TRIBAL-STATE COMPACT

Between the

NARRAGANSETT INDIAN TRIBE

and the

STATE OF RHODE ISLAND

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of Approved Tribal-State Compact.

SUMMARY: Pursuant to 25 U.S.C. 2710, of the Indian Gaming Regulatory Act of 1988 (Pub. L. 100–497), the Secretary of the Interior shall publish, in the Federal Register, notice of approved Tribal-State Compacts for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through her delegated authority, has approved the Tribal-State Gaming Compact Between the Narragansett Indian Tribe and the State of Rhode Island, which was executed on May 17, 1994.

DATES: This action is effective December 16, 1994.

FOR FURTHER INFORMATION CONTACT: Larry Scrivner, Acting Director, Indian Gaming Management Staff, Bureau of Indian Affairs, Washington, D.C. 20240, (202) 219–4068.

Dated: December 5, 1994.

Ada E. Deer,

Assistant Secretary—Indian Affairs.

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TRIBAL-STATE COMPACT
Between the
NARRAGANSETT INDIAN TRIBE
and the
STATE OF RHODE ISLAND

THIS TRIBAL-STATE COMPACT made and entered into by and between the NARRAGANSETT INDIAN TRIBE, a federally-recognized Indian Tribe, and the STATE OF RHODE ISLAND, pursuant to the provisions of the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. §§2701 et seq.

WITNESSETH:

WHEREAS, the Narragansett Indian Tribe is a federally-recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining; and

WHEREAS, the State of Rhode Island is a sovereign state of the United States with all rights and powers thereto pertaining; and

WHEREAS, the Congress of the United States has enacted into law the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. §2701, et seq., which provides in part that a tribal-state Compact may be negotiated between a Tribe and a State to govern the conduct of certain gaming activities which constitute Class III gaming for purposes of the Act on the Indian lands (such term used herein is as defined in the Act) of the Tribe within the State; and

WHEREAS, the Narragansett Indian Tribe and the State of Rhode Island have mutually agreed, within the parameters established by the Act, to the following provisions governing the conduct of Class

III gaming activities on the Indian lands of the Tribe designed to (a) protect the health, welfare and safety of the citizens of the Tribe and the State, and (b) develop and implement a means of regulation for the conduct of Class III gaming on Indian lands in order to attempt to insure the fair and honest operation of such gaming activities and to minimize the possibility of corruption or illegal practices in conjunction with such activities and (c) to attempt to maintain the integrity of all activities conducted in regard to Class III gaming.

NOW, THEREFORE, the NARRAGANSETT INDIAN TRIBE and the STATE OF RHODE ISLAND do enter into a Tribal-State Compact as provided for herein.

SECTION 1. Title, Referenda, Revenue Contribution, Municipality Distributions, Tribal Intentions and Application of Compact to Alternative Gaming Locations. (a) This document shall be cited as "The Narragansett Indian Tribe - State of Rhode Island Gaming Compact."

(b) In consideration for the State of Rhode Island's agreement to enter into this Compact and the further agreements contained herein, the Tribe hereby agrees to proceed with a local referendum in the Township of West Greenwich, Rhode Island and an accompanying statewide referendum as provided for under R.I.G.L. Section 41-9-1 et seq. for the purpose of establishing a Gaming Facility (as defined below) so as to enable the Tribe to conduct all forms of Class III gaming authorized under this Compact as well

as those games of chance set forth in Section 3 hereof.

(c) In the event that the referenda described in subsection (b) above are approved, **and for so long as the Tribe operates the only lawful Casino** (as defined in Section 14(b)(vi)(1) below) **in the State of Rhode Island**, the Tribe will contribute to the State a sum equal to 16.5% of its Gross revenues (as defined below) of all Class III gaming operated by the Tribe. Such 16.5% Gross revenue contribution shall be reduced in accordance with the terms of this Compact in the event that (i) other Casinos (as defined in Section 14(b)(vi)(1) below) commence operations in the State of Rhode Island or (ii) the Tribe conducts Class III gaming operations near Charlestown, Rhode Island.

(d) It is the express understanding of the parties hereto that the State shall be required to use its best faith efforts to distribute the Tribe's 16.5% contribution of its Gross revenues **to the municipalities of the State** to enable the municipalities to reduce property taxes in accordance with the formula attached hereto as Exhibit 1.0 attached hereto and made a part hereof. In the event that the Tribe does not operate the only lawful Casino (as defined in Section 14(b)(vi)(i) below) in the State or the referenda described in subsection (b) above are not approved, the State shall retain the discretion to distribute the Tribe's reduced contribution, of its Gross revenues.

(e) The amounts to be contributed to the State are more specifically set forth herein, and this Section 1 is qualified in

its entirety by the related provisions of this Compact.

(f) In recognition of the special nature of the pristine and ancient tribal land holdings of the Narragansett Indian Tribe located near Charlestown, Rhode Island, it is the Tribe's express intention not to construct or operate any Class II or Class III gaming facilities for the conduct of Class III gaming on its tribal lands near Charlestown, Rhode Island in the event that the Tribe establishes its Gaming Facility in West Greenwich, Rhode Island.

(g) It is the express agreement of the State and the Tribe that this Compact shall apply to the conduct by the Tribe of Class III gaming as well as those games of chance set forth in Section 3 hereof regardless of whether the Gaming Facility is located in West Greenwich, Rhode Island or the tribal lands located near Charlestown, Rhode Island.

SECTION 2. Definitions. For purposes of this Compact:

(a) "Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. §2701 et seq.

(b) "Bazaar game" means a game, sport, amusement, diversion, scheme, plan, project, contest, undertaking or enterprise wherein chance, fortune, luck or lot is the predominating factor or element in the winning or awarding of a prize, but shall not include a lottery nor any game, sport, amusement, diversion, scheme, plan, project, contest, or undertaking where the skill, accomplishment, art or adroitness of the operator or participant is the primary factor in the winning or

awarding of a prize.

(c) "Business Day" means any day other than a day upon which banks are required or authorized to close in the State.

(d) "Casino" means any room or rooms in which Class III gaming as authorized by this Compact is conducted.

(e) "Class III gaming" means all forms of gaming that are not Class I Gaming or Class II Gaming, as defined in Sections 4(6) and 4(7) of the Act, 25 U.S.C. §§2703(6) and (7).

(f) "Compact" means this Narragansett Indian Tribe - State of Rhode Island Gaming Compact.

(g) "Complimentary services" means the provision to a patron of the Gaming Facility or such patron's guest, either free of charge or at a reduced price, of any goods or services, including transportation, lodging, and coupons or other representations of money for use in wagering. The provision of Complimentary services for purposes of this Compact shall not be deemed a sale subject to taxes, state or local, of any nature whatsoever.

(h) "Enterprise" means any individual, trust, corporation (including a wholly-owned or majority ruled subsidiary and any affiliated entity), partnership, or other legal entity of any kind other than a tribal enterprise wholly owned by the Narragansett Indian Tribe; provided, however, that with respect to any corporation, the term "enterprise" shall include each other corporation or other legal entity which, directly or indirectly,

controls a majority of the voting interests in such corporation; and further provided, that with respect to any partnership, trust, or other form of unincorporated business organization, the term "enterprise" shall include each corporation or other legal entity which, directly or indirectly, controls a majority of the voting interests in such organization.

(i) "Fronton" means a facility in which the game of jai alai is conducted.

(j) "Gaming employee" means any natural person employed in the operation or management of the Gaming Facility, whether employed by the Tribe or by any enterprise providing on-site services to the Tribe within a Gaming Facility, including, but not limited to, gaming facility managers and assistant managers; accounting personnel; gaming facility security personnel; gaming facility surveillance personnel; credit executives; gaming facility cashier supervisors; dealers or croupiers; box men; floormen; pit bosses; video facsimile game and slot machine mechanics and attendants; shift bosses; cage personnel; collection personnel; lottery ticket sellers; persons employed in the acceptance or redemption of pari-mutuel wagers; simulcasting equipment operators; computer operators and technicians; and any other natural person whose employment duties require or authorize access to restricted areas of the Gaming Facility not otherwise opened to the public.

(k) "Gaming equipment" means any machine or device which is specially designed or manufactured for use in the operation of

any Class III gaming activity including those devices described in standards of operation and management pursuant to Section 7(c) of this Compact, slot machines, video facsimile games, lottery tickets, lottery on-line computer equipment, lottery drawing equipment, and pari-mutuel electronic totalizator systems.

(l) "Gaming Facility" means the Casino and all lands and improvements reasonably related thereto in West Greenwich, Rhode Island owned or held in trust by the Tribe.

(m) "Gaming operation" means any enterprise operated by the Tribe for the conduct of any form of Class III gaming in any Gaming Facility.

(n) "Gaming school" means any enterprise organized to provide specialized training to gaming employees for the conduct of Class III gaming, other than programs operated by the Tribal gaming operation.

(o) "Gaming services" means the providing of any goods or services to the Tribe directly in connection with the operation of Class III gaming in a Gaming Facility, including maintenance or security services for the Gaming Facility, junket services, gaming schools, printing or manufacture of lottery or pari-mutuel betting tickets, laboratory testing of gaming equipment including video facsimile machines, slot machines or lottery tickets, and manufacture, distribution, maintenance or repair of gaming equipment.

(p) "Gross revenues" means the total of all sums,

including checks, whether collected or not, actually received by the Casino from gaming operations, less only the total of all sums paid out as winnings to patrons and a deduction for uncollectible gaming receivables not to exceed the lesser of a reasonable provision for uncollectible patron checks received from gaming operations or 4% of the total of all sums including checks, whether collected or not, less the amount paid out as winnings to patrons.

(q) "Indian Employee" means any valid enrolled member of the Tribe who qualifies for employment at the Gaming Facility or related facilities, as well as enjoying the benefits of the Tribe's Indian preference policy. Any other Indian person holding valid membership in a federally recognized tribe shall be defined to qualify under the within conditions.

(r) "Junket services" means any arrangement to facilitate the attendance at a Gaming Facility of patrons selected by reason of their propensity to gamble by providing to such patrons any consideration including cash or rebates or reduced charges for goods or services such as transportation, lodging, food, beverage, or entertainment; provided, however, that the term shall not include enterprises which function solely to provide common transportation to a Gaming Facility to the public without limitation to selected patrons.s) "Management Contract" shall have the meaning assigned to such term in 25 CFR Section 502.15.

