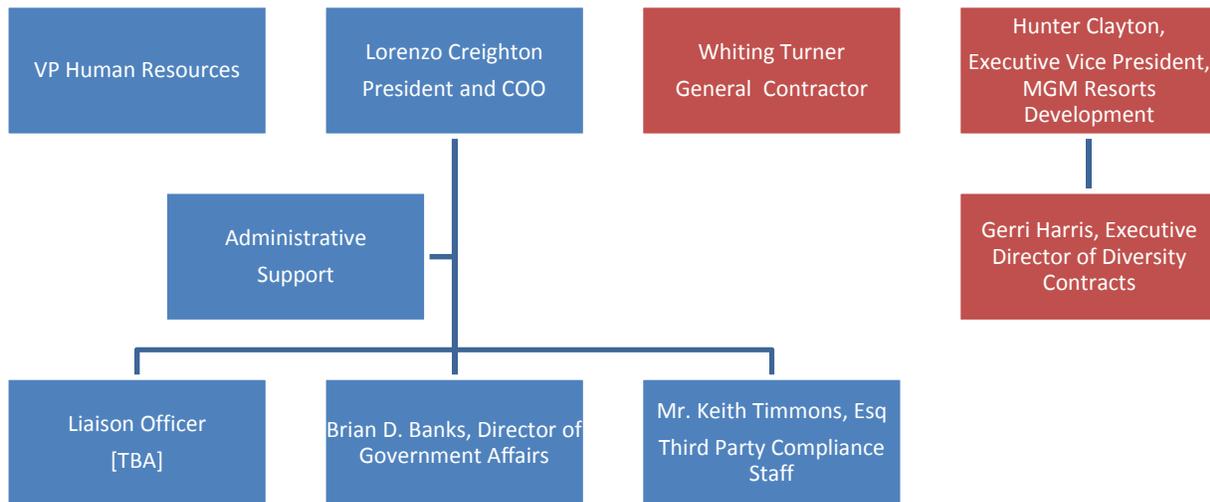
MGM National Harbor's General Contractor(s) will be required to participate as part of the MGM Compliance Task Force to: (a) ensure accurate reporting of all expenditures with Certified Business Entities with whom the General Contractor subcontracts; (b) ensure that the General Contractor actively participates in workshops, seminars, vendor fairs and other activities designed to solicit additional participation of Certified Business Entities; and (c) ensure that the General Contractor and its Subcontractors, sub-consultants, suppliers, professional service providers and vendors use commercially reasonable efforts to make outreach to and engage with Certified Business Entities and employ qualified Covered Workers as staff members when possible and appropriate. In general, the General Contractor shall also be called upon to use commercially reasonable efforts to help MGM National Harbor achieve its diversity participation goals.

**Section 3.3 Duties of the Third Party Compliance Staff.**

In accordance with Section 6.1 of the CBA, the Quarterly Compliance Report shall be prepared by a third party individual or entity (“Third Party Compliance Staff”) retained by MGM National Harbor specifically for this stated purpose. The Third Party Compliance Staff shall report directly to MGM National Harbor’s President and COO and shall be responsible for: (a) auditing compliance numbers in order to complete the required Quarterly Compliance Reports; (b) the completion and submission of the Quarterly Compliance Reports; and (c) providing general support to the MGM Compliance Task Force as might be requested from time---to---time. MGM National Harbor’s Diversity Liaison Officer shall meet as necessary and mutually agreed with the County Compliance Manager.

**Section 3.4 MGM National Harbor’s MGM Compliance Task Force Staffing Chart and Responsibility.**

The staffing chart below represents the positions, known individuals, and reporting relationship of the MGM Compliance Task Force and Third Party Compliance Staff below:



MGM National Harbor’s President and COO shall have the right to change the composition of the MGM Compliance Task Force from time to time in his or her reasonable discretion, and to add supplemental resources.

