United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MAR 19 2002

2002 APR 11 PM 3:39

Honorable Tamara Summerfield
Chairperson, Quapaw Tribe
of Oklahoma
P.O. Box 765
Quapaw, Oklahoma 74363

Dear Chairperson Summerfield:

On February 6, 2002, we received the Off-Track Wagering Compact between the Quapaw Tribe of Oklahoma (Tribe) and the State of Oklahoma (State) dated October 13, 2001. We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to delegated authority and Section 11 of IGRA, we approve the Compact. The Compact shall take effect when the notice of our approval, pursuant to Section 11 (d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

We wish the Tribe and the State success in their economic venture.

Sincerely,

Neal A McCaleb

Assistant Secretary - Indian Affairs

Enclosure

Similar Letter Sent to: Honorable Frank Keating
Governor of Oklahoma
Oklahoma City, Oklahoma 73105

cc: Eastern Oklahoma Regional Director w/copy of approved Compact
National Indian Gaming Commission w/copy of approved Compact
Oklahoma United States Attorney w/copy of approved Compact

STATE OF OKLAHOMA

QUAPAW TRIBE OF OKLAHOMA

OFF-TRACK WAGERING COMPACT

FILED
JAN 29 2002
OKLAHOMA SECRETARY
OF STATE

RECEIVED
JAN 29 2002
OKLAHOMA SECRETARY
OF STATE

TABLE OF CONTENTS

SECTION 1. TITLE 3
SECTION 2. DECLARATIONS 3
SECTION 3. DURATION 4
SECTION 4. DEFINITIONS 5
SECTION 5. AUTHORIZED CLASS PARI-MUTUEL AND OFF-TRACK III GAMING 6
SECTION 6. LOCATIONS 6
SECTION 7. SERVICE AGREEMENTS 7
SECTION 8. CLAIMS 7
SECTION 9. REGULATIONS 8
SECTION 10. ENFORCEMENT 9
SECTION 11. MONITORING 10
SECTION 12. CRIMINAL JURISDICTION 11
SECTION 13. EMPLOYEES 11
SECTION 14. PUBLIC HEALTH AND SAFETY 12
SECTION 15. DISPUTE RESOLUTION 13
SECTION 16. RESERVATION OF RIGHTS 14
SECTION 17. REIMBURSEMENT FOR EXPENSE INCURRED BY OKLAHOMA 14
SECTION 18. SEVERABILITY 15
SECTION 19. AMENDMENTS 15
SECTION 20. AUTHORITY TO EXECUTE 15
SECTION 21. NOTICES 16
SECTION 22. SUCCESSORS AND ASSIGNS 16
SECTION 23. GOVERNING LAW 16

FILED
JAN 29 2002
OKLAHOMA SECRETARY OF STATE

TRIBAL STATE COMPACT
Between the
QUAPAW TRIBE OF OKLAHOMA
and the
STATE OF OKLAHOMA

This is a cooperative agreement made and entered into by and between the Quapaw Tribe, hereinafter called "Tribe," a federally recognized Indian Tribe, and the State of Oklahoma, "State," pursuant to the provision of the Indian Gaming Regulatory Act, Pub. L. 100-497, 25 U.S.C. § 2701, *et seq.*

WHEREAS, the Tribe and the State are separate sovereigns, and each recognizes and respects the laws and authority of the other sovereign, and WHEREAS, the Congress of the United States has enacted into law the Indian Gaming Regulatory Act, Pub. 1. 100-497, 25 U.S.C. § 2701, *et seq.*, hereinafter called "Act"' which provides in part that a compact may be negotiated between the Tribe and the State to govern the conduct of certain Class III gaming activities on the Indian lands of the Tribe; and WHEREAS, the State has no jurisdiction by its Constitution Article I, Section 3, over the Tribe's Indian Country absent federal grants and WHEREAS, the Tribe exercises external borders of the authority over the Tribe's Indian County, which is located within the State which are "Indian lands" within the meaning of the Act, and within which the gaming activities regulated hereunder shall take place; and WHEREAS, the Tribe and the State have negotiated the terms and conditions of this Compact in good faith so as to provide a regulatory framework for the operation of certain Class III gaming which is intended to (a) ensure the fair and honest operation of such gaming activities; (b) maintain the integrity of all activities conducted in regard to such gaming activities; and (c) protein the health, welfare and safety of the citizens of the Tribe and the State, and WHEREAS, the parties hereto deem it to be in their respective best interest to enter into this Compact,

NOW THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Tribe and the State enter into the following Compact.

SECTION 1. TITLE

The title of this document shall be referred to as the Quapaw Tribe Off-Track Wagering Compact.

SECTION 2. DECLARATIONS

As a basis for this Compact, the Tribe and the State have made the following declarations:

(A) A principal goal of federal Indian policy is to promote the Tribe's economic development the Tribe's self-determination and a strong Tribe's Government.