(s) "Management Contract" shall have the meaning assigned to such term in 25 CFR Section 502.15.

(t) "National Indian Gaming Commission" means the Commission established pursuant to Section 5 of the Act, 25 U.S.C. §2704.

(u) "Nevada Regulations" means the regulations of the State of Nevada Gaming Commission and State of Nevada Gaming Control Board as in effect on the date of this Compact.

(v) "Off-track betting" means pari-mutuel betting on racing results which is conducted on premises other than the site of the race.

(w) "Pari-mutuel" means a betting system in which all persons who bet on any contender in a jai alai game or in an animal race for any position for which bets are taken in such game or race share in an established prize pool of similar bets.

(x) "Principal" means with respect to any enterprise: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners if an unincorporated business; (iv) each of its shareholders who owns more than ten percent of the shares of the corporation if a corporation; and (v) each person other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the total financing of the enterprise.

(y) "Reservation" means the Indian lands of the Narragansett Indian Tribe within the State of Rhode Island as

defined by Section 4(4) of the Act, 25 U.S.C. §2703(4), including all lands within the State of Rhode Island title to which is either held in trust by the United States for the benefit of the Tribe or held by the Tribe subject to restriction by the United States against alienation.

(z) "Simulcasting" means the closed-circuit television or radio transmission of a race at one racetrack to another racetrack or facility at the same time the race is being conducted.

(aa) "Slot machine" means any mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, currency, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which may deliver or entitle the person playing or operating the machine to receive cash or tokens to be exchanged for cash or to receive any merchandise or thing of value, whether the payoff is made automatically from the machine or in any other manner whatsoever.

(bb) "State" means the State of Rhode Island, its authorized officials, agents and representatives.

(cc) "State gaming agency" means the agency of the State as the State may from time to time designate by written notice to the Tribe as the single State agency responsible for oversight of Class III gaming.

(dd) "State law enforcement agency" means the Rhode Island State Police or such other law enforcement agency of the

State as the State may from time to time designate by written notice to the Tribe as the single State agency responsibile for those matters relating to law enforcement.

(ee) "Table games" means blackjack, poker, craps, dice, baccarat, over and under, acey-deucy, roulette and other games classified as table games by the gaming industry, played at a table in a Gaming Facility.

(ff) "Telephone betting" means the acceptance of bets in a lottery or pari-mutuel pool by telephone from persons who have deposited funds in a deposit account established for such purpose.

(gg) "Tribal gaming agency" means the Narragansett Tribal Gaming Commission or such other agency of the Tribe as the Tribe may from time to time designate by written notice to the State as the single tribal agency responsible for regulatory authority of Class III gaming as authorized by this Compact.

(hh) "Tribal law enforcement agency" means the police force of the Narragansett Indian Tribe established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement.

(ii) "Tribal lottery" means any game for which tickets are sold, the winning ticket or tickets being secretly predetermined or ultimately selected in a chance drawing, and in which the holders of winning tickets receive money or something of value. Tribal lottery may only be conducted at the Gaming Facility unless otherwise agreed to by the parties hereto.

(jj) "Tribe" means the Narragansett Indian Tribe, its authorized officials, agents and representatives.

(kk) "Video facsimile" means any mechanical, electrical or other device, contrivance or machine, which, upon insertion of a coin, currency, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which is a facsimile of a game of chance, and which may deliver or entitle the person playing or operating the machine to receive cash, tickets or tokens to be exchanged for cash or to receive any merchandise or thing of value, whether the payoff is made automatically from the machine or in any other manner whatsoever.

SECTION 3. Authorized Class III gaming.

(a) Authorized games. The Tribe may conduct, only at the Gaming Facility, and subject to the terms and conditions of this Compact, any or all of the following:

(i) The following games of chance:

(A) Blackjack;

(B) Poker, including without limitation, Carribean and Pai-gaw poker;

(C) Dice;

(D) Money-wheels;

(E) Roulette;

(F) Baccarat;

(G) Chuck-a-Luck;

(H) Pan game;

(I) Over and Under;

(J) Horse race game;

(K) Acey-deucey;

(L) Beat the dealer;

(M) Bouncing ball;

(N) Sic bo;

(O) Red-dog; or

(P) Any game of chance classified as a form of Class III gaming, as well as any game of chance authorized to be conducted, on the date hereof, in the States of New Jersey, Nevada or Connecticut, each of which is not criminally prohibited by the laws of the State. In addition, any game of chance authorized to be conducted, from time to time, from and after the execution of this Compact, in the State of New Jersey, Nevada or Connecticut or any game of chance classified as a form of Class III gaming, each of which is not criminally prohibited by the laws of the State; provided that the Tribe may not conduct such games of chance until the expiration of a period of 60 days from and

after the date the Tribal gaming agency notifies the State gaming agency of its intention to conduct such new games of chance. In the event the Tribal gaming agency does not receive notice of non-approval of such new games of chance by the State gaming agency within such period, such new games of chance are deemed approved. The parties hereto agree and acknowledge that the State gaming agency shall have the right to approve such new games of chance, such approval not to be unreasonably withheld.

(ii) Any bazaar game not listed in subsection (i), but only if conducted solely for merchandise prizes.

(iii) Any lottery game including, without limitation, keno, numbers and lotto conducted at the Gaming Facility permitted under this Compact.

(iv) Off-track pari-mutuel betting on animal races.

(v) Pari-mutuel betting, through simulcasting, on animal races.

(vi) Pari-mutuel betting on jai alai games at the Gaming Facility permitted under this Compact.

(vii) Pari-mutuel betting on dog racing at the

Gaming Facility permitted under this Compact.

(viii) Pari-mutuel betting on horse racing.

(ix) Video facsimiles of any game of chance listed in subsection 3(a)(i).

(x) Slot machines.

(xi) Telephone betting on any lottery game conducted at the Gaming Facility.

(xii) Off-track pari-mutuel telephone betting on animal races.

(b) Authorized Gaming Facility. (i) The Tribe may establish a Gaming Facility for the operation of any games of chance as authorized pursuant to subsection (a)(i) of this Section and games authorized pursuant to subsections (a)(ix) and (a)(x) of this Section; (ii) The Tribe may conduct bazaar games at the Gaming Facility, whether separately from or together with other Class III gaming; (iii) the Tribe may operate Tribal lottery games, including telephone betting on such games, at the Gaming Facility; (iv) the Tribe may operate any off-track pari-mutuel betting, including, telephone betting, and simulcasting as authorized pursuant to subsections (a)(iv), (a)(v) and a(xii) of this Section at the Gaming Facility; (v) the Tribe may operate pari-mutuel betting on jai alai, at the Gaming Facility, but shall not be permitted to establish a jai alai Fronton until such time as no jai alai Fronton located in Newport on the date hereof is conducting such activity; (vi) the Tribe may operate pari-mutuel betting on dog racing, at

the Gaming Facility, but shall not be permitted to establish dog racing operating facilities until such time as no dog racing is conducted at the Lincoln Downs facility operating on the date hereof; (vii) the Tribe may operate pari-mutuel betting on horse racing, at the Gaming Facility.

(c) Authorized forms of payment. All payments for wagers made in authorized forms of Class III gaming conducted by the Tribe at the Gaming Facility, including the purchase of chips, plaques or tokens for use in wagering, shall be made by cash, cash equivalent, check (personal or otherwise) or credit card.

(d) Prohibition on attendance. No person under the age of majority shall be permitted to place any wager, directly or indirectly, other than on bazaar games; provided, however, that persons under the age of majority may receive lottery tickets or chances as gifts; and further provided, however, that a person over the age of majority and under the age for purchase of alcoholic beverages may be employed in the Gaming Facility provided that they are licensed in accordance with the provisions of Section 5 and are not employed in the service of intoxicating liquors. The Tribe shall adopt an ordinance and provide a copy thereof to the State gaming agency, implementing the provisions of this Section 3(d) including provisions pertaining to the attendance by a person under the age of majority at the Gaming Facility which, at a minimum, would prevent such person from loitering at a gaming device or gaming table.

(e) Compliance with reporting requirements. The Tribe shall comply with all applicable reporting and withholding requirements of the Internal Revenue Service relating to all forms of wagering conducted by the Tribe to the extent required by the Act, and shall maintain accurate records of all such reports and returns, and shall implement policies and procedures adequate to assure compliance with such obligations in each of its gaming operations.

(f) Tort remedies for patrons. The Tribe will establish reasonable procedures for the disposition of tort claims arising from alleged injuries to patrons of its Gaming Facility. Such procedures shall be subject to the prior approval of the State gaming agency, such approval not to be unreasonably withheld. In no event shall the Tribe be deemed to have waived its sovereign immunity from suit with respect to any such claims by virtue of any provision of this Compact.

(g) Organization of tribal operations. The Tribal gaming agency shall ensure that any person designated to occupy a position in the Gaming Facility is properly trained and qualified for such position. The Tribe shall disclose to the State gaming agency its program of supervision, instructional and on-the-job training.

(h) Complimentary Services. The Tribe shall maintain a record of all Complimentary services provided to patrons of its Gaming Facility or their guests, including either the full retail price of such service or item if the same service or item is

normally offered for sale to patrons in the ordinary course of business at the Gaming Facility, or the cost of the service or item to the Tribe if not offered for sale to patrons in the ordinary course of business. If the Complimentary service or item is provided to a patron by a third-party on behalf of the Tribe, such service or item shall be recorded at the actual cost to the Tribe of having the third-party provide such service or item. A log recording all such Complimentary services shall be available for inspection by the State gaming agency. The provision of Complimentary services for purposes of this Compact shall not be deemed a sale subject to taxes, state or local, of any nature whatsoever.

SECTION 4. Law enforcement matters relating to Class III gaming.

The specific provisions set forth below shall be implemented pursuant to a law enforcement plan to be jointly developed: (i) until such time as the Tribal law enforcement agency is certified pursuant to the provisions of this Section 4, between the Tribal government and the State Police and (ii) thereafter, between the State Police and the Tribal law enforcement agency.