**(a) General Responsibilities.** The MGM Compliance Task Force shall meet no less than bimonthly to: (a) review overall compliance with the obligations of this Program; (b) monitor effectiveness of the various training programs and community outreach efforts; (c) make recommendations regarding Program improvement; (d) ensuring the timely collection of data required to submit the Quarterly Compliance Reports in accordance with the requirements of the CBA; (e) interfacing with Certified Business Entities; (f) ensuring general compliance with this Plan within MGM National Harbor; (g) interface with governmental agencies with regard to diversity issues; and (h) implement new best practices in the areas of diversity contracting and workforce development.

**(b) Continuous Review Process.** In furtherance of their responsibilities, the MGM Compliance Task Force shall engage in a process of continuous review of both process and out puts associated with the compilation of the Quarterly Compliance Reports.

**Article IV**  
**Construction-related Contracting and Employment Opportunities**

**Section 4.1 Participation/Utilization of Certified Business Entities.**

<b>Benchmarking For Success</b>			
In accordance with the CBA, MGM National Harbor shall use best efforts to promote participation of Certified Business Entities during the Project’s construction phase in percentages equal to or greater than the following:			
<b>REQUIREMENT</b>	<b>MGM "BEST EFFORTS" GOAL</b>	<b>MGM "ASPIRATIONAL" GOAL</b>	<b>CBA SECTION</b>
Total Construction Purchase Value– MBEs	30%	35%	CBA § 2.2a
Total Construction Purchase Value– CMBEs	12%	15%	CBA § 2.2a
Total Construction Purchase Value– LBEs	16% (1/2 from CBBs)	20%	CBA § 2.2a

With regard to Certified Business Entities that hold more than one of the following certifications: MBE, CMBE, and/or LBE (“Subject Certified Business Entity”), MGM National Harbor shall, at the outset of the engagement (to be applicable for the duration thereof), identify to which of the corresponding procurement goals to apply the total sum of its expenditures with the Subject Certified Business Entity. However, in any instance where, during the course of the engagement, the identified certification lapses, expires or for any reason is no longer in good standing, MGM National Harbor shall be entitled to credit any additional expenditure with the Subject Certified Business Entity against the corresponding procurement goals of a different (valid) certification held by the Subject Certified Business Entity. For avoidance of doubt, the aggregate sum of expenditures with a Subject Certified Business Entity shall only be included once during any reporting period. MGM National Harbor Quarterly Compliance Reports shall include information regarding Certified Business Entities who were: (i) awarded a contract during the immediate preceding quarterly period; (ii) who were also included in one of the various databases of Certifying Agencies; (iii) other identified community partners. MGM National Harbor’s Best Efforts to promote participation of Certified Business Entities during the Project’s Construction Phase shall include, but not be limited to the following:

**(a) Prohibitions Against Discrimination.** In connection with the construction phase of the Project, MGM National Harbor shall require that its General Contractor: (i) expressly prohibit discrimination in the selection or retention of Subcontractors; and (ii) expressly prohibit discrimination in the procurement of materials and rentals of equipment. The Project’s General Contractor shall be required to post, in a conspicuous place on the construction site, a notice against discrimination;

**(b) Notice of Contract Award Goals.** All contractors shall be made aware of MGM National Harbor’s utilization goals for Certified Business Entities and shall be required to use commercially reasonable efforts to consider those goals when performing any scope of work or awarding any package/scope of work as part of the Project. Additionally, the General Contractor shall: (i) require its Subcontractors to comply with all applicable requirements of this Article IV; and (ii) to use commercially reasonable efforts to track and report the same to MGM National Harbor on a monthly basis as required herein; and