(B) The State recognizes the positive impact that gaming may provide to the Tribe's citizens. The Tribe will utilize revenues generated by gaming to fund programs that provide important

governmental services to the Tribe's citizens and to Indian Country residents. These program include education, health and human resources, housing development, road construction and maintenance, sewer- and water projects, police, fire and judicial services, economic development, and any other purpose authorized under the Act,

(C) The state further recognizes that the positive economic effects of such gaming may extend beyond the Tribe's lands to the Tribe's neighbors and surrounding communities. These economic benefits, which include increased tourism and related economic development activities, will generally benefit all of Oklahoma and help to foster mutual respect and understanding among Indians and non-Indians.

(D) The Tribe and the State jointly wish to protect their citizens from any criminal involvement in the gaming activities regulated under this Compact.

(E) This compact is intended to assure that gaming is conducted fairly and honestly by the Tribe, its employees and the players.

(F) The compact shall govern the licensing, Regulation, and operation of Class III gaming conducted by the Tribe on Tribe's lands located within the State.

(G) The act contemplates and grants authority for the entry of this Compact.

SECTION 3. DURATION

(A) Effective Date. After execution by the parties hereto and approval by the State-Tribal Relations Committee of the Oklahoma Legislature and the Quapaw Tribe Business Committee, this compact shall become effective when notice of approval by the Secretary of the United States Department of the Interior is published in the *Federal Register* as provided by the Act.

(B) Term. This compact shall have a three-year automatically renewable term from the effective date. The term will automatically renew for successive three-year periods unless a party gives notice of intent to terminate before 180 days prior to expiration of the preceding term. However, the State may not terminate this compact except for the reasons set forth herein in Section 3 C. (2), (3), (4) or (5) of this Compact.

(C) Duration. Once effective, this Compact will remain in full force and effect until one of the following shall occur:

1. The term expires pursuant to a notice of an intent to terminate,

2. The Compact is terminated by mutual consent of the parties;

3. The Tribe duly adopts an ordinance or resolution revolting authority to conduct Class III Gaming within Tribe's Indian Country as provided by 25 U.S.C. § 2710(d)(2)(D);

4. The State abolishes pari-mutuel wagering.

5. Pursuant to a final, non-appealable judgment by a count of competent jurisdiction determining that:

A. This Compact is invalid; or

B. A party has committed a material breach that has not been timely cured or repeated violations as hereinafter set forth in Section 15 (c).

SECTION 4. DEFINITIONS

For the purposes of this Compact:

(A) Act means the Indian Gaming Regulatory Act, Pub. L. 100-497, Oct. 17, 1988, 102 Stat. 2467 codified at 25 U.S.C. § 2701 *et seq.* 18 U.S.C. §§ 1166 to 1168.

(B) Class III Gaming means all forms of gaming defined in 25 U.S.C. § 2703 (8),

(C) Commission means the Tribe Indian Gaming Commission established pursuant to 25 U.S.C. § 2704.

(D) Compact means this document and any appendices attached hereto,

(E) Federal Government means the United States of America.

(F) OTB Employee means any naturalized person employed in the operation or management of the OTB Operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on-site or off-site services to the Tribe within or without the OTB Facility.

(G) OTB Facility means any room or rooms where off-track bets authorized by this Compact are placed.

(H) Gaming Operation or Gaming Facility or OTB Facility means the gaming pari-mutuel betting or off-track betting operation(s) or facility(ies) authorized by –the Tribe within Tribe's Indian Country and by this Compact.

(I) Off-Track Betting ("OTB") means pari-mutuel betting on races into an interstate common pari-mutuel pool consisting of the pari-mutuel wagers placed at track(s), its intrastate betting locations, other jurisdictions, and the pari-mutuel, wagers placed at the Tribe Gaming Facilities authorized by this Compact.

(J) Quapaw Tribe Indian Country means any lands as defined by 18 U.S.C. § 1151, and/or 25 U. S. C. § 2703, (4)(A) and (4)(B) over which the Tribe exercises jurisdiction.

(K) Operator means the company or person that is operating the OTB Facility.

(L) OSBI means the Oklahoma State Bureau of Investigation, the organization now tasked by Oklahoma law to monitor and oversee Compacts relating to Indian gaming (74 O. S. Supp. 1995, § 1223], or such other entity that the Oklahoma Legislature may hereafter designate by law to perform these or Related tasks.

(M) OSF means the Oklahoma Office of State Finance.

(N) State means the State of Oklahoma, its authorized officials, agents, and representatives.

(O) Tribe means the Quapaw Tribe, it's authorized officials, agents and representatives.

(P) Pari-Mutuel System of Wagering means a form of wagering on the outcome of simulcast horse races in which those who wager., purchase tickets of various denominations on a horse or horses and all wages for each rare are pooled together and held by the gaming operation for distribution. The pari-mutuel system of wagering uses an electric totalizer or similar equipment which automatically registers the wagers made on each horse and prints and issues a ticket representing each wager.

(Q). Simulcast Horse Racing means receiving and telecasting by telecommunication telecommunications horse racing contests for view by patron at various facilities simultaneous with the happenings of said racing event.

(R) Quapaw Gaming Commissioner means the person appointed by the Tribe to be responsible for regulatory oversight of the Tribe's gaming.

SECTION 5. AUTHORIZED CLASS PARI-MUTUEL AND OFF-TRACK III GAMING

Pursuant to this Compact, the Tribe may at its discretion conduct pari-mutuel and off-track wagering consistent with this Compact, and the Act. The Tribe will in good faith seek to ensure that that any Operator of a OTB Facility abides by and the standards of operation and management for pari-mutuel and off-track gaming described in Appendix A.

SECTION 6. LOCATIONS

This Compact is site-specific. All gaming addressed herein shall be conducted only at locations within the Indian Country of Tribe described in Appendix B. The parties are aware that some of the locations are situated within 60 miles of an existing Oklahoma race track. The Tribe agrees that it may not engage in simulcasting of horse races or accept off-track wagers at such locations unless it has the express written consent to do so from such race track. Nothing herein shall prohibit additional compacts for other sites within the Indian Country of the Tribe from locating a OTB Facility at any place within its Indian Country.

SECTION 7. SERVICE AGREEMENTS

The Tribe will enter into a Pari-Mutuel and Racewire Service Agreement for the off-track wagering authorized by this Compact.

SECTION 8. CLAIMS

To protect third parties, the Tribe has adopted a gaming ordinance consistent with 25 U.S.C. § 2710. A copy of this ordinance is attached hereto as Appendix C. Should the ordinance conflict with the terms of this Compact, the Compact terms of the ordinance will govern. This ordinance provides dispute resolution procedures that shall apply to tort and wagering claims unless change is required by federal law:

(A) Procedure. In the event of an alleged personal injury or property damage suffered by a patron of the OTB Facility, or in the event of a dispute between a patron and the OTB Facility Operator regarding the payment of bet or distribution of winnings, the patron may make a claim against the operator of the OTB Facility as follows:

1. Making Claim. Any patron having a claim against the Operator of the OTB Facility shall present a claim to the Operator for any appropriate relief including the award of money damages. Claims against the gaming enterprise are to be presented within ninety (90) days after the loss occurs. In the event a claim is not presented following ninety (90) days after the loss occurs, but within one (1) year after the loss occurs, any judgment in a lawsuit arising from the act which is the subject of the claim shall be reduced by tem (10) percent. A claim against the gaming enterprise shall be forever barred unless notice thereof is presented within one (1) year after the loss occurs. A claim against the gaming operator shall be in writing and filed with the gaming Operator with a copy being filed with the Quapaw Gaming Commissioners at the address of the OTB Facility. Notices explaining this procedure shall be posted in the OTB Facility. Such notices shall explain that this procedure is the exclusive method of making a claim or registering a patron dispute about payment of a bet or a distribution of winnings. Such notices shall explain that upon denial of a claim redress must be sought exclusively against the Operator in C.F.R. Court. Such notices will also indicate that the Quapaw Tribe of Oklahoma does not in any way agree to be amenable to suit for any reason.

2. Notice. The written notice of claims against the OTB Facility Operator shall state the date, time, place and circumstances of the claim the identity of the persons, if known the amount of compensation or other relief sought, the name, address and telephone number of the claimant, and the name, address and telephone number of any agent authorized to settle the claim including a written copy of the authority of agent.

3. Denial. A claim is denied if the OTB Facility Operator fails to approve the claim in its entirety within ninety (90) days of receipt, unless the interested parties have reached a settlement before the expiration of that period. A person may not initiate suit against the Operator unless the claim has been denied in whole or in part. The claimant and the OTB

Facility Operator may continue attempts to settle a claim; however, settlement negotiations do not extend the date of denial.

4. Limitations. No action for any cause arising from personal injury, property damage, any patron gaming dispute, or for any reason brought by any person or government shall be maintained unless valid notice has been given and the act is commenced in a Tribe's CFR court within 180 days after denial of the claim as set forth herein against the Quapaw Tribe of Oklahoma for any reason. The Quapaw Tribe of Oklahoma hereby expressly reserves all of its right to immunity from suit as a matter of Tribal Sovereignty. Neither the claimant nor the OTB Facility Operator may extend the time to commence an action by continuing to attempt settlement of the claim.

5. Tort Claim. During the term of this Compact; the Tribe Operator shall maintain public liability insurance with limits of not less than $250,000 for any one person and $2,000,000 for any one occurrence for personal injury and $1,000,000 for any one occurrence for property damage. This insurance policy shall include an endorsement providing that the insurer shall not invoke tribal sovereign immunity up to the limits of the policy set forth above and, to this extent, the Tribe explicitly waives its immunity from suit. The Tribe does not agree to be amenable to suit, and will not waive its sovereign immunity in the event of an alleged personal injury or property damage suffered at a Gaming Facility arising from alleged negligence by the Quapaw Tribe or the operator. The sole and exclusive remedy for an alleged tort claim is against this liability insurance policy held by the Operator an no asset of the Tribe may be levied against or executed upon by a claimant

6. Wagering Claim. In the event of a disputed claim by a patron regarding distribution of winnings, the patron should submit a claim to the Operator, with a claim to the Quapaw Gaming Commissioner consistent with the dispute resolution procedures in Appendix C.

7. Posting. Notices explaining dispute resolution procedures for tort or wagering claims shall be posted in prominent locations in each OTB Facility and the copies be made available upon request to the operator and The Quapaw Gaming Commissioner.

SECTION 9. REGULATIONS.

In addition to the regulations requirements set forth in Appendix C, the following additional requirements apply:

(A) Logs. The Tribe shall maintain the following logs as written or computerized records available for inspection by the OSBI and/or the OSF once each year at a time and place designated by the Tribe in accordance with this compact:

1. Pay-out logs from all off-track wagering; and

2. Maintenance logs in relation to all gaming equipment pertaining to off track wagering.

3. Barred Lists. The Tribe shall establish a list of persons barred from the OTB Facility. The Tribe shall use its best efforts to exclude persons with criminal histories from entry into its OTB Facility and, upon request, send a copy of the barred list to the OSBI.

4. Audit. The Tribe shall have prepared a complete audit of the gaining pari-mutuel and off-track betting operations, not less than annually by an independent certified public accountant The results of the independent audit shall be available to the OSBI and/or the OSF for their review once each year at a time and place designated by the Tribe.

5. Rule Display. Summaries of the house rules for off track wagering shall be visibly displayed in each OTB Facility, Complete rules shall be available in pamphlet form in each OTB Facility.

SECTION 10. ENFORCEMENT

(A) Quapaw Gaming Commissioner. The Quapaw Gaming Commissioner shall assure, or have responsibility, or delegate responsibility for:

1. Enforcement of all laws pertaining to the gaming operation within the facility;

2. The physical safety of OTB Employees and of patrons in the OTB Facility;

3. Safeguard the assets transported to and from the OTB Facility;

4. Provide for the detention of persons who may be involved in illegal acts and notify the Tribe and/or other law enforcement authorities;

5. Recording any and all unusual occurrences within the OTB Facility. Each incident without regard to materiality shall be assigned a sequential number, and at a minimum the following information shall be recorded in indelible ink in a bound sequentially page-numbered notebook from which pages cannot be removed without omission of page number. Each occurrence shall be:

A. Assigned number;
B. Date;
C. Time;
D. Nature of incident;
E. Personal involved in the incident.

6. Investigation and Sanctions. Pursuant to the Tribe's laws and regulations, the Quapaw Gaming Commissioner shall investigate any reported violation of the Compact

provisions and shall require the gaming operation to correct the violation upon such terms and conditions as the Quapaw Gaming Commissioner determines are necessary.

7. Reporting. The Quapaw Gaming Commissioner shall forward copies of all investigation reports and final dispositions to the Tribe's Chairperson and to appropriate governmental agencies.

8. Meetings. In order to develop and foster a positive and effective relationship in the enforcement of the provisions of this Compact the Quapaw Gaming Commissioner and the OSBI and/or the OSF shall meet not less than on an annual basis, to review past practices and new methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Quapaw Gaming Commissioner. The OSBI and/or the OSF prior to or during such meetings, shall disclose to the Quapaw Gaming Commissioner any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if the disclosure will not compromise the interest sought to be protected.

SECTION 11. MONITORING.

The OSBI with the assistance of the OSF shall have the authority to monitor the pari-mutuel and off-track betting at any Gaming Operation to ensure compliance with provisions of this Compact with concurrent supervision of the Quapaw Gaming Commissioner. In order to properly monitor pari-mutuel and off-track betting the gaming operation, agents of the OSBI and/or the OSF shall have reasonable access to all areas of the OTB Facility for off track wagering during normal operating hours after giving notice to the OTB Facility Operator and the Quapaw Gamming Commissioner or his designee; provided, however, the monitoring activities of these agents shall not interfere with the normal functioning of the gaming operation and OSBI and OSF shall provide proper photographic identification to any Tribal representatives requesting the same.

(A) Access to Records. Agents of the OSBI and/or the OSF shall have, at least once each year, the opportunity authority to review and copy at times designated by the Quapaw Gamming Commissioner during normal business hours all Financial and Employee Records maintained by the race track betting operation, provided no original records shall leave the custody of the Tribe and provided further than such records are held in confidence and not information relating to these Records will be released by the State or any State employees released to any member of the press or to any member of the public under any circumstances.

(B) Notification. At the completion of any inspection or investigation by the OSBI and/or OSF, a full investigative report shall be forwarded to the Quapaw Gaming Commissioner and the Tribe's Chairperson within five (5) days.

SECTION 12. CRIMINAL JURISDICTION.

This Compact shall not alter State, Tribe and federal criminal jurisdiction of State, Tribe or federal government. All existing cross-deputization compacts between the Tribe and political subdivisions of state are hereby ratified and/or reaffirmed.

SECTION 13. EMPLOYEES.

(A) Applications. Prior to hiring a prospective OTB Employee for the OTB Facility, the Tribe shall obtain sufficient information and identification from the applicant to permit a thorough background investigation. The information shall include;

1. Full name including any phases by which applicant has ever been known;
2. Social Security number;
3. Date and place of birth;
4. Residential addresses for the past ten (10) years;
5. Employment history for the past ten (10) years;
6. Driver's license number;
7. All licenses issued and disciplinary actions taken in regard to any gaming license;
8. All criminal arrests and proceedings, except for minor traffic offenses, to which the applicant has been a party;
9. A set of fingerprints;
10. A current photograph;
11. Military service history; and
12. Any other information necessary to conduct a thorough background investigation.
13. The name and address of any licensing or regulatory agency with which the person has filed an application for a license, permit, or security clearance whether or not the same was granted.

(B) Probation. The Tribe may employ on a probationary basis prospective OTB Employees who present the above information and meet standards of the Tribe, until such time as the a written report on the applicants' background investigation is complete.

(C) Disqualification. The Tribe shall not employ as a OTB Employee in the off track betting facility OTB Facility and shall terminate any probationary OTB Employee, if the report on the applicant's background investigation finds that the applicant:

1. Has been convicted of any felony, gaming offense or larceny;

2. Has knowingly and willfully provided materially important false statements or information on his employment application; or

3 Has been determined by the Quapaw Gaming Commissioner to be a person whose prior activities, criminal record or reputation, habits and associations pose a threat to the public interest, or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

(D) Background Investigations. The Tribe shall conduct background investigations on all OTB Employees. The same may be conducted before, during, and/or at any time during the term of employment conduct additional investigations. Any OTB Employee who does not meet the minimum employment criteria shall be promptly dismissed.

(E) Identification cards. The Quapaw Gaming Commissioner shall require all OTB Employees to wear in plain view identification cards that include photo, first name and an identification number unique to the individual, and a date issued.

SECTION 14. PUBLIC HEALTH AND SAFETY.

(A) Compliance. The construction, maintenance and operation of any OTB Facility shall comply with all federal and Tribe standards for the same.

(B) Emergency Service Accessibility. The Quapaw Gaming Commissioner shall make provisions for adequate emergency accessibility and service to ensure the health and safety of all gaming patrons. Upon finalization of emergency access plans for all gaming facilities, the Tribe shall forward copies of said plans to State.

(C) Minors. No person under 18 years of age shall be admitted into a OTB Facility for off track betting nor be permitted to place any wager directly or indirectly.

(D) Alcohol. The sale of alcoholic beverages of any kind shall be permitted in a OTB Facility according to Tribal regulations.

SECTION 15. DISPUTE RESOLUTION.

In the event either party to this Compact believes the other party has failed to comply with any requirement herein or applicable regulations, or in the event of any disagreement or dispute as to the proper interpretation of the terms and conditions of this Compact, the following procedures may be invoked. but shall not be construed to prevent either party from seeking immediate judicial relief

(A) Voluntary Resolution. The party asserting noncompliance or seeking an interpretation shall serve written notice on the other party, The notice shall identify the specific Compact provision alleged to have been violated or in dispute and shall specify in detail the factual basis for the alleged noncompliance or the Compact provision for which interpretation is sought. Within 30 days of receipt of notice, State and the Tribe shall meet in an effort to resolve the dispute.

(B) Non-binding Arbitration. If a dispute arises among the parties that is not resolved within sixty (60) days of receipt of notice, either party may refer it to non-binding arbitration. if referred to arbitration, each party shall name the arbitrator. The two named arbitrators will name a third arbitrator. If the two named arbitrators cannot agree on a third arbitrator, the third arbitrator will be named by the American Arbitration Association. The expenses of arbitration shall be borne equally by the parties. A party asserting noncompliance or seeking an interpretation under this section shall be deemed to have certified to the best of his knowledge, information and belief formed after reasonable inquiry that the averment is warranted and made in good faith and is not made for any improper purpose, such as to harass or to cause unnecessary delay or needlessly increase the cost of resolving the dispute.

(C) Declaratory Judgment. If either party considers itself aggrieved by a breach of this Compact it may bring an action for breach of Compact in the United States District court for the Western Northern District of Oklahoma pursuant to 25 U.S.C. § 2710 (d)(7)(A). If the dispute involves a material breach of this Compact and is not cured, the court could declare the Compact terminated. Either party may claim in an action that repeated violation of this Compact constitutes a prospective intent not to abide by its terms and that, therefore, the pattern repeated violations constitutes a material breach of this Compact. Although this remedy is consistent with 25 U.S.C. § 2-710(d)(3)(C)(y), nothing herein shall be construed to authorize any other equitable remedy, nor to authorize a money judgment except for unpaid costs of monitoring by the State. To the extent necessary and permitted by applicable law, each of the parties waives immunity from suit for the limited purpose of this section.

(D) Sovereign Immunity. The parties to this compact agree that nothing in this section, or in this compact in any way waives the Quapaw Tribe of Oklahoma's sovereign immunity from suit by any entity, except as specifically set forth in section 15 (A), (B) & (C), and in strict accordance with the limits stated there.

SECTION 16. RESERVATION OF RIGHTS.

(A) Additional Compacts. By entering into this Compact, the Tribe shall not be deemed to have waived the right to initiate and pursue the procedures provided by the Act should State

refuse to enter into a Compact after the Tribe has made a written request with respect to other forms of Class III gaming, and neither the State nor the Tribe shall be deemed to have waived any rights, arguments nor defenses applicable to such a procedure.

(B) Status of Class II Gaming. Nothing herein 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 facilities or to confer upon State any jurisdiction over such Class II gaming conducted in Tribe's Indian country, nor Class II gaming in consistent with this Compact.

(C) Taxation. Neither the State nor any of its political subdivisions shall impose any tax, fee, charge or other assessment upon the admission to any activity at any Gaming Facility of the Tribe or upon the conducting of or engaging in any gaming activity conducted at a facility authorized by this Compact. To the extent the Tribe's gaming operation is responsible for filling out Internal Revenue Service (IRS) form W-2G on persons who receive proceeds of a wagering transaction governed by the Compact, a copy of said form shall also be provided to the Oklahoma Tax Commission.

(D) Preservation of Tribe Self-government. Nothing in this Compact shall be deemed to authorize State to regulate in any manner the government of the Tribe, including the Quapaw Gaming Commissioner, or to interfere in any manner with the Tribe's selection of its governmental officers or employees.

SECTION 17. REIMBURSEMENT FOR EXPENSE INCURRED BY OKLAHOMA.

The Tribe realizes that the State has incurred expenses in negotiating this Compact and will incur expenses related to the obligations undertaken under this compact. Accordingly, the parties agree as follows:

(A) Payments. The Tribe agrees to reimburse the State for the actual amount of time and expenses of personnel as reasonably assessed by State in accordance with Section 11, paragraph (3)(c)(III) of the IGRA related to this compact. State agrees to provide Tribe with an itemized accounting of all charges assessed within sixty (60) days of occurrence.

(B) Procedure. The State shall bill the Tribe reasonable and necessary costs related to obligations undertaken under this Compact. Unless unreasonable or unnecessary, the costs for such services shall be those established by State either by agency rule or by statute or where the cost of services (including more extensive background checks, other investigations, monitoring or similar matters) is not established by rule or by statute, the costs shall include agents' time, including out-of-pocket expenses, benefits and travel expenses at the statutory rate. The State shall send invoices to the Tribe for these services. Payments shall be made within sixty (60) days to the Office of the State Treasurer. Reimbursement for services provided by the State shall be transmitted by the Office of the State Treasurer to the OSBI, OSF or any other appropriate agency to defray the cost of services as required under this compact.

(C) Disputes. Should the Tribe dispute the reasonableness or necessity of any charges, such dispute shall be resolved as hereinabove set forth in Section 15.

SECTION 18. SEVERABILITY.

Each provision, section and subsection of this Compact shall stand separate and independent of every other provision, section or subsection. in the event that a court of competent jurisdiction shall find any provision, section or subsection of this Compact to be invalid, the remaining provisions, sections and subsections of the Compact shall remain in full force and effect, unless the invalid provision materially alters the relationship between the parties. In the event of such alteration, the parties shall negotiate to comply as nearly as possible with the original intent of this Compact.

SECTION 19. AMENDMENTS.

The parties may request negotiations to amend or modify this Compact. The amendment or modification request may include requests for approval of gaining activities that are legitimately within the scope of the Act In the event of a request for negotiation to amend or modify, this Compact shall remain in effect until amended or modified, but such a request shall not extend the Compact term. Additional requests to negotiate other forms of gaming made by the Tribe shall be treated as requests to negotiate pursuant to the Act. The parties shall have one hundred eighty (180) days to negotiate, and all further procedures and remedies available under the Act shall thereafter apply. The Tribe and the State may mutually agree to extend the 180 day period without prejudice to the rights of either party under this section. Any amendment to this Compact shall be in writing, and must be approved by the, Secretary of the United States Department of the Interior. However, changes in the Tribe Gaming Ordinance (appendix C) shall not be considered amendments and may be effected as otherwise provided by this Compact or by Law.

SECTION 20. AUTHORITY TO EXECUTE.

The undersigned represent that they are duly authorized to execute this agreement on behalf of the party designated.

SECTION 21. NOTICES.

All notices required or authorized to be served herein shall be sent by certified mail (return receipt requested), commercial overnight courier services, or by personal delivery to the following addresses:

OKLAHOMA

Governor of Oklahoma
State Capitol, Room 212

Oklahoma City, Oklahoma 73105

Chairman, State-Tribal Relations Committee
State Capitol
Oklahoma City, Oklahoma 73105

Attorney General of Oklahoma
State Capitol, Room 112
Oklahoma City, Oklahoma 73105

Oklahoma State Bureau of Investigation
Attention: Commissioner
6600 North Harvey, Suite 300
Oklahoma City, Oklahoma 73116

Gaming Commission Chairperson
Quapaw Tribe of Oklahoma
P.O. Box 765
Quapaw, OK 74363

Chairperson
Quapaw Tribe of Oklahoma
P.O. Box 765
Quapaw, OK 74363

SECTION 22. SUCCESSORS AND ASSIGNS.

This compact shall be binding upon successors and assigns of the parties hereto.

SECTION 23. GOVERNING LAW.

This compact shall be governed by and construed in accordance with the laws of the United States, the State, and the laws of the Tribe, whichever are applicable. This compact shall be controlling. In the event of any ambiguity, this compact shall be deemed drafted by both parties and shall not be construed against or in favor of any party by virtue of draftsmanship, or as a matter of law.

QUAPAW TRIBE OF OKLAHOMA

Tamara Summerfield

Tamara Summerfield, Chairperson

Date: Oct. 7, 2001

Frank Keating, Governor

Date: October 13, 2001

SECRETARY OF STATE

OKLAHOMA LEGISLATIVE APPROVAL

Approved by a quorum of the Joint Committee on Tribal-State Relations the 29th day of Jan., 2002

Terry J. Maddox

Chairman

FEDERAL APPROVAL

Consistent with 25 U.S.C. § 2710 (d)(8), this compact is approved on this 19th day of March, 2002 by the Assistant Secretary - Indian Affairs.

ASSISTANT SECRETARY - INDIAN AFFAIRS

For the Department of the Interior

By: Neal A. McCaleb

Neal A. McCaleb

APPENDIX A

PARI-MUTUEL STANDARDS

A. Definitions

B. General controls

C. Computer system

D. Open/closing procedures

E. Betting ticket issuance and controls

F. Screen-activated machines (SAMS)

G. Payment of winning wagers

H. Posting of rules

I. Unpaid winners

J. Lost tickets

K. Mail payments

L. Report descriptions

PARI-MUTUEL STANDARDS

A. Definitions

BREAKAGE - the odd cents over a multiple of ten cents arising from the computation of odds and payouts on amounts wagered on a race which is part of interstate common pari-mutuel pool.

COMMISSION ON WAGERS - an amount retained and not returned to patrons from the total amount of off-track pari-mutuel wagers.

GROSS REVENUE - the total commission on off-track pari-mutuel wagers, less the amount paid to track for the right to be part of the interstate common pari-mutuel pool ("retrack fee").

INTERSTATE COMMON PARI-MUTUEL POOL - a pari-mutuel pool consisting of the pari-mutuel wagers placed at track, its interstate betting locations, other jurisdictions, and the off-track pari-mutuel wagers placed at Guest, and accepted into the off-track pari-mutuel system.

LIVE AUDIO VISUAL SIGNAL - the audio and visual transmission of a race, or series of races, as it occurs at track.

MANUAL MERGE - the process used in the event of a systems or communications failure by which the systems operator transmits to track-through telephone, telecopy, cellular or any other means of communication, the wagering information for a particular race or group of races, and the process by which track includes the off track pari-mutuel wagers into the interstate common pari-mutuel pool in such event.

OFF-TRACK PARI-MUTUEL SYSTEM - a computerized system or component of a system that is used to transmit wagering data and wagering information to and from a race track which offers interstate common pari-mutuel pools.

OFF-TRACK PARI-MUTUEL WAGER - a wager placed by a patron and accepted by guest on a race or races offered as part of an interstate common pari-mutuel pool offered by track, and accepted into the off-track pari-mutuel system.

POST TIME - for purposes of off-track pari-mutuel wagering is when the first entrant enters the gate.

SYSTEMS OPERATOR OR OPERATOR OF A SYSTEM - a person engaged in providing the off-track pari-mutuel system or services directly related to the reconciliation of the interstate common pari-mutuel pool and transfers of funds between track and guest.

TRACK - an out-of-state facility licensed to operate horse or other racing where pari-mutuel wagering on races is conducted.

WAGERING DATA - the information regarding results, actual payouts, and the amount of pari-mutuel and off-track pari-mutuel wagers accepted for each race or group of races in the interstate common pari-mutuel pool.

WAGERING INFORMATION - the amount of off-track pari-mutuel wagers accepted for each race or group of races by guest.

B. GENERAL CONTROLS:

1. The Tribe's gaming facility will maintain appropriate security at all times.

2. A key employee will be on premises at all times wagering is conducted. The name of each key employee shall be maintained on file, and provided to the Quapaw Tribe Gaming Commissioner.

3. The Gaming Facility will not accept wagers on credit.

4. Gaming Facility employees are prohibited from wagering on events while on duty.

C. COMPUTER SYSTEM:

The main processors consist of three DEC 4000 Series 90 central processing units operating in triplex or other suitable computer substitutes. These central processing units are located at a suitable location by the simulcast signal provider with telecommunication links to peripheral terminals located at the Tribe Gaming Facility or at some other suitable and securely equivalent location.

The systems provide hard disk storage in the form of dual-disk disk drives of 2.1 gigabytes each, and 2.1 gigabytes of magnetic tape for backup data or some other storage of similar or greater capacity.

Program source code shall not be available to Gaming Facility employees, or to Tribe's data processing employees.

Access to the main processors located at the source location is limited to authorized simulcast provider personnel or substitute entity personnel from the signal source locations.

The pari-mutuel system will be connected to the Gaming Facility via a dedicated telephone line or other acceptable communication system. Access through a dial-up modem or other suitable alternative will be available in case the leased dedicated telephone line becomes inoperative.

Writer/cashier terminals and screen activated machines (SAMs) will be furnished to the Gaming Facility by source location. Access to writer/cashier terminals will be restricted to writers/cashiers. This restriction will be provided by requiring operator number and password to log on to the system. Writer/cashier operator numbers will be issued by source location. Passwords for writers/cashiers will remain confidential, known only by the writer/cashier. Passwords for writers/cashiers will be changed at least quarterly.

Supervisor and accounting personnel operator numbers and passwords will be issued by source location. These passwords will be changed at least quarterly.

A Gaming Facility or other employee, approved by the Quapaw Tribe commissioners may perform routine maintenance and service of the hardware components of the Gaming Facility's wagering and communication equipment. Source location-dispatched technician will perform all non-routine maintenance and service of the hardware components of the Gaming Facility's equipment.

Nothing here shall prevent the Tribe from providing an alternative computer system provided that the protection it maintains for the Tribe and its patrons is similar to those provided by the described system and source location.

D. OPENING/CLOSING PROCEDURES:

1. Opening Procedure

ticket writer/cashier receives his/her starting bank from the cage.

Ticket writer/cashier verifies funds and enters the amount on a log. The writer/cashier signs the log.

Upon completion of bank opening procedures, the writer/cashier will sign on to the system by inputting his operator code and password. The system will print a sign-on ticket that will contain the following information: "sign-on" designation, Gaming center name, date, time, station number and operator number.

2. Closing procedures

When the writer/cashier closes his/her Pari-mutuel station, a sign-off ticket and a summary ticket will be printed by the terminal. The sign-off ticket will contain the following information: sign-off designation, Gaming Facility name, date, time, station number and operator number. The summary ticket will contain the following information: Gaming Facility name, date, time, station number, operator number, take (sales), voids (cancels), paid (cash), the IRS withholding amount, and beginning bank (draw). Information on cash turn-ins (cash balance) will only be available to the book supervisor via password access. The cash drawer is then counted by the cashier/writer and the shift supervisor. Both sign the count sheet. The computer terminal is accessed to determine the writer's total cash balance. This is compared to the count sheet and variations are investigated.

Once verified, a manual cash-in slip is created and signed by both the writer/cashier and the shirt supervisor, the writer/cashier will proceed to the slot cage and will turn in their funds.

E. BETTING/TICKET ISSUANCE AND CONTROLS:

Betting tickets shall be in single part form. The original is given to the customer. A second "copy" is retained internally within the computer system and is not accessible by Pari-Mutuel Gaming Facility personnel.

The computer system prints a number on each ticket which identifies each writer station.

Only one random numerical computer-assigned series per station shall be used at one time.

Unused tickets will be stored in the Pari-Mutuel Gaming Facility storage room. These forms are serially numbered by the computer and do not require the "sensitive" forms inventory control procedures.

The computer system will not allow a ticket to be voided after a race event is locked out.

All bets will be made in cash or chips and shall be evidenced by the issuance of a ticket upon acceptance of a wager.

Tickets will not be written or voided after the outcome of an event is known.

F. SCREEN ACTIVATED MACHINE

1. The screen activated machine (SAM) is a self-service betting machine which allows customers to place wagers using a winning ticket or voucher generated by the system.

2. The customer must insert a voucher or winning ticket for the SAM to accept a wager. Wagers will be made keying in the amount of the bet, the type of bet, and the horse or horses selected. After the selection process is complete, the SAM will print a bet ticket. Once the wager is placed, the SAM will for the remaining balance, if any, print an owed voucher which will contain the amount, the serial number, and SAM number. The voucher may be used to place additional wagers or redeemed for cash.

3. When a patron wishes to redeem a voucher, the writer/cashier will insert it into the bar code reader. The computer will then generate a paid ticket and the writer/cashier will pay the patron. All other procedures described concerning payouts on winning wagers will be complied with as applicable.

4. Outstanding vouchers will be listed on the Outsbook Voucher Report. