

MGM National Harbor, LLC

Regulatory Requirements for Commencement of Gaming Operations

The MGM National Harbor Casino (facility) may not commence gaming operations until the Commission has issued an operation license after determining that:

- A. The following statutory provisions of the Annotated Code of Maryland are met:
1. 9-1A-07(c)(7)(v) requires that the facility shall establish that they have entered into a labor peace agreement with each labor organization that is actively engaged in representing or attempting to represent video lottery and hospitality industry workers in the State.

The facility has negotiated a labor peace agreement with UNITE HERE Local 25.

2. 9-1A-10(a)(6)(i) requires the facility to provide health insurance coverage for its employees.

Health Insurance Provider: Kaiser Permanente

MGM National Harbor currently offers comprehensive health benefits to its full-time employees. Employees can choose the Kaiser Permanente DHMO and the Kaiser Permanente Flexible Choice Plan (POS).

3. 9-1A-10(a)(7)(i) requires the facility to provide retirement benefits for its employees.

Retirement Plan

Plan: 401(k) saving plan

MGM currently offers employees the option to invest in a traditional 401(k) plan. Employees are eligible for salary deferral on the 90th day of employment. MGM also matches a portion of Employees' deferral. Employees are eligible for the employer match as long as they are employed at MGM through the end of the calendar year.

4. 9-1A-11(b)(1) requires the facility to commence operations within 18 months after their license was awarded.

The facility received a six month extension on February 26, 2015 and an additional six month extension on May 26, 2016. With these two extensions the facility is required to commence operations prior to February 14, 2017. Commencement of operations is scheduled to begin on December 8, 2016.

B. The following regulatory provisions of the Code of Maryland Regulations must be met:

1. The facilities hours of operation have been approved by the Commission in accordance with COMAR 36.03.11.06(E)(1).

The facility is requesting 24 hour gaming, 7 days a week.

2. Facility design standards are in compliance with the provisions of COMAR 36.03.11.03.

The facility is in compliance with the provisions of this regulation.

3. All video lottery terminals and associated equipment have been tested and comply with standards established by the Commission in accordance with the provisions of COMAR 36.04.01.02.

All video lottery terminals and associated equipment that have been tested by our independent testing laboratories and approved by the Commission. Onsite configuration and accounting testing will continue through the controlled demonstrations.

4. All table game devices and associated equipment have been tested and comply with standards established by the Commission in accordance with the provisions of COMAR 36.03.12.05;

All table game devices and associated equipment that have been tested by our independent testing laboratories and approved by the Commission. Onsite configuration and accounting testing will continue through the controlled demonstrations.

5. The facility operator's gaming floor plan complies with the provisions COMAR 36.03.11.05;

The facility has provided a floor plan that is in compliance with regulatory requirements.

6. The facility operator's internal controls complies with the provisions of COMAR 36.03.10;

The facility has provided their internal controls for the operation of video lottery terminals and table games. MLGCA staff has reviewed the internal controls and has determined that they meet all regulatory requirements and recommend Commission approval.

7. The facility operator's surveillance plan complies with the provisions of COMAR 36.03.10.12, 36.03.10.13 and 36.03.11.04.

The facility has provided their surveillance plan for the operation of video lottery terminals and table games. MLGCA staff has reviewed the surveillance plans and has determined that they meet all regulatory requirements and recommend Commission approval.

8. The facility operator's security plan complies with the provisions of COMAR 36.03.10.14 and 36.03.10.15.

The facility has provided their security plans for the operation of video lottery terminals and table games. MLGCA staff has reviewed the security plans and has determined that they meet all regulatory requirements and recommend Commission approval.

9. The facility operator's responsible gambling plan complies with the provisions of COMAR 36.03.06.02.

The facility has provided their responsible gambling plan for the operation of video lottery terminals and table games. MLGCA staff has reviewed the responsible gambling plan and has determined that they meet all regulatory requirements and recommend Commission approval.

10. The facility operator is prepared to implement the internal controls, surveillance, security and responsible gambling procedures that are necessary to ensure that the operation of the table games and video lottery facility is conducted safely and legally;

The internal controls, surveillance, security and responsible gambling procedures have been reviewed and determined to be adequate for the legal and safe operation of video lottery terminals and table games. MLGCA staff will continue to oversee the training of facility employees and will conduct an assessment of their performance during the controlled demonstration.

11. The facility operator's employees are licensed by the Commission and trained in the performance of their responsibilities.

MLGCA staff continues to work with the facility to license all employees. It is anticipated that the facility will have sufficient licensed staff to conduct video lottery terminal and table game operations as projected. MLGCA staff has reviewed training programs and will continue to oversee training of facility employees through the opening of the facility.

12. The facility operator's suppliers and contractors are registered or licensed with the Commission.

All facility supplies and contractors are or will be licensed prior to the operation of video lottery terminals and table games.

13. The facility is prepared in all respects to receive the public;

The final assessment will be determined during the controlled demonstrations conducted on Thursday, December 1, 2016 and Monday, December 5, 2016.

14. The facility operator has complies with any additional pre-opening conditions imposed by the Commission:

- a. Dealer training programs comply with the provisions of COMAR 36.05.03.16.

The facility has provided their dealer training programs that are in compliance with regulatory requirements.

b. Gaming chips specifications and samples comply with the provisions of COMAR 36.05.02.02 through .04.

The facility has provided chip specifications and samples that are in compliance with regulatory requirements.

c. Gaming dice specifications and samples comply with the provisions of COMAR 36.05.02.12.

The facility has provided dice specifications and samples that are in compliance with regulatory requirements.

d. Gaming card specifications and samples comply with the provisions of COMAR 36.05.02.15.

The facility has provided gaming card specifications and samples that are in compliance with regulatory requirements.

e. Preshuffled decks or batches of decks provided by manufacturer or contractor to facility operator comply with provisions COMAR 36.05.02.16

The internal controls for preshuffled decks or batches of decks are in compliance with regulatory requirements.

f. Table game layouts comply with the provisions of COMAR 36.05.03.16.

The facility has provided table layout specifications for Black Jack, Craps, Poker, Let it Ride Poker, Three Card Poker, Four Card Poker, Ultimate Texas Hold'em, Midi Baccarat, Mini Baccarat, Pai Gow Poker and Roulette that are in compliance with regulatory requirements.

g. Table game equipment specifications comply with the provisions of COMAR 36.05.03.16.

The facility has provided table game equipment specifications that have been reviewed and determined to be in compliance with regulatory requirements.

h. Table game rules comply with the provisions of COMAR 36.05.03.19 and 36.03.12.05.

The facility has provided table game rules for Black Jack, Craps, Poker, Let it Ride Poker, Three Card Poker, Four Card Poker, Ultimate Texas Hold'em, Midi Baccarat, Mini Baccarat, Pai Gow Poker and Roulette that have been reviewed and determined to be in compliance with regulatory requirements.

i. Table game rule guides comply with the provisions of COMAR 36.05.03.16.

Table game rule guides have been submitted and are pending final approval.

j. Table game equipment storage and destruction areas comply with the provisions of COMAR 36.05.03.16.

Table game equipment storage and destruction areas will be reviewed prior to receipt and storage of equipment.

k. Table game staffing plans and table of organization comply with the provisions of COMAR 36.05.03.16 and 36.03.10.10.

Table game staffing plans and table of organization have been provided by the facility and comply with regulatory requirements.

l. Minimum bankroll requirements comply with the provisions of COMAR 36.03.10.19.

Minimum bankroll requirements have been submitted and are pending final approval.

m. Drop route and schedule comply with the provisions of COMAR 36.03.10.43.

Drop routes and schedules have been submitted and are pending final approval.

l. Count schedule comply with the provisions of COMAR 36.03.10.45.

Count schedules have been submitted and meet all regulatory requirements.

15. The facility operator has successfully completed a test period.

The facility is scheduled to conduct a controlled demonstration of gaming operations on December 1, 2016 and December 5, 2016.

C. The following contractual provisions must be met:

1. RFP 4.27.1 requires that the licensee shall submit to the Commission a Fidelity Bond in the amount of \$100,000 covering any loss to the State due to any fraudulent or dishonest act on the part of the licensee.

A Fidelity Bond has been provided by the facility and complies with regulatory requirements.

2. RFP 4.27.2 requires that the licensee shall submit to the Commission a Performance Bond in the amount of \$1 million guaranteeing that the licensee shall well and truly perform on the license.

A Performance Bond has been provided by the facility and complies with regulatory requirements.

3. RFP 4.27.3 requires that the licensee shall submit to the Commission a Payment Bond in the amount of \$2 million guaranteeing that the licensee shall promptly make payment to all claimants for all labor and materials furnished, supplies and reasonably required for the use in the performance of the license.

A Payment Bond has been provided by the facility and complies with regulatory requirements.

4. RFP 4.28 requires all policies of insurance must name the Maryland Lottery and Gaming Control Agency as an additional insured.

The facilities insurance policies name the Maryland Lottery and Gaming Control Agency as an additional insured.

5. RFP 4.28 requires 3rd party legal liability insurance for self and any subcontractor covering claims arising from operations and services provided under the license.

The facility has provided evidence of legal liability insurance as required.

6. RFP 4.28.1 requires insurance for extended coverage on all licensee owned equipment shall be maintained in the amount of actual replacement cost thereof.

The facility has provided evidence of coverage on licensee owned equipment.

7. RFP 4.28.2 requires that the licensee shall maintain Comprehensive General Liability Insurance covering the full scope of the license with limits of at least \$1.5 million for any one person, \$3 million for any once occurrence for death or personal injury, and \$3 million for any one occurrence for property damage; or a combined single limit for bodily injury and property damage in the amount of \$6 million.

The facility has provided evidence of insurance coverage as required.

8. RFP 4.28.3 requires that the licensee shall maintain Worker's Compensation Insurance, which shall include Employer's Liability coverage, in amounts as required by the law of the State.

The facility has provided documentation evidencing Workers Compensation Insurance.

9. RFP 6.7.17 requires that the licensee shall have all proper zoning and permits.

The facility has affirmed that they have received all necessary zoning and permits.