**(c) Monthly Diversity Contracts Reports.** No less frequently than monthly, the Project’s General Contractor shall provide MGM National Harbor with a diversity participation report, setting forth the following information: (i) the Certified Business Entities that the General Contractor has engaged and utilized during the reporting period to provide goods or services in connection with the Project; (ii) the type of Certified Business Entities, the identification of the Certifying Agencies providing the required MBE, CMBE, and/or LBE certification, its certification number or identifier, and expiration date of the relevant certification for each Certified Business Entity; (iii) the nature of the good or services provided by such Certified Business Entities; and (iv) the payments made by or through the General Contractor to such Certified Business Entities. The General Contractor shall monitor the certification status for each of its Certified Business Entities and ensure that each certification is, at all times, current and valid, and that MGM National Harbor is in receipt of such certification. The General Contractor shall provide MGM National Harbor with written confirmation of the certification status for each of its Certified Business Entities as part of each and every payment application. The General Contractor shall advise MGM National Harbor, immediately in writing, as soon as any change in certification status is determined for any of the Certified Business Entities for which it has previously reported.

**(d) Priority of CMBE’s.** In accordance with Section 3.4(n) of the CBA, MGM National Harbor will first seek to identify Certified Business Entities known to provide services in County first and then in the State of Maryland (in all cases starting with those who are specifically registered or licensed to work for gaming licensees). For avoidance of doubt, all contracts shall be awarded only on commercially reasonable terms in keeping with the General Contractor’s contractual obligations. MGM National Harbor shall seek to engage the Maryland/District of Columbia Minority Supplier Development Council, (iii) Washington Metropolitan Area Transit Authority, (iv) Business Enterprise National Council, and (v) Women Business Enterprise National Council.

**Section 4.2 Employment Goals Related to Covered Workers.**

<b>Benchmarking For Success</b>			
In accordance with the CBA, MGM National Harbor shall use best efforts to promote employment of Covered Workers during the Project’s construction phase in percentages equal to or greater than the following:			
<b>REQUIREMENT</b>	<b>MGM "BEST EFFORTS" GOAL</b>	<b>MGM "ASPIRATIONAL" GOAL</b>	<b>CBA SECTION</b>
County Residents	20%	30%	CBA § 2.2b

MGM National Harbor’s Best Efforts to promote participation of Certified Business Entities during the Project’s Construction Phase shall include, but not be limited to the following:

**(a) Prohibitions against Discrimination in Design and Construction Jobs.** During the design and construction phase of the Project, MGM National Harbor shall require the inclusion of contractual provisions in each of its construction and design agreements which expressly prohibit discrimination against any employee or applicant for employment because of race, color, religious creed, national origin, sex, sexual orientation, genetic information, military service, age, ancestry or disability;

**(b) Notice of Labor Utilization Goals.** All contractors shall be made aware of MGM National Harbor’s labor participation goals for Covered Employees and shall be required to use commercially reasonable efforts to consider those goals when performing any scope of work for MGM National

Harbor;

**(c) Monthly Diversity Jobs Reports.** No less frequently than monthly, the Project’s General Contractor and Subcontractors shall be requested to provide MGM National Harbor with a Diversity Jobs Report, setting forth the following information: (i) the number of Covered Workers; (ii) the trade or scope of work each is engaged; and (iii) the certified payrolls for Covered Workers employed on the Project directly or by subcontractors, suppliers, vendors consultants, and/or design professionals (collectively referred to as “Subcontractors”). The MGM Compliance Task Force shall review the diversity jobs report on a regular basis for any inconsistencies in the classification of Covered Workers;

**(d) Apprenticeships.** MGM National Harbor will use its best efforts to promote the utilization of apprenticeship programs for construction employees (including Covered Employees) who wish to expand their skills and knowledge in applicable building trades. MGM National Harbor shall request that the General Contractor provide apprenticeship programs for Covered Employee during the construction phase of the Project; and

**(e) National Harbor First Choice.** In accordance with Section 3.2 (e) MGM National Harbor shall provide a recruitment program in partnership with the Prince George's County Economic Development Corporation Workforce Services Division and other partners that will provide County Residents the first opportunity to lean about and apply for positions.