The parties hereto expressly agree and acknowledge that except as specifically set forth in the Compact, jurisdiction afforded by each party by law shall not be modified or expanded in

any manner whatsoever.

(a) State criminal jurisdiction. The State of Rhode Island shall have jurisdiction to enforce all criminal laws of the State which may prohibit any form of Class III gaming at the Gaming Facility premises against any person engaged in Class III gaming on the Gaming Facility premises unless such person is engaged in a form of Class III gaming covered in Section 3(a) of this Compact and conducted by the Tribe. The State of Rhode Island shall also have jurisdiction to enforce all other criminal laws of the State which are consistent with the provisions of this Compact within the Gaming Facility premises.

(b) Powers of State law enforcement officers. Law enforcement officers of the State of Rhode Island shall be accorded free access to any Gaming Facility for the purpose of maintaining public order and public safety and enforcing applicable criminal laws of the State (as permitted hereunder), and personnel employed by the Tribal gaming operation shall for such purposes provide State law enforcement officers access to all parts of the Gaming Facility except locked and secure areas; notwithstanding the foregoing, if the officer has probable cause to suspect that a crime is being committed, such officer shall have access to locked and secure areas. The State law enforcement agency may station a resident officer at the Gaming Facility to coordinate law enforcement with the Tribal law enforcement agency within the

Gaming Facility. The State shall designate a State police officer who shall be formally trained in Federal Indian law and procedures who shall serve as a liaison between the State law enforcement officer assigned to the Gaming Facility under this subsection and the State police. If possible, entrance to and exit from such office space by personnel employed by the State law enforcement agency shall be via an entrance with direct access to the outside of the Gaming Facility.

(c) Powers of Tribal law enforcement officers. Law enforcement officers of the Narragansett Indian Tribe may exercise concurrent authority with that of law enforcement officers of the State to maintain public order and public safety and to enforce the applicable ordinances of the Tribe and to detain for violation of applicable criminal laws of the State; provided, that persons detained by officers of the Tribal law enforcement agency for violations of criminal laws of the State shall, as soon as possible, be transfered to the jurisdiction of State law enforcement officers and the Tribal law enforcement agency shall comply with all reasonable requirements of State law enforcement officers and agencies in order to assist in the prosecution of such offenders.

(d) Crimes by non-Indians:

(i) Non-Indians who violate State criminal laws will be dealt with initially by the casino security force, who shall be professionally qualified persons employed by the Tribe to help keep

order in the casino. If the matter appears to be beyond their ability to arrange a peaceful outcome, they will call in the State Police, and/or Tribal law enforcement agency after the certification process described in Section (f)(i) below in accordance with the above referenced law enforcement plan (hereinafter "Certification" or "Certified").

(ii) The State Police may have an office as provided in paragraph (b) on the premises (the land under and around the Gaming Facility) to interview witnesses, make records, communicate, and temporarily detain a person. They may station a single officer there, or (if provided for by the law enforcement plan mutually agreed to by the State law enforcement agency and the Tribe) they may station additional officers there, or otherwise will have an officer or unit on call to respond to calls from the casino security force.

(iii) The State Police officers will have standing permission to enter any place on the premises if upon probable cause to make an arrest, in pursuance of their jurisdiction to arrest any non-Indian for violations of State law seen by or reported to them by authorized individuals. The officer will notify the Tribal security office as soon as possible after any effort to arrest.

(iv) The Tribal law enforcement agency (after Certification) shall have the authority to detain any non-Indian for violations of State law, and shall promptly transfer such

person to the nearest State Police officer or facility, for processing (see paragraph (c) above).

(e) Crimes by Indians:

(i) An "Indian" is any person who is validly enrolled in the Narragansett Indian Tribe or who carries a membership card in any other federally recognized tribe.

(ii) Indians who violate Tribal or State law shall be dealt with initially by the casino security force, the same as in paragraph (d)(i) above.

(iii) After the Tribal law enforcement agency has been Certified, it shall be the primary agency called by the casino security force in the case of Indian violations, and the primary agency to handle such matters, and at such time as the Tribal system is in place and staffed, the Tribal Court shall be the court before which the Indian shall normally be processed for violations of tribal law. At the discretion of the Tribal Government the Indian violator may be turned over to the State Police for processing under State law. In the case of a crime covered by the Major Crimes Act, 18 U.S.C. § 1153, the Indian violator shall be turned over to the federal authorities to be processed in accordance with the Major Crimes Act.

(iv) Until the Tribal law enforcment agency has been Certified, Indians who violate State law shall be handled by the State Police Force the same as non-Indian offenders. In the case

of an on-the-spot arrest, the State Police Force shall promptly report such arrest to the Tribal security office. Where arrest is to be by warrant or summons, prior notification to the Tribal Security Office shall be required.

(v) Notwithstanding that the Tribal law enforcement agency has been Certified, in the case of any crime of violence against State law committed by an Indian creating an emergency situation threatening public safety, the State Police may respond to any call and take any action necessary to quell the emergency unless the Tribal enforcement agency already has the situation under control pursuant to the law enforcement plan.

(f) Other.

(i) The Tribe is in the process of setting up a tribal law enforcement system, including professionally trained police officers, prosecutors and judges, criminal code, court room, jail, etc. When the system is fully in place and staffed, and has been certified as a qualified system by the Secretary of the Interior or his authorized representative, it will go into effect, and thereafter will implement the Tribe's law enforcement jurisdiction. This jurisdiction includes criminal jurisdiction over all Indians at the Gaming Facility, except for the exercise of federal jurisdiction pursuant to the Major Crimes Act. This includes the jurisdiction to detain non-Indians who violate State laws relating to public safety, and to, as soon as possible, turn them over to the State authorities.

(ii) Due to the necessary interaction and cooperation required between the Tribal Police Force and the State Police Force, if either police force is dissatisfied with the performance of the other in any way, respectively, each may assign an officer to meet with their counterpart and the two shall discuss the matter with an eye to recommending to their respective superiors a solution based to the extent possible on cooperation and accommodation.

(iii) The State will arrange for training of qualified tribal police candidates referred by the Tribe; the costs of such training incurred by the State shall be reimbursed by the Tribe to the State.

(iv) The State Police shall have no authority to enforce Narragansett tribal laws unless called upon for assistance by the Tribe.

(g) Certification of Tribal law enforcement officers. (i) The Tribe agrees that all of its Tribal law enforcement officers must meet the following certification requirements. Candidates for Tribal law enforcement officer positions who have not previously been licensed as a State or Federal law enforcement officer shall (1) successfully complete the approved Basic Police Training Course conducted at the Indian Police Academy (applicable to BIA law enforcement programs) and (2) shall successfully complete the State Police's training program.

(ii) Law enforcement officer candidates who have been previously licensed as a State (other than Rhode Island) or Federal law enforcement officer may be deemed to have satisfied the State's certification requirements if the State law enforcement agency approves of such training course.

(iii) In the event an officer candidate fails to complete the training required under this Section, such candidate shall be discharged or, in the event such person otherwise qualifies as a gaming employee, they shall be transferred to a position not involving law enforcement duties.

(h) BIA Training for State law enforcement officers. Any State police officer assigned by the State to the Gaming Facility shall undertake instruction from the Bureau of Indian Affairs Division of Law Enforcement Services regarding the operation of Federal Indian law applicable to lands held in trust by the United States.

SECTION 5. Licensing of Gaming Employees.

(a) Requirements for employee licensing. No person may commence or continue employment as a gaming employee unless he is the holder of a valid current gaming employee license issued by the Tribal gaming agency in accordance with the provisions of this Section.

(b) Procedure for license applications. Each applicant for a gaming employee license shall submit a completed license application to the Tribal gaming agency, with a copy thereof to the

State gaming agency, on forms required and provided by the Tribal gaming agency. The Tribe, or a gaming service enterprise registered pursuant to Section 6 hereof, as the case may be, shall certify on said application that submission of the application has been approved. Such gaming employee license application forms shall contain such information, documentation and assurances as may be required by the Tribal gaming agency concerning the applicant's personal and family history, personal and business references, criminal conviction record, business activities, financial affairs, gaming industry experience, gaming school education and general educational background. Each completed license application submitted to the Tribal gaming agency pursuant to the provisions hereof shall be accompanied by the applicant's fingerprint card(s) and photograph(s) in form as required by the Tribal gaming agency. Promptly upon receipt of a completed license application, the State gaming agency shall forward a copy thereof to the State law enforcement agency.

(c) Background Investigation of Applicants. The State gaming agency shall promptly upon receipt of an application for a gaming employee license cause both State and Federal criminal record checks to be done on the applicant to determine whether the applicant has any criminal history and shall so advise the State law enforcement agency. The Tribal gaming agency may request, and the State law enforcement agency on its own behalf may, undertake such further investigation of the applicant and applicant's

background as is reasonably deemed appropriate by such entity. The State law enforcement agency shall, as soon as is practicable after receipt of the completed license application, report to the State gaming agency and the Tribal gaming agency (to the extent permitted by law) on the results of such investigation. The State hereby agrees that in no event will the Tribe be responsible for reimbursing the State for amounts expended by it or its agencies in connection with the activities set forth in this Section (c) except for such further investigations which the Tribe may request after the initial criminal record check performed by the State upon receipt of a gaming employee license application.

(d) Temporary Licensing. Unless the State criminal record check undertaken by the State gaming agency within ten days of the receipt of a completed application discloses that the applicant has a criminal history, or unless other grounds sufficient to disqualify the applicant pursuant to subsection (e) are apparent on the face of the application, the Tribal gaming agency shall issue a temporary gaming employee license to the applicant (including Rhode Island residents) which shall expire and become void and of no effect upon the determination by the Tribal gaming agency of the applicant's suitability for a gaming employee license. During the twelve-month period immediately following the effective date of this Compact as provided herein, any applicant who may file a copy of a current valid gaming employee license issued by the States of New Jersey, Nevada, Rhode Island or

Connecticut together with his completed application shall be immediately issued a temporary gaming employee license by the Tribal gaming agency pending determination of such applicant's suitability or eligibility for a gaming employee license as provided in subsection (e) of this Section.

(e) Action by Tribal gaming agency. The Tribal gaming agency shall, as soon as is practicable after receipt of a completed license application, either grant or deny the license. The Tribal gaming agency shall deny a gaming employee license to any applicant who:

(i) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods, and activities in the conduct of the gaming activities permitted hereunder; or

(ii) has failed to provide any information reasonably required to investigate the application for a gaming employee license or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application.

(f) Duration of license and renewal. Any gaming employee license originally issued or renewed by the Tribal gaming agency shall be effective for not more than three years and shall expire on the thirty-first day of October of the year of

expiration; provided, that a licensed employee who has applied for renewal may continue to be employed under the expired license until final action is taken on the renewal application by the Tribal gaming agency. Previously licensed applicants or applicants for renewal shall provide currently updated application material but will not be required to re-submit historical data already available to the Tribal gaming agency. No additional background investigation of an applicant for renewal shall be required unless new information concerning the renewal applicant's continuing suitability or eligibility for a license comes to the attention of either the Tribal gaming agency, the State gaming agency or the State law enforcement agency.

(g) Revocation or suspension of license. The State gaming agency or the State law enforcement agency may investigate any person who holds a gaming employee license at any time. The State gaming agency may request the Tribal gaming agency to suspend or revoke any gaming employee license issued hereunder and the Tribal gaming agency will suspend or revoke any such gaming employee license if new information concerning facts arising either prior to or since the issuance of the original license, or any renewal thereof, comes to the attention of the State gaming agency which information would justify denial of such original license, or any renewal thereof, pursuant to subsection (e) of this Section.

(h) Badges. All licensed gaming employees actively employed by the Tribe or having access to the Gaming Facility shall

upon the commencement of such employment be provided with identification badges as may be required by the Tribal gaming agency which shall be displayed or carried within the Gaming Facility as the applicable standard of operation may require and the Tribe shall employ its best efforts to recover such badges from an employee upon the termination of employment at a Gaming Facility.

(i) Appeal of license decisions. Recomendations made to the Tribal gaming agency by the State gaming agency to deny, suspend, or revoke a license shall be accepted if the findings of the State in its investigations are confirmed by the Tribal gaming agency. If the Tribal gaming agency does not agree with the State gaming agency's determination that such gaming employee's license should be denied, suspended or revoked, the parties shall submit such question to the National Indian Gaming Commission for resolution. During the period between which the State gaming agency formally requests such resolution and final determination on the issue, such employee shall be prohibited from working at a position at which a gaming employee license is required; however, such employee shall not necessarily be prohibited from working at a non-licensed position in the Gaming Facility.

(j) Investigation of non-gaming employees. The State law enforcement agency may, at its own expense, investigate misconduct of employees of the Tribe who are not gaming employees but who are employed in ancillary facilities located within the same building

as any Gaming Facility. If the State law enforcement agency notifies the Tribal gaming agency that the conduct of a non-gaming employee in the course of their employment in such ancillary facilities poses a threat to the effective regulation of gaming or creates or enhances the dangers of unfair or illegal practices, methods and activities in the conduct of gaming, a request may be made to the Tribal gaming agency to dismiss such employee. Such request for dismissal shall be accepted if the findings of the State law enforcement agency are confirmed by the Tribal gaming agency subject to Section 5(i).

(k) Delivery of Gaming Services or Gaming Equipment Contracts. The Tribal gaming agency shall deliver to the State gaming agency a copy of any gaming services or gaming equipment contract between the Tribe and any third-party which provides for goods or services exceeding the sum of seventy-five thousand dollars ($75,000) in a single twelve-month period. Such contracts shall be delivered by the Tribal gaming agency to the State gaming agency within thirty (30) days of the execution thereof.

SECTION 6. Registration of Gaming Service Enterprises.

(a) Requirement for registration. No enterprise may provide gaming services or gaming equipment to the Tribe unless (1) it or its parent corporation is or has been a party to any contract which has been previously approved by the National Indian Gaming Commission if so required (with respect to any party receiving fees

under the initial Management contract); (2) it is the holder of a valid current gaming services registration issued by the State gaming agency in accordance with the provisions of this Section; or (3) so long as the Tribe discloses the identity of such enterprise (together with the value and nature of services or equipment provided by the enterprise) to the State gaming agency, such enterprise need not register pursuant to this Section if the enterprise has a current valid license to provide gaming equipment or gaming services from the State gaming agency under regulations of the State applicable to gaming operated or licensed by the State; provided, however, that the rights conferred pursuant to subsection (3) of this Section (a) may be revoked or suspended by the State gaming agency in the same manner and for the same reasons as provided in Section (g) of this Section. Notwithstanding anything to the contrary in this Section 6, any entity providing initial management services to the Tribe (or sharing in an initial management fee) with respect to its Gaming Facility may provide financing to the Tribe for the purpose of establishing, maintaining or operating the Gaming Facility and related operations and matters.

(b) Procedure for registration. Each applicant for a gaming service registration shall submit a completed registration application to the State gaming agency, with a copy thereof to the Tribal gaming agency, on forms required and provided by the State gaming agency. The Tribe shall certify on said application that

submission of the application has been approved. Such gaming service registration application shall contain such information, documentation and assurances as may be required by the State gaming agency which shall identify all of said applicant's principals and which shall concern the applicant's and each such principal's personal and family history, personal and business references, criminal conviction record, business activities, financial affairs, prior gaming industry experience and general education background; all of the foregoing as may be applicable to such applicant or such principal. Each completed gaming service registration application submitted to the State gaming agency pursuant to the provisions hereof shall be accompanied by the fingerprint card(s) and photograph(s) of each principal of the applicant in form as required by the State gaming agency. Promptly upon receipt of a completed registration application, the State gaming agency shall forward a copy thereof to the State law enforcement agency.

(c) Background Investigation of Applicants. The State gaming agency and the State law enforcement agency shall promptly upon receipt of an application for a gaming services registration conduct an investigation of the applicant and each of its principals. Such investigation shall include criminal record checks to be done on each of applicant's principals and such other investigation of applicant and its principals as may be deemed appropriate by the State gaming and State law enforcement agency. The State law enforcement agency shall, as soon as is practicable

after receipt of the completed gaming services registration application, report to the State gaming agency and the Tribal gaming agency (to the extent permitted by law) on the results of its investigation.

(d) Temporary Registration. During the twelve-month period immediately following the effective date of this Compact as provided herein, any applicant for a gaming service registration who may file a copy of a current valid gaming service industry registration issued by the States of Rhode Island, New Jersey, Nevada or Connecticut together with its completed application shall be immediately issued a temporary gaming service registration by the State gaming agency pending determination of such applicant's suitability or eligibility for a gaming service registration pursuant to subsection (e) of this Section.

(e) Action by State gaming agency. The State gaming agency shall, as soon as practicable after receipt of a completed application for a gaming service registration, either grant or deny the application. The State gaming agency may deny a gaming service registration to any applicant upon its determination that the applicant, or any principal identified with such applicant:

(i) is a person or entity whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods, and activities in the conduct of the gaming activities permitted

hereunder; provided, however, that the State shall not apply standards for approval of registrations pursuant to this Section more rigorously than those actually applied in the approval of similar licenses in gaming enterprises operated or regulated exclusively by the State; or

(ii) has failed to provide any information reasonably required to investigate the application for a gaming service registration or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application.

(f) Duration of registration and renewal. Any gaming services registration originally issued or renewed by the State gaming agency shall be effective for not more than three years and shall expire on the thirty-first day of October of the year of expiration; provided, that a registered enterprise that has applied for renewal may continue to provide services under the expired registration until final action is taken on the renewal application by the State gaming agency. Previously registered applicants or applicants for renewal shall provide currently updated application material but will not be required to re-submit historical data already available to the State gaming agency. No additional background investigation of an applicant for registration renewal shall be required unless new information concerning the renewal applicant's continuing suitability or eligibility for a license comes to the attention of either the State gaming agency or the

State law enforcement agency.

(g) Revocation or suspension of registration. The State gaming agency or the State law enforcement agency may investigate any enterprise or principal of such enterprise which holds a gaming services registration license at any time and the State gaming agency may suspend or revoke any gaming services registration issued hereunder if new information concerning facts arising either prior to or since the issuance of the original registration, or any renewal thereof, comes to the attention of the State gaming agency which information would justify denial of such original license, or any renewal thereof, pursuant to subsection (e) of this Section 6; provided, however, that no registration shall be revoked or suspended except after such notice and hearing as is ordinarily required for similar administrative actions under the administrative procedures applicable to agencies of the State; and further provided, that the enterprise shall be entitled to any payment due for services provided or goods delivered prior to the effective date of suspension or revocation of its registration.

(h) Appeal of registration decisions. Decisions of the State gaming agency to deny, suspend, or revoke a registration pursuant to this Section, following any administrative review or appeal which may be permitted by the State gaming agency in accordance with procedures which it may establish, constitutes final agency action subject to judicial review in the manner provided by the laws of the State for judicial review of

administrative actions affecting similar rights.

(i) Fee for registration. Any enterprise filing an application for a gaming services registration pursuant to this Section shall pay to the State gaming agency a fee sufficient to compensate the State gaming agency for the costs of review of the registration applications; provided, however, that such fee shall not be increased above one thousand five hundred dollars ($1,500) for each applicant without prior approval of the Tribal gaming agency, but any balance of such costs not recovered as a result of such limitation on fees shall be assessed to the Tribe which shall promptly pay such amount to the State. The Tribe shall have the right to dispute any assessed amount and have such dispute settled pursuant to Section 12.

(j) Investigation of non-gaming enterprises. Any enterprise which provides goods or services to a Tribal gaming operation other than gaming services or gaming equipment in a total amount exceeding the sum of $75,000 in a single twelve-month period, shall be identified by the Tribe to the State gaming agency and shall agree to cooperate with the State gaming agency and the State law enforcement agency in any investigation deemed necessary by either such agency relative to the fitness of such enterprise to engage in business with a gaming operation, or relative to the conduct of such enterprise in connection with such activity. The State gaming agency may bar such enterprise from providing goods or services to the Tribal gaming operation, upon a determination that

such enterprise or a principal thereof is a person or entity whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the dangers of unfair or illegal practices, methods and activities in the conduct of gaming; provided, however, that such enterprise may appeal such determination in the manner provided pursuant to subsection (h).

SECTION 7. Standards of operation and management for games of chance.

(a) Adoption of standards of operation and management. The Tribal gaming agency shall adopt standards of operation and management to govern all gaming operations utilizing the authority of the Tribe to operate games of chance as defined in Section 3(a)(i) of this Compact. Such standards shall protect the public interest in the integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming. Such standards of operation and management shall, at a minimum, be as comprehensive as those set forth in Regulations 6, 22 and 23 of the Nevada Regulations and shall not be effective until such time as an independent auditing firm (hired and paid for by the State) confirms that such standards meet the minimum standard set forth above, unless waived by the State. The parties agree that should there be a conflict between such sections of the Nevada Regulations and the terms of this Compact, the terms of the Compact shall

govern. The standards of operation and management referred to in this Section 7(a) shall be adopted by the Tribe within 180 days from the date all referendums required to conduct the activities contemplated herein are approved, but in no event later than 60 days before the Casino formally commences operations. The Tribal gaming agency shall notify and provide a copy to the State gaming agency of any revision of the standards of operation and management and the Tribe shall certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations, reduce the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming and are as comprehensive as Regulations 6, 22 and 23 of the Nevada Regulations.

(b) Additional standards applicable to games of chance. The following additional standards shall apply to the operation by the Tribe of games of chance as permitted by this compact:

(i) the Tribe shall maintain the following logs as written or computerized records which shall be available for inspection by the State gaming agency in accordance with Section 12(b) of this Compact: a surveillance log recording all surveillance activities in the monitoring room of the Gaming Facility; a security log recording all unusual occurrences for which the assignment of a security department employee is made; a cashier's cage log recording all exchanges of gaming chips for cash

by persons who cannot reasonably be thought to have been gaming; a credit log recording all counter checks exchanged and all checks received for redemption, consolidation or substitution; a machine entry log recording all occasions on which a video facsimile machine or Slot machine is opened by any mechanic or attendant, except to the extent that such entries may be automatically recorded by a computer system activated by each entry; and a machine location log, recording the location and each movement of any video facsimile machine or Slot machine within the Gaming Facility.

(ii) The Tribal gaming agency shall establish a list of persons barred from the Gaming Facility because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the gaming activities of the Tribe. The Tribe shall employ its best efforts to exclude persons on such list from entry into its Gaming Facility. The Tribe shall also exclude persons engaging in disorderly conduct or other conduct jeopardizing public safety in the Gaming Facility.

(iii) The Tribal gaming agency shall require the audit of the gaming activities of the Tribe, not less than annually, by an independent certified public accountant with experience auditing casinos, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants.

(iv) The Tribal gaming agency shall notify and provide a copy to the State gaming agency of the rules of each game of chance which will be operated by the Tribe and of any change in such rules. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the Gaming Facility, and betting limits applicable to any gaming table shall be displayed at such gaming table. Rules of each game shall assure that the game will be operated in a manner which is honest, fair to patrons and amenable to regulatory oversight. Rules for games identified in Sections 3(a)(i)(A), (B), (C), (D), (E), (F), (G), (J), (K), (N), (O) and (P) shall be based upon such games as commonly practiced in other gaming jurisdictions in the United States with such variations in the manner of wagering or play as do not fundamentally alter the nature of the game and as the Tribal gaming agency may approve. Rules for games identified in Sections 3(a)(i)(H), (I), (L), and (M) shall be consistent with the nature of such games as played in other jurisdictions and assure that such games will be operated in a manner which is honest and fair to patrons. The Tribe will provide the State gaming agency with ten days' advance notice of the rules of each game and any modification thereof, and will provide adequate notice to patrons of the Gaming Facility to advise them of the applicable rules in effect.

(v) No person shall be permitted to bear firearms of any kind on the Casino floor except for members of the Tribal

law enforcement agency after Certification, the State law enforcement agency and contracted, properly State licensed security personnel.

(vi) The Tribal operation shall maintain a closed circuit television system in accordance with the standards established under Section 7(a) and shall give notice of any modification of such standards, and provide a copy of such modifications, to the State gaming agency. The Tribal gaming operation shall provide the State gaming agency with copies of its floor plan and closed circuit television system and any modifications thereof for review by the State gaming agency. If the floor plan or closed circuit television system do not provide unobstructed camera views in accordance with such standards, the Tribal operation shall modify such floor plan or closed circuit television system in order to remedy such deficiency.

(vii) The Tribal operation shall maintain a cashier's cage in accordance with the standards established under Section 7(a) and shall give notice of any modification of such standards to the State gaming agency. The State gaming agency may review cashier's cage security. If the cashier's cage does not comply with the security standards established under Section 7(a), the Tribal operation shall modify its cashier's cage to remedy such deficiency.

(c) Technical standards for video facsimile games and Slot machines. When any video facsimile of a game of chance

identified in Section 3(a)(i) or Slot machine has been approved by the gaming regulatory agencies of any of the States of Rhode Island, New Jersey, Nevada or Connecticut, the Tribe may operate any such Slot machine, video facsimile of such game or a substantially similar version of such games. When no substantially similar version of a video facsimile game or Slot machine, as the case may be, has been approved by the gaming regulatory agencies of any of the States of Rhode Island, New Jersey, Nevada or Connecticut then such new game may be approved by the Tribe if the standards of operation and management of such game (i) protect the public interest and integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming and (ii) conform with the standards adopted by the Tribe for such games. The technical standards adopted by the Tribe for video facsimile games and Slot machines shall, at a minimum, be as comprehensive as those set forth in Paragraphs 1.010-2.060 (Technical Standards for Gaming Devices) in the Nevada Regulations and shall not be effective until such time as an independent auditing firm (hired and paid for by the State) confirms that such standards meet the minimum standards set forth above, unless waived by the State. The parties agree that should there be a conflict betweeen such sections in the Nevada Regulations and the terms of this Compact, the terms of the Compact shall govern. The technical standards referred to in this Section 7(c) shall be adopted by the Tribe within 180 days from the

date all referendums required to conduct the activities contemplated herein are approved, but in no event later than 60 days before the Casino formally commences operations. The Tribal gaming agency shall notify and provide a copy to the State gaming agency of any revisions to the technical standards for video facsimile games and Slot machines and the Tribe shall certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations, reduce the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming and the standards of operation and are as comprehensive as the Nevada Regulations referred to in this Section 7(c).

(d) Technical standards for satellite gaming. The Tribe may conduct any type of satellite gaming of games permitted under this Compact. The Tribe shall adopt technical standards for satellite gaming and shall submit them to the State gaming agency for approval, which approval shall not be unreasonably withheld. Such standards shall be deemed to be approved if the State gaming agency has not rejected such standards within 60 days of receipt thereof. The Tribal gaming agency shall notify and provide a copy to the State gaming agency of any revision of the standards and the Tribe shall (i) certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming

operations and reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming and (ii) obtain the approval of the State gaming agency, such approval shall not be unreasonably withheld and a determination of which shall be given by the State gaming agency within twenty Business Days after the request for such approval is made by the Tribe. Notwithstanding the foregoing, the parties agree that such revision shall be acceptable if after such revision the standards are as comprehensive as the standards orginally adopted. If no determination of such approval is given by the State gaming agency within twenty Business Days, such failure to notify the Tribe shall be deemed to be an approval of such revisions.

SECTION 8. Standards of operation and management for pari-mutuel betting facilities.

(a) Adoption of standards of operation and management. The Tribal gaming agency shall adopt standards of operation and management to govern all gaming operations utilizing the authority of the Tribe to operate pari-mutuel betting on racing and jai alai (subject to the express limitations on jai alai and dog tracks set forth in Section 3), including off-track betting, simulcasting and telephone betting, as set forth in Sections 3(a)(iv), 3(a)(v), 3(a)(vi), 3(a)(vii) and 3(a)(viii) of this Compact. Such standards shall protect the public interest in the integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of

gaming. Such standards shall be adopted by the Tribe and shall, at a minimum, be as comprehensive as those set forth in Regulations 26 and 27 of the Nevada Regulations and shall not be effective until such time as an independent auditing firm (hired and paid for by the State) confirms that such standards meet the minimum standards set forth above, unless waived by the State. The parties agree that should there be a conflict between such sections of the Nevada Regulations and the terms of this Compact, the terms of the Compact shall govern. The standards of operation and management referred to in this Section 8(c) shall be adopted by the Tribe within 180 days from the date all referendums required to conduct the activities contemplated herein are approved, but in no event later than 60 days before the Casino formally commences operations. The Tribal gaming agency shall notify and provide a copy to the State gaming agency of any revision of the standards of operation and management and the Tribe shall certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations, reduce the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming and are as comprehensive as Regulations 26 and 27 of the Nevada Regulations.

(b) Calculation of permitted takeout. The Tribal operation conducting any form of pari-mutuel betting pursuant to this Section shall distribute all sums deposited in any pari-mutuel

program to the holders of winning tickets therein, less the takeout percentage which shall be the permitted takeout percentage as determined in accordance with this subsection plus one half of the breakage to the dime of the amount so retained. The permitted takeout percentage shall be:

(i) for pari-mutuel betting on dog racing, nineteen percent (or such other percent as may be the gross takeout permitted under the laws of the State for licensees of the State conducting pari-mutuel betting on dog racing).

(ii) for pari-mutuel betting on jai alai, eighteen percent (or such other percent as may be the gross takeout permitted under the laws of the State for licensees of the State conducting pari-mutuel betting on jai alai).

(iii) for pari-mutuel betting on horse racing, seventeen percent (or such other percent as may be the gross takeout permitted under the laws of the State for licensees of the State conducting pari-mutuel betting on horse racing).

(iv) for pari-mutuel off-track betting, seventeen percent (or such other percent as may be the gross takeout permitted under the laws of the State for the State off-track betting system).

(c) Testing of equipment. The State gaming agency may perform such tests on totalisator equipment employed in the conduct of Tribal pari-mutuel wagering and any off-track betting computer system as it may reasonably require to verify the integrity and

accuracy of such systems.

(d) Special pari-mutuel wagers. The Tribal gaming operations may conduct special forms of pari-mutuel wagering at the Gaming Facility, in addition to those types of wagers initially adopted pursuant to Section 8(a) as confirmed to the State by an independent auditing firm hired and paid for by the State. Such forms and the standards therefor shall be subject to the approval of the State gaming agency, such approval not to be unreasonably withheld. Notwithstanding the foregoing, the parties agree that such shall be acceptable if they are as comprehensive as the Regulations referenced in Section 8(a). The Tribal gaming agency shall notify the State gaming agency of any new special forms and the Tribe shall (i) certify that the new forms will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations and reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming and (ii) obtain the approval of the State gaming agency, such approval shall not be unreasonably withheld and a determination of which shall be given by the State gaming agency within twenty Business Days after the request for such approval is made by the Tribe. Notwithstanding the foregoing, the parties agree that such new form shall be acceptable if such new form is substantially similar to the provisions of the Nevada Regulations set forth in Section 8(a) as confirmed to the State by an independent auditing firm hired and

paid for by the State. If no determination of such approval is given by the State gaming agency within twenty Business Days, such failure to notify the Tribe shall be deemed to be an approval of such form. The State may test any computer hardware or software required for the operation of such special wagering. All such special pari-mutuel wagers shall be conducted in a manner which is honest and fair to the patrons.

(e) Security procedures for audio-video signals. The Tribe shall consult with the State gaming agency regarding the adoption of security procedures for audio and video signals utilized in the operation of any off-track betting system and shall adopt security procedures substantially corresponding to those utilized by the State for corresponding types of audio and video signals or such other procedures as may be adopted by the Tribal gaming agency after consulting with the State gaming agency.

(f) Computer recording of wagering information. The totalisator equipment selected for use at each of the Tribe's pari-mutuel wagering operations shall be capable of generating a computer log of wagering activities in a form approved by the State gaming agency to enable the State gaming agency to provide computer verification of the accuracy and integrity of wagering activities.

(g) Betting limits to prevent manipulation. The Tribe shall reject any wager at a pari-mutuel wagering operation which, in the judgment of the Tribal gaming operation, is so large with respect to the size of any wagering pool as to enable an individual

placing such wager to manipulate the wagering pool for unfair advantage over other patrons.

(h) Payment medium for wagers. All wagers at pari-mutuel windows of any Tribal gaming operation shall be in United States currency; provided, however, that nothing herein shall restrict the right of the Tribe to provide check cashing (personal or otherwise) or cash advance facilities for use in conjunction with credit cards for the convenience of patrons.

SECTION 9. Standards of operation and management for Tribal lottery gaming.

(a) Adoption of standards of operation and management. The Tribal gaming agency shall adopt standards of operation and management to govern all gaming operations utilizing the authority of the Tribe to conduct Tribal lottery gaming, as set forth in Section 3(a)(iii) of this Compact. Such standards shall protect the public interest in the integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming. Such standards of operation and management adopted by the Tribe shall, at a minimum, be as comprehensive as those utilized by the State in conducting its lottery operations and shall not be effective until such time as an independent auditing firm (hired and paid for by the State) confirms that such standards meet the minimum standard set forth above, unless waived by the State. The parties agree

that should there be a conflict with the State's standards for lottery operations and the terms of this Compact, the terms of this Compact shall govern. The standards of operation and management referred to in this Section 9(a) shall be adopted by the Tribe within 180 days from the date all referendums required to conduct the activities contemplated herein are approved, but in no event later than 60 days before the Casino formally commences operations. Such standards of operation and management shall be subject to the approval of the State gaming agency, such approval not to be unreasonably withheld. Notwithstanding the foregoing, the parties agree that such shall be acceptable if such standards are as comprehensive as the lottery regulations of the State. The Tribal gaming agency shall notify and provide a copy to the State gaming agency of any revision of the standards of operation and management and the Tribe shall (i) certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations and reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming and (ii) obtain the approval of the State gaming agency, such approval shall not be unreasonably withheld and a determination of which shall be given by the State gaming agency within twenty Business Days after the request for such approval is made by the Tribe. Notwithstanding the foregoing, the parties agree that such revision shall be acceptable if after such revision the standards of

operation are as comprehensive as the lottery regulations of the State. If no determination of such approval is given by the State gaming agency within twenty Business Days, such failure to notify the Tribe shall be deemed to be an approval of such revisions.

(b) Testing of certain lottery equipment. The Tribe may engage an independent testing laboratory registered in accordance with this Compact to test tickets used in a Tribal lottery and shall provide copies of each report of such testing laboratory to the State gaming agency. The State gaming agency may perform such tests on any on-line computer system, drawing equipment, or tickets employed in the conduct of a Tribal lottery as it may reasonably require to verify the integrity and accuracy of such systems.

(c) Lottery drawing security procedures. The Tribe shall consult with the State gaming agency regarding the adoption of lottery drawing security procedures and shall adopt lottery drawing security procedures substantially corresponding to those utilized by the State for corresponding types of lottery drawings or such other procedures as may be adopted by the Tribal gaming agency after consulting with the State gaming agency.

(d) Approval of annuity providers. The State gaming agency shall review the qualifications of any annuity provider selected by the Tribe in connection with the payment of any lottery prize in order to determine the financial responsibility of such provider and the Tribe shall not employ such provider unless the

provider meets standards of financial responsibility corresponding to those imposed by the State for similar purposes.

(e) Approval of Tribal lottery games. The Tribal gaming operation shall submit to the State gaming agency for its review each proposed new Tribal lottery game to be operated by the Tribe which is not substantially identical to corresponding games operated by the State and the Tribe may approve such game only if the rules of the game and any software or hardware computer equipment, drawing equipment and lottery tickets required for operation of such game make it possible to operate such game in a manner which is honest, and fair to patrons.

SECTION 10. Tribal regulatory authority in the event that the State declines to exercise jurisdiction.

(a) Default authority of Tribal gaming agency. In the event that the State gaming agency declines to exercise all or any portion of the authority specifically vested in the State gaming agency pursuant to this Compact, then the Tribal gaming agency shall exercise such authority and carry out the responsibilities set forth therein including, without limitation, licensing of employees and registration of gaming service enterprises, until and unless the State gaming agency advises the Tribe in writing that it is prepared to exercise such authority.

(b) Default authority of Tribal law enforcement agency. In the event that the State law enforcement agency declines to

exercise the responsibilities specifically vested to in it pursuant to Sections 5 and 6 of this Compact, then the Tribal law enforcement agency shall carry out such responsibilities at the request of the State gaming agency or the Tribal gaming agency, as the case may be, until and unless the State law enforcement agency agrees to exercise such responsibility.

(c) Notice of Default. For purposes of this Section 10, a party is deemed to have declined to exercise its responsibilities if (i) it provides written notice to the other party that it is declining such responsibilities, (ii) it confirms in writing that it elects to decline such responsibility or (iii) it fails to respond to the other party's written inquiry within twenty calendar days. Thereafter the other party may exercise such authority.

SECTION 11. Approval of management contracts. In accordance with Section 11(d)(9) of the Act, 25 U.S.C. §2710(d)(9), the Chairman of the National Indian Gaming Commission shall be responsible for the review and approval of any management contract for management of Tribal gaming operations conducted on the Reservation pursuant to this Compact in accordance with the provisions of subsections (b), (c), (d), (f), (g) and (h) of Section 12 of the Act, 25 U.S.C. §2711. The Tribe shall not enter into any management contract for the management of Tribal gaming operations at the Gaming Facility without the approval of the Chairman in accordance with the terms of the Act. The Tribe shall provide the State gaming agency with notice of any management

contract submitted to the National Indian Gaming Commission in accordance with this Section. At the Tribe's request, the State shall use all reasonable best efforts to assist in the approval of the initial Management contract (or any renewal or extension of such Management contract) which requires the approval of the National Indian Gaming Commission. The Tribe shall not object to standing with the National Indian Gaming Commission on behalf of the State.

SECTION 12. Enforcement of Compact provisions.

(a) Tribal gaming commission supervision. The Tribal gaming agency shall have primary responsibility for the conduct of tribal gaming operations. The Tribal gaming agency, after consulting with the Tribal council, shall determine matters relating to the employment or termination of the inspectors who shall be present in the Gaming Facility during all hours of operation. Such inspectors shall be under the supervision of personnel accountable to the Tribal gaming agency and not to any management employees of the Tribal gaming operations. However, no inspector may be employed by the Tribal gaming agency unless such person is reasonably satisfactory to the company managing the Tribal gaming operations. Such inspectors shall have unfettered access to all areas of the Gaming Facility at all times, and personnel employed by the Tribal gaming operation shall for such purposes provide such inspectors access to locked and secure areas of the Gaming Facility in accordance with the standards of

maintenance and operation promulgated pursuant to Section 7 of this Compact. Such inspectors shall report to the Tribal gaming agency regarding any failure by the Tribal gaming operation to comply with any of the provisions of this Compact or the applicable laws and ordinances of the Tribe. Inspectors assigned by the Tribal gaming agency shall also receive consumer complaints within the Gaming Facility and shall assist in seeking voluntary resolution of such complaints. The Tribal gaming agency may investigate any report of a failure to comply with the provisions of this Compact or the applicable laws and ordinances of the Tribe and may require the Tribal gaming operation to correct such failure upon such terms and conditions as the Tribal gaming agency may determine necessary. Notwithstanding the provisions of Section 15(g), inspectors employed by the Tribal gaming agency for the purposes set forth in this Section shall be required to obtain gaming employee licenses pursuant to Section 5 of this Compact. The Tribe will prepare a plan pursuant to Section 4 for the protection of public safety and the physical security of patrons at the Gaming Facility, following consultation and agreement with the State law enforcement agency, setting forth the respective responsibilities of the Tribal law enforcement agency, the security departments of the Tribal gaming operations, and the State law enforcement agency. The Tribe will also provide the State Gaming agency with copies of its floor plans and surveillance systems for each Gaming Facility and confer with the State gaming agency regarding the adequacy of such plans and

systems. The Tribal gaming agency shall be empowered by Tribal ordinance to impose fines and other appropriate sanctions within the jurisdiction of the Tribe upon any person who violates provisions of this Compact or the applicable standards of operation and management adopted by the Tribal gaming agency.

(b) State review authority. The State gaming agency shall have the authority to review the Tribal gaming operations in order to determine whether such operations are conducted in compliance with the provisions of this Compact, and for that purpose qualified personnel employed by the State gaming agency shall, upon entry to the Gaming Facility, identify themselves and their specific purpose to the security personnel on duty at the time of such visit and said personnel shall promptly provide access to all areas of the Gaming Facility, which must be accessed for the purpose of conducting audits of the Tribal gaming operations, and personnel employed by the Tribal gaming operation shall for such purposes provide such State personnel auditors access to locked and secure areas of the Gaming Facility in accordance with the standards of maintenance and operation promulgated pursuant to this Compact. Such State personnel shall report to the State gaming agency regarding any failure by the Tribal gaming operation to comply with any of the provisions of this Compact. Each Tribal gaming operation shall provide the State law enforcement agency and State gaming agency with access to reasonable office space for the

use of their personnel for the purposes of such review activities. Personnel employed by the State gaming agency may attend the regular count conducted by the Tribal gaming operation in accordance with the standards of operation and maintenance adopted pursuant to Section 7 of this Compact. Personnel employed by the State gaming agency shall not interfere with the conduct of the Tribal gaming operations except as may be required to perform such review functions. Auditors employed by the State gaming agency shall have access to inspect and copy all records which they deem necessary for the purpose of verifying the accuracy of Gross revenues, including computer log tapes, of the Tribal gaming agency and the Tribal gaming operations; provided, however, that all records of the Tribal gaming operations and Tribal gaming agency which are obtained by the State gaming agency shall be deemed confidential and proprietary financial information belonging to the Tribe and shall be protected from public disclosure by the State without the express written consent of the Tribe. The State gaming agency may conduct such investigations and may employ subpoena powers solely through the United States District Court as it deems appropriate to investigate violations of this Compact with respect to the Tribal gaming operations. The State agrees that any subpoena to be served on any member of an Indian tribe (as defined in the Act) shall be served upon an agent for service of process which shall be designated by the Tribe to the State gaming agency in writing, from time to time. Any and all subpoenas issued by the

Federal District Court shall be served by U.S. Federal Marshalls. The Tribal gaming agency shall require that all security incidents and patron complaints reported by or to the Tribal security department or to the Tribal gaming agency be reported on a 48-hour basis to the State gaming agency. The Tribe shall cause each of its Class III gaming operations to be subjected to an annual audit by an independent certified public accountant experienced in auditing gaming operations who shall provide a report in accordance with generally accepted accounting procedures. Such audit shall include any additional procedures required by the State gaming agency and not otherwise required by the independent auditor, which additional procedures shall be performed at the sole expense of the State gaming agency. The State gaming agency shall be provided with an opportunity to review the audit findings with the independent auditor prior to issuance of the audit report and shall receive copies of the audit report, engagement letter, management's representation letter, lawyer's contingency letter and such other workpapers as the State gaming agency deems necessary. The State hereby agrees that in no event will the Tribe be responsible for reimbursing the State for amounts expended by it or its agencies in connection with its activities set forth in this Section 12(b).

(c) Enforcement by parties. The Tribe and the State agree and acknowledge that the Tribe shall be in breach of this Compact in the event that it fails to make, within five (5) business days of its applicable due date, any monetary payment

required to be made herein, including those contributions set forth in Section 14 hereof. If either the State gaming agency or the Tribal gaming agency determines that the State or Tribe, as the case may be, is not in compliance with any non-monetary provisions of this Compact, such agency shall deliver a notice of non-compliance to the other gaming agency setting forth the nature of such non-compliance and the action required to remedy such non-compliance. In the event that the gaming agency notified of such non-monetary non-compliance fails to comply with any provision of this Compact within thirty (30) Business Days' after written notice of the alleged infraction, the agency requesting compliance shall have the right to institute an action in the United States District Courts. The United States District Courts shall have jurisdiction over any such cause of action initiated by either gaming agency (including the ability to enjoin a Class III gaming activity conducted in violation of this Compact). Notwithstanding any provisions to the contrary contained in this subsection 12(c), in the event that an entity notified of a non-monetary alleged breach of this Compact cannot cure said non-compliance upon the exercise of its reasonable best efforts within such thirty (30) Business Days, such entity shall not be deemed in breach of this Compact if such non-compliance is not cured within an additional fifteen (15) Business Day period, provided that it continues to proceed in good faith with reasonable diligence to remedy such breach. If said non-compliance is not cured after the extended 15-Business Day

period, the parties shall, in good faith, determine what additional cure period is required, and non-compliance during such time period shall not be considered a breach hereunder. If the parties cannot agree upon an extended cure period, the matter shall be determined in accordance with Section 12(b) hereto. Each of the Tribe and the State hereby waives any defense which it may have by virtue of its sovereign immunity from suit with respect to any such action in the United States District Courts to enforce the provisions of this Compact, and consents to the exercise of jurisdiction over such action and over the Tribe and the State, as the case may be, by the United States District Courts with respect to such actions to enforce the provisions of this Compact. In addition to the remedies provided hereunder, the State may exercise its right pursuant to subsection (d) of this Section to petition the National Indian Gaming Commission to impose penalties including civil fines and temporary or permanent closure of the Gaming Facility for violation of the ordinances of the Tribe including the provisions of this Compact incorporated in such ordinances. Nothing in this Section (c) shall prevent the parties from mutually agreeing to an alternate means of dispute resolution which is acceptable to both parties.

(d) Enforcement authority of the National Indian Gaming Commission. The Tribe shall enact as part of its tribal ordinances governing Class III gaming activities at the Gaming Facility and submitted to the National Indian Gaming Commission for approval

pursuant to Section 11(d)(2) of the Act, 25 U.S.C. §2710(d)(2), all of the provisions of this Compact. Section 14 of the Act, 25 U.S.C. §2713, provides that the National Indian Gaming Commission may enforce the provisions of the ordinances of the Tribe governing the conduct of Class III gaming activities at the Gaming Facility, including the provisions of this Compact as incorporated into such ordinances pursuant to this Section. The State gaming agency may petition the National Indian Gaming Commission to impose any penalty of civil fine or temporary or permanent closure of the Gaming Facility, as authorized by the Act, for violation of the provisions of this Compact as incorporated in the approved ordinances of the Tribe.

SECTION 13. Application of health, safety, alcoholic and traffic standards.

(a) Health and safety standards. Tribal ordinances and regulations governing health and safety standards applicable to the Gaming Facility shall be no less rigorous than standards generally imposed by the laws and regulations of the State relating to public facilities with regard to building, sanitary, and health standards and fire safety. The State gaming agency may require the Tribe to comply with such health and safety standards pursuant to the procedures set forth in Section 12 hereof. Tribal ordinances and regulations governing water discharges from the Gaming Facility shall be no less rigorous than standards generally imposed by the

laws and regulations of the State relating to public facilities.

(b) Regulation of alcoholic beverages; other taxes. With the exception of the rules pertaining to the hours of operation, the Tribal gaming agency shall comply with the laws and regulations of the State applicable to the sale or distribution of alcoholic beverages. Irrespective of the State's laws applicable to the sale and distribution of alcoholic beverages, the Tribal gaming agency may permit the sale and distribution of alcoholic beverages for 24 hour continious periods. The Tribal gaming operation shall be entitled to a hotel permit for the sale of liquor for the Gaming Facility which are contained in the same building as any hotel, or a cafe permit for the sale of liquor for the Gaming Facility which are not contained in the same building as any hotel, or such equivalent permits as may from time to time be available to similar enterprises operated pursuant to the laws of the State, and the price of any alcoholic beverage sold to a gaming customer in partial consideration for amounts wagered need not be billed by separate charge to the individual customer; provided, however, that the price of each such alcoholic beverage deemed sold to a gaming customer in partial consideration for amounts wagered shall be no less than the price required for such sales pursuant to the laws of the State and shall be separately accounted for by the Tribal operation, any tax due under the laws of the State for the retail sale of such beverages shall be paid with respect to such sales, and daily and monthly records shall be maintained with

respect thereto and shall be available for inspection by the State gaming agency and by the State Department of Liquor Control or any successor State agency. The Tribe agrees that it shall pay and withhold all applicable federal and state taxes for non-Indian employees. State sales tax shall not be assessed against any hand-made Indian handicrafts offered for sale within the Gaming Facility. In addition, (i) hotel services, (ii) cigarettes and liquor (except with respect to sales to Indians) and (iii) other commodities sold at the Gaming Facility shall be subject to all sales, hotel services and other taxes otherwise applicable to such activities in the State.

(c) Notwithstanding any provisions to the contrary contained in subsection 13(b), the State recognizes that the ability of the Gaming Facility to permit the sale and distribution of alcoholic beverages for 24-hour continous periods is critical to the success and competitive advantage of the Tribe's Gaming Facility. Accordingly, in the event that the Tribal gaming agency is not permitted to sell, distribute, serve or provide alcoholic beverages for 24-hour continuous periods as of the date of execution of this Compact by the State and the Tribe, the State hereby agrees to use its best faith efforts to pass legislation to provide for such 24-hour continuous sale and distribution of alcoholic beverages at the Gaming Facility.

(d) Traffic Standards. The Tribe shall provide access from the Gaming Facility onto public highways of the State of Rhode

Island which are adequate to meet standards of the State Department of Transportation or shall enter into agreements with the State Department of Transportation for the provision of such access by the State, including provisions for compensation by the Tribe of the costs incurred by the State in constructing such improvements to the public highways, including traffic control signals, as may be necessary. The State will cooperate with the Tribe in providing at the Tribe's expense such signage as is reasonable and appropriate in order to permit members of the traveling public to locate the Gaming Facility from the major road approaches.

SECTION 14. Application of net revenues of Class III gaming.

(a) In accordance with the provisions of Section 11(b)(2)(B) and 11(d)(1)(A)(ii) of the Act, 25 U.S.C. §2710(b)(2)(B) and (d)(1)(A)(ii), the ordinances of the Tribe governing Class III gaming activities on the Gaming Facility shall provide that net revenues from any such gaming activities are not to be used for purposes other than:

(i) to fund tribal government operations or programs;

(ii) to provide for the general welfare of the Tribe and its members;

(iii) to promote tribal economic development;

(iv) to donate to charitable organizations;

(v) to help fund operations of local government

agencies of the State and its political subdivisions;

(vi) to provide revenue to the State as contemplated by Section 14(b) below; or

(vii) for any other use not specifically set forth above which is in compliance with the Act.

(b) Revenue sharing for Class III gaming.

(i) So long as the Tribe operates the only lawful Casino (as defined in this Section below) in the State, the Tribe will contribute to the State a sum equal to 16.5% of the Gross revenues of all Class III gaming operated by the Tribe.

(ii) The Tribe expressly exempts from the above exclusivity requirements the current video lottery terminal operations at Newport and Lincoln Downs locations solely to the extent of their current operations as to type of games.

Without limiting the generality of the foregoing, the above exception shall not apply if any of the above-described machines in Lincoln and Newport are modified to dispense cash or tokens.

(iii) Upon the commencement of the lawful operation of a Casino (as defined below) (other than the Tribe's) in the State, the Tribe's obligation to make contributions to the State under paragraph (i) above shall immediately cease. In lieu of such contributed amounts, the Tribe shall contribute to the State a sum equal to two percent (2%) of the Gross revenues of all Class III gaming operated by the Tribe and the State shall finance all

obligations hereunder from such contribution, excluding those additional amounts which the Tribe is expressly obligated to pay hereunder.

(iv) The monthly payments referenced in paragraph (i) above, shall be due on the 15th day after the close of the month; provided that if such day is not a Business Day, payment shall be made on the next Business Day.

(v) The Tribe shall provide the State with detailed reporting of the Gross revenues of Class III gaming and the determination of the contribution hereunder which shall be subject to audit by the State in accordance with the provisions of this Compact.

(vi) For purpose of this Section 14(b), the following definition shall apply:

(1) "Casino" means a gaming facility (other than the Tribe's) offering any Table Games, Video Facsimile Games, Slot Machines of any type or any games of chance authorized in Section 3 of this Compact. For purposes of this definition, charitable organizations conducting the activities set forth above in this definition shall not be considered a "Casino" if such gaming activities are conducted in accordance with the laws and regulations of the State which were in effect on December 31, 1992.

SECTION 15. Effective Date; Duration; Renewals; Amendments and other matters.

(a) (1) Effective date. This Compact shall be effective for an initial term of ten (10) years upon publication of notice of approval by the Secretary of the Interior of the United States in the Federal Register in accordance with 25 U.S.C. §2710(d)(3)(B).

(2) Renewals. At the expiration of the initial term, or of any subsequent renewal of the Compact, the Compact shall be automatically renewed for periods of five (5) years unless either party, on or before 180 days prior to such expiration, notifies the other in writing that it declines to renew.

(b) Termination. Once effective this Compact shall be in effect until terminated by written agreement of both parties, or by failure to renew.

(c) Amendment and modification.

(i) Except as set forth in subsection (ii) below, the terms and conditions of this Compact shall not be modified, amended or otherwise altered except by written agreement of both parties and enactment as set forth in subsection (a).

(ii) In the event (a) either the local referendum for West Greenwich or the accompanying statewide referendum provided for under R.I.G.L. §41-9-1 et seq. is not approved or (b) both of such referenda pass and the Tribe is prevented from establishing its Class III gaming operations in West Greenwich,

Rhode Island for any reason whatsoever, including without limitation, the inability to obtain the requisite governmental approvals or obtain the requisite property, then the following Sections of this Compact shall be automatically amended, without any further action by the parties, to read as follows: (1) Section 2(l) is hereby amended by deleting everything after "thereto" and substituting "near Charlestown, Rhode Island"; (2) Section 3 is hereby amended by adding in the first line of subsection 3(a)(i) after the word "chance" the following: "(which, with respect to any of (A) through (P) below, is not criminally prohibited by the laws of the State); (3) Section 14(b) is hereby amended by deleting it in its entirety and substituting the following: "The Tribe shall continue to make the tax payments referenced in Section 13(b) and reimburse the State for any costs incurred by the State pursuant to this Compact, provided that such reimbursement shall in no event exceed 1% of the quarterly Gross revenues of all Class III gaming (the "Reimbursement Fee") operated by the Tribe in each fiscal quarter and, in addition, the Tribe will contribute to the State a sum equal to 1% of the Gross revenues of all Class III gaming operated by the Tribe. Notwithstanding the foregoing sentence, if such costs incurred by the State exceed the Reimbursement Fee, the State shall be reimbursed for such costs solely to the extent that such excess costs directly relate to the training of Indians by the State Police. Such reimbursement or contribution shall be paid on a quarterly basis beginning on the 45th day following the second

full fiscal quarter after the commencment of operations of the Gaming Facility, but in no event earlier than 30 days after the Tribe's receipt of an invoice and supporting documentation in the case of the cost Reimbursement Fee; provided, however, that if both the local referendum for any municipality and the accompanying statewide referendum provided for under R.I.G.L. §41-9-1 et seq. are passed, then Sections 2(l) and 3 of this Compact shall remain in full force and effect.

(iii) In the event the local referendum for West Greenwich and the accompanying statewide referendum provided for under R.I.G.L. §41-9-1 et seq. is approved, then the Governor agrees to support the Tribe's Fee to Trust Application before the Department of Interior.

(d) Status of Class II Gaming. Except as provided in Subsection 1(f) hereof, nothing in this Compact shall be deemed to affect the operation by the Tribe of any Class II Gaming as defined in the Act, whether conducted within or without the Gaming Facility, or to confer upon the State any jurisdiction over such Class II Gaming.

(e) Prohibition on taxation by the State. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe or any Tribal gaming operation except for charges expressly authorized pursuant to this Compact.

(f) No restrictions on banking functions. Nothing in this Compact shall be deemed to regulate or to authorize State regulation of any ordinary commercial or banking function of the Tribe, including without limitation the provision of cash advance facilities for use of credit cards or bank cards located either within or without the Gaming Facility.

(g) Preservation of Tribal self-government. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, including the Tribal gaming agency, or to interfere in any manner with the Tribe's selection of its governmental officers including members of the Tribal gaming agency.

(h) Revision to State laws. The State agrees to take all such steps and measures as may be reasonably within its power to assure the full implementation and continuance of the activities contemplated in this Compact. The State recognizes that the passage of any legislation, the adoption of any rules or regulations, or the implementation of any other similar law could have an adverse impact on the Tribe's gaming operation. In the event of the passage, adoption or implementation of any such legislation, rule, regulation or similar law, the parties agree: that the revenue sharing provision set forth in Section 14(b) shall be modified to take into account the adverse impact on the Tribe's gaming operation and related income according to the following procedure: designated auditors from the Tribe and the State shall

meet within 20 days of such passage, adoption or implementation, and within thirty days of such meeting shall render an accounting with regard to the adverse impact on the Tribe's gaming operating and related income and such loss, if any, shall be paid by the State to the Tribe (a) within thirty days of such accounting or (b) pursuant to a schedule approved by the Tribe, which approval shall not be unreasonably withheld. The State acknowledges that any failure to modify pursuant to this Section shall be enforceable under Section 12 hereof. The Tribe shall have a right of off-set against future Gross revenues payable to the State pursuant to Section 14(b).

(i) Indian-Federal Relationships. The Tribe, may by sovereign and autonomous right, use all federal regulatory bodies as its primary sources of guidance and may continue to maintain its ongoing relationships with all applicable federally cognizant agencies.

SECTION 16. Notices. All notices required or authorized to be served shall be served by certified mail at the following addresses, or to such other address as may be notified to the other party in writing:

Tribe:

Chief Sachem
Narragansett Indian Tribe
P.O. Box 268
Charlestown, Rhode Island 02813

State:

Governor, State of Rhode Island
State House
Providence, Rhode Island 02903

The other entities to which notice must be given to under this Compact, or any change in the address of any the parties, shall be served said notice by certified mail at the addresses so specified by such entity in writing to the parties hereto.

SECTION 17. Severability. In the event that any Section or provision of this Compact is held invalid, or its application to any particular activity held invalid, it is the intent of the parties that the remaining Sections of the Compact and the remaining applications of such Section or provision shall continue in full force and effect.

SECTION 18. Interpretation. The parties hereto hereby declare that this Compact has been jointly drafted and that for purposes of interpretation it shall not be construed strictly against either party.

SECTION 19. Changes in Federal Gaming Revenue Taxes.

The parties hereto agree that if (i) any changes to the

Federal gaming revenue tax laws presently in effect (other than fees imposed by the National Indian Gaming Commission) or (ii) the implementation of similar Federal laws, the effect of which, in each case, would result in additional Federal tax obligations to the Tribe on its Class III gaming activities, the parties shall have discussions relating to such additional tax burdens with the intent of resolving such issues in a fair and equitable manner. Notwithstanding the foregoing, in no event shall any adjustment be made to the Gross revenue contributions due to the State hereunder (i) which would have the practical effect of causing the State to share in such additional Federal tax burdens in a manner which exceeds its percentage of Gross revenue and (ii) if the amount of Gross revenues contributed to the State is determined other than by Section 14(b)(i) hereto.

EXECUTED this 29th day of August, 1994, at the City of Providence, State of Rhode Island.

Attest as to both:

NARRAGANSETT INDIAN TRIBE

By: George H. Hopkins

GEORGE H. HOPKINS
Chief Sachem

By: Matthew Thomas

MATTHEW THOMAS
First Councilman

[seal]

Carolyn Jones
Tribal Secretary

By: Michael Fayerweather

MICHAEL FAYERWEATHER
Second Councilman

Attest:

STATE OF RHODE ISLAND

Elizabeth Murdock Myers

By: B. Sundlun

BRUCE SUNDLUN
Governor

[seal]

Consistent with 25 U.S.C.A. Sec. 2710 (d)(8), the Tribal-State Compact Between the Narragansett Indian Tribe and the State of Rhode Island is approved on the 5TH day of DECEMBER, 1994, by the Assistant Secretary - Indian Affairs, United States Department of the Interior.

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Ada E. Deer

ADA E. DEER
ASSISTANT SECRETARY - INDIAN AFFAIRS