## Article V

### **Operational Phase Diversity Program for Equal Opportunity**

#### **Section 5.1 Utilization Goals for the Project’s Operational Phase.**

<b><u>Benchmarking For Success</u></b>			
In accordance with the CBA, MGM National Harbor shall use best efforts to promote Certified Business Entities during the Project’s Operations phase in percentages equal to or greater than the following:			
<b>REQUIREMENT</b>	<b>MGM "Procurement" GOAL</b>	<b>MGM "ASPIRATIONAL" GOAL</b>	<b>CBA SECTION</b>
Total Operational Purchase Value– CMBEs/LBEs	20%	30%	CBA § 2.2c

If MGM National Harbor’s Best Efforts do not result in achieving the Procurement Goal’s from CMBE (a "Shortfall"), then MGM National Harbor shall use its Best Efforts to procure the dollar amount of the Shortfall from LBEs (and MGM shall use its Best Efforts to ensure that at least one-half of such LBE amount be from CBBs). For avoidance of doubt, the aggregate sum of expenditures with a Subject Certified Business Entity shall only be included once during any reporting period.

#### **Section 5.2 Tactical Steps for Engagement of Certified Business Entities During Operations.**

In addition to the steps outlined Section 3.4 of the CBA, which shall be fully incorporated herein by

reference, MGM National Harbor shall use Best Efforts to consider and implement tactical steps for its identification and engagement of Certified Business Entities during its operational phase, including but not limited to:

**(a) Priority of CMBE’s.** In accordance with Section 3.4(n) of the CBA, MGM National Harbor will first seek to identify Certified Business Entities known to provide services in County first and then in the State of Maryland (in all cases starting with those who are specifically registered or licensed to work for gaming licensees). For avoidance of doubt, all contracts shall be awarded only on commercially reasonable terms in keeping with the General Contractor’s contractual obligations. MGM National Harbor shall seek to engage the Maryland/District of Columbia Minority Supplier Development Council, (iii) Washington Metropolitan Area Transit Authority, (iv) Business Enterprise National Council, and (v) Women Business Enterprise National Council.

**(b) Vendor Packets.** MGM National Harbor will maintain a vendor packet for each Certified Business Entity that includes: (i) a certificate of good standing from the jurisdiction of formation provided by the vendor; (ii) compliance with all certification and registration requirements of the Maryland Lotteries and Gaming Commission; (iii) proof of applicable certifications provided by the vendor; and (iv) a running tally of the total amount of the transactions that MGM National Harbor has with each individual vendor.

**Section 5.3. MGM National Harbor’s Diversity Program for Equal Opportunity for Employment.**

<b>Benchmarking For Success</b>			
In accordance with the CBA, MGM National Harbor shall use best efforts to promote employment of Covered Workers during the Project’s Operation’s phase in percentages equal to or greater than the following:			
<b>REQUIREMENT</b>	<b>MGM Employment GOAL</b>	<b>MGM "ASPIRATIONAL" GOAL</b>	<b>CBA SECTION</b>
County Residents and/or Veterans			
During first and Second Years of Operations	40%	50%	CBA § 2.2d
During Third and Forth years of operations	45%	50%	CBA § 2.2d
During the fifth year and each year thereafter	50%	50%	CBA § 2.2d

**Section 5.4 Tactical Steps For Identifying, Training, and Employing Covered Employees.** In addition to the steps outlined in the Section 3.2 of the CBA, which shall be fully incorporated herein by reference, MGM National Harbor shall use Best Efforts to consider and implement the tactical steps required to recruit Covered Employees, including but not limited to:

**(a) Advertisement and Promotion of Employment Opportunities.** MGM National Harbor shall advertise and promote employment opportunities by: (i) posting all opportunities on its [mgmNationalHarbor.com](http://mgmNationalHarbor.com) website; (ii) periodically using traditional paid media and social networking tools to assist MGM National Harbor in advertising employment opportunities; and (iii) partnering with key community stakeholders including but not limited to local educational institutions and career centers to hold job fairs, advertise employment opportunities and otherwise to make outreach to the local labor pool;

**(b) Front-Line Training (Career Progression Programs).** Career Progression Programs will be provided for Covered Employees, enabling them to be competitive for promotion into key management and executive positions throughout the integrated MGM National Harbor resort. As skills and experience levels increase, employees will find a variety of opportunities for career growth within the Company. Comprehensive jobs skills training and opportunities to continue their education also will be provided by MGM National Harbor, and through educational partnerships, which shall include: (i) on-the-job training programs; (ii) either classroom or online training opportunities designed to improve core skill sets required for consideration for promotions and new opportunities within MGM National Harbor; (iii) specifically designed programs aimed at helping U.S. Veterans leverage their military leadership skills while transitioning into management or other positions within MGM National Harbor; (iv) professional development programs designed specifically for experienced supervisors and assistant managers to broaden their skills, abilities and knowledge base; (v) mandatory Diversity Workshops for all supervisory employees; and (vi) offering apprenticeship and internships programs in order to provide real life training to local students from community colleges and recent college and university graduates. The MGM National Harbor Human Resources Department will track the number of Covered Employees who have jobs in executive, finance, information technology and administrative positions and report this information to the MGM Compliance Task Force. While all positions will be filled only by qualified candidates, MGM National Harbor shall use its best efforts to train Covered Employees to qualify for all positions and have the opportunity to advance their careers through its Career Progression Programs.

**(c) Basic Skills Training (Job Readiness).** Each of the educational partnerships to be formed by MGM National Harbor will focus on providing basic core skills to County Residents as well as County Residents, including, but not limited to: (i) vocational training; and/or (ii) job preparation skills such as interviewing, resume writing, and effective work habits;

**(d) Hospitality Career Information Workshops (Job-Readiness Training).** Job-Readiness Training will be designed to introduce County Residents to the hospitality industry and foster interest in these types of jobs. Career information workshops will be conducted prior to and during the mass recruiting phase of MGM National Harbor. The goal will be to introduce County Residents to the wide range of occupations that are available in the hospitality industry, including hotel front desk representatives, computer operators, facilities engineers, financial analysts, culinary arts positions, guest service ambassadors, marketing professionals, human resource representatives, table games dealers, slot technicians and representatives, cage clerks and many more. County Residents will be able to attend career information workshops to learn about the wide range of occupations available and the skills and qualifications that would be required to work in such positions. MGM National Harbor will hold career information workshops throughout the County. While attending the career information workshops, participants will have the opportunity to provide information on job interests and sign up to receive first notice on training and job announcements.

**(e) Apprenticeships.** MGM National Harbor will cooperate with local organizations including but not limited to Community College students to develop and implement apprenticeship programs for employees (including Covered Employees) who wish to expand their skills and knowledge, and develop their career. The apprenticeship programs will be designed to provide a structured, on-the-job training process from basic mechanical skill requirements to advanced techniques required for the specified trade or service.

## **Article VI**

## Community Benefit Agreement Compliance Actions

**Section 6.1** MGM National Harbor shall take all steps outlined in Section 3.2 (a) through (i); Section 3.3 (a) and (b); and Section 3.4 (a) through (q) of the CBA, which shall be fully incorporated herein by reference.

**Section 6.2** MGM National Harbor shall use Best Efforts to consider and implement tactical steps required to disseminate information to enhance its recruitment and business utilization/contracting efforts, including, but not limited to the following:

**(a) Advertisement and Promotion of Business Opportunities.** In an effort to maximize participation and enhance its ability to achieve its employment and contracting goals, MGM National Harbor shall advertise and promote construction and operations related business and employment opportunities to the general public and the local and regional business community using the following outlets: (i) Websites controlled and maintained by MGM National Harbor including [www.mgmnationalharbor.com](http://www.mgmnationalharbor.com); (ii) established diversity vendor websites controlled and maintained by Certifying Agencies; (iii) paid media accessible to the Prince Georges County Metropolitan Service Area (including general circulation newspapers such as The Washington Post and minority focused media); (iv) internet based social networking tools; (v) partner with key community stakeholders to hold job fairs; (vi) securing corporate memberships in local and regional organizations that promote diversity contractors and suppliers; and (vii) provide commercially reasonable advance notice (no less than 4 business days) of bidding information on subcontracting and vendor opportunities to the County Compliance Manager. MGM Compliance Task Force shall be authorized to adjust the level of paid advertisement and promotion based upon the response rate of Certified Businesses and Covered Workers to MGM National Harbor's prior advertisement and promotional activities.

**(b) Direct Recruitment.** On a quarterly basis MGM Compliance Task Force shall consider a direct recruitment schedule which may include, but not be limited to, the following: (i) job fairs with local and regional stakeholders; (ii) social media post and notifications; and (iii) hosting information sessions (collectively "Direct Recruitment Efforts"). MGM National Harbor's Quarterly Compliance Reports shall include a list of all Direct Recruitment Efforts that were utilized during the immediate preceding quarterly period.

**(c) Training and Assistance for Certified Business Entities.** MGM National Harbor shall offer training and business assistance to all businesses selected to work on the Project with a focus on Certified Business Entities. With regard to the training of Certified Business Entities MGM National Harbor will use its Best Efforts to: (i) co-host outreach sessions with its General Contractor throughout the County to introduce upcoming contract and opportunities; (ii) continue to implement key programs designed to train Certified Business Entities with regard to issues associated with access to capital and cash flow; and (iii) consider commercially reasonable request by Certified Business Entities.

**(d) Foster Key Stakeholders Relationship.** MGM National Harbor shall engage with key stakeholders (including but not limited to: Prince George's County Community College; Bowie State University; University of Maryland College Park; University of Maryland Eastern Shore; Prince George's County Economic Development Corporation Workforce Development; The Training Source, Inc.; Melwood; and/or Blind Industries and Services of Maryland) to target students, the unemployed and the underemployed.

**(e) Training and Assistance for Frontline Staff.** At a minimum MGM National Harbor shall use Best Efforts to provide training and assistance to its Covered Workers by offering: (i) on--- the---job training programs; (ii) either classroom or online training opportunities designed to improve core skill sets required for consideration for promotions and new opportunities within MGM National Harbor; (iii) specifically designed programs aimed at helping U.S. Veterans leverage their military leadership skills while transitioning into management positions within MGM National Harbor; (iii) provide professional development programs designed specifically for experience supervisors and assistant managers to broaden their skills, abilities and knowledge base; (iv) offer mandatory Diversity Workshops for all supervisory employees; and (v) offer apprenticeship programs (and request that our general contractor do the same) in order to provide real life training to local students from community colleges.

## **Article VII**

### **Composition of Compliance Reports**

**Section 7.1** In accordance with Section 6.1 of the CBA, MGM National Harbor shall collect and maintain all records and documents required to verify data and information contained in the required Quarterly Compliance Reports. Quarterly Compliance Reports shall be completed and submitted in a timely fashion as required by the CBA. Any annual reports required under Section 6.5 of the CBA shall follow the same process and be subject to the same requirements as the Quarterly Compliance Reports.

**(a) Methodology of Quarterly Compliance Reports.** Subject to permitted exclusions authorized in the CBA, all expenditures that are either Construction related or Operation related shall be documented and compared with MGM National Harbor's Total Operational Purchase Value or its Total Purchase Value as applicable, or its Total Construction Purchase Value (as might be applicable). All such expenditures shall be calculated in accordance with MGM National Harbor's established accounting policies. Once calculated the information shall be included in the Quarterly Compliance Reports.

**(b) Format of Quarterly Compliance Reports.** The Quarterly Compliance Reports shall incorporate easy to read tables that: (i) clearly state the actual percentage of minority individuals employed during the subject period of time; (ii) the actual percentage of spend with each of the Certified Business Entity and the agreed upon goal and aspirational spend for each individual category for the current period of each subject report. Additionally, in close proximity to each table will be a narrative inclusive of the actual Best Efforts taken in an attempt to achieve the agreed upon goal and/or aspirational percent for each section.

**(c) Expenditures Excluded From MBE Spend Calculation.** In accordance with Section 6.1 of the CBA, the actual calculation of the percentage of expenditure with Certified Business Entities shall be based on the availability of such Certified Business Entities to engage in the type of work to be conducted by MGM National Harbor. MGM National Harbor's calculations shall take into consideration the availability of Certified Business Entities who are able to provide goods and services of the type required by MGM National Harbor. If in accordance with 1.5 and 1.39 of the CBA, it is MGM National Harbor's reasonable judgment, that the number of MBEs, CMBEs or LBEs (as applicable) are too few to enable MGM to purchase, or that in MGM's reasonable commercial judgment the MBEs, CMBEs or LBEs (as applicable) are not capable of offering or supplying, such goods and services at competitive prices in the quantity and quality, at the date and time, required by MGM National Harbor, MGM National

Harbor shall consider the additional exclusions only after: (i) it has provided at least thirty (30) days advanced notice to the Committee; and (ii) after a commercially reasonable search, no Certified Business Entity has been identified as experienced and capable of performing the specific type of work contemplated in the new exclusion during the 30-day notice period. MGM National Harbor Quarterly Compliance Reports shall include a list of all additional expenditures that MGM National Harbor has submitted a 30 day notice of exclusion during the immediate preceding quarterly period.

**(d) Business Opportunity Construction and Operational Spend Reporting.** The data required in Section 2.2 (a) with regard to Business Enterprise Utilization and Section 2.2 (b) with regard to Construction---related Business Opportunities shall be properly documented and verified in accordance with MGM National Harbor established policies inclusive of: (i) vendor background checks; (ii) confirm regulatory compliance with the requirements of the Maryland Lotteries Gaming Commission requirements; (iii) verify work performed by reviewing certified payroll and payment application approval certificates (vi) vendor office and field visits; and (v) review of key documents (e.g. lien waivers, invoices, and evidence of payment).

**(e) Disclosure of Allegations of Non-Payment by Certified Business Entities.** Each Quarterly Report shall include a disclosure of any allegation of non-payment by any Certified Business Entity during the immediate preceding quarter. The disclosure shall include: (i) the amount of funds in dispute; and (ii) the nature of the dispute.

**(f) Employment Construction and Operational Reporting.** The Quarterly Compliance Reports shall track all employment held by Covered Workers as compared with MGM National Harbor overall employment universe of Construction---related Employment or Operations related Employees. Each subject report will be based upon an industry standard "FTE" calculation which is defined as the total number of hours worked which is divided by the maximum number of compensable hours in a full---time schedule. For example, when any report refers to one (1) FTE it will mean one (1) individual that is a full---time employee, while a reference to 0.5 FTE would mean an individual who is a half---time employee.

**Section 7.2** MGM National Harbor will document its engagement of Certified Business Entity and its employment of Covered Employees in a transparent manner. MGM National Harbor shall keep full and complete records of its efforts to comply with its obligations under Section 2.2 (a), (b), (c) and (b). All records will be kept in accordance with MGM National Harbor's record retention policies. The Compliance Manager shall have the right to request information in accordance with Section 6.2 of the CBA.

**APPENDIX A**  
**Sample Quarterly Compliance Report**

# Quarterly Compliance Report

<b>Benchmarking For Success</b>			
In accordance with the CBA, MGM National Harbor shall use best efforts to promote participation of Certified Business Entities during the Project’s construction phase in percentages equal to or greater than the following:			
REQUIREMENT	MGM "BEST EFFORTS" GOAL	MGM "ASPIRATIONAL" GOAL	CBA SECTION
Total Construction Purchase Value– MBEs	30%	35%	CBA § 2.2a
Total Construction Purchase Value– CMBEs	12%	15%	CBA § 2.2a
Total Construction Purchase Value– LBEs	16% (1/2 from CBBs)	20%	CBA § 2.2a
Total Number of Hours Paid	20%	30%	CBA § 2.2b

## Methodology

All data and statistical analysis included in this report has been computed in accordance with the requirements agreed in the CBA and the statutory requirements applicable to the issuance of this Report. The following methodology including the modes and means of data collection and calculated results based on MGM National Harbor’s Best Efforts as follows:

[INSERT SPECIFIC DESCRIPTION OF METHODOLOGY APPLICABLE TO THE REPORT]

The framework described above is generic in form, the specific statistical data and analysis that has been included in this Report may include sub processes and or combinations of data resulting from the above described methods. Neither Construction---related Business Opportunities nor Operation---related Business Opportunities include exclusions agreed to in CBA.

**Period Covered By Report**

This Report constitutes MGM’s compliance with its obligation in accordance with Section 6.1 of the CBA to submit a Quarterly Compliance Report to the Compliance Manager for the period constituting the [X] Quarter of 201[X]. It is made up of the data and statistical analysis included in the monthly reports required in accordance with [state statute] Governor’s Office of Minority Affairs for the three month period including [January 2015; February 2015; and March 2015].

**Dash Board Report for Quarter Ending [XXX 2015]**

EMPLOYMENT GOALS		Percent	Percent Change
Construction	[Raw Number XXX] FTE	[XX%]	+ [X%]
Operation	[Raw Number XXX] FTE	[XX%]	+ [X%]

CONTRACTING CONSTRUCTION			
	Actual %	% of Total	Number
MBE			
CMBE			
LBE			
CBB			

CONTRACTING OPERATIONS			
	Actual %	% of Total	Number
MBE			
CMBE			
LBE			
CBB			

<b>Employment Construction</b>			
	Actual	Goal	Aspiration
County Residents ("CR")	[X%]	20%	30%

During the reporting period, in addition to advertising for all open construction positions at MGM's Website: <http://www.mgmnationalharbor.com/jobs/creating---jobs.aspx>, MGM used the following Best Efforts to conduct Employment and Outreach Efforts in compliance with Section 3.2 (a) through (i) of the CBA as follows:

a. ***MGM National Harbor's Employment Outreach & Recruitment Best Efforts***

1. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]
2. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]
3. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]

b. ***Joint Outreach & Recruitment Efforts with Stakeholders, including: collaboration with Prince George's County Community College; Bowie State University; University of Maryland College Park; University of Maryland Eastern Shore; Prince George's County Economic Development Corporation Workforce Development; The training Source, Inc.; Melwood; and/or Blind Industries and Services of Maryland.***

1. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]
2. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]

**c. National Harbor First Choice Recruitment Program**

1. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]
  
2. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]
  
3. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation] [insert type of material disseminated]

<b>Contracting Construction</b>			
	Actual	Goal	Aspiration
MBE	[X%]	30%	35%
CMBE	[X%]	12%	15%
LBE	[X%]	16%	20%

During the reporting period, MGM used the following Best Efforts to conduct Employment and Outreach Efforts in compliance with Section 3.2 (a) through (i) of the CBA as follows:

- a. **Number of businesses accessed from each Certifying Agency and/or there Data Base:** (i) the Maryland Department of Transportation (“MDOT”); (ii) Maryland/District of Columbia Minority Supplier Development Council, (iii) Washington Metropolitan Area Transit Authority, (iv) Business Enterprise National Council, or (v) Women Business Enterprise National Council; (vi) Prince George's County Office of Central Services as a Minority Business Enterprise.
- b. **Number of partnering and prime/subcontractor opportunities identified for CMBE/LBEs.**
- c. **Advertising activities associated with disseminating information for alternative accommodations, including, but not limited to scale-up.**
- d. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation]

<b>Contracting Operations</b>			
	Actual	Goal	Aspiration
CMBE	[X%]	20%	30%
LBE	[X%]	[X%]	[X%]
CBB	[X%]	[X%]	[X%]

During the reporting period, MGM used the following Best Efforts to conduct Employment and Outreach Efforts in compliance with Section 3.2 (a) through (i) of the CBA as follows:

- a. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation]
- b. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation]
- c. [insert event name] [Insert Date] [insert activity/event Description] [insert attendance circulation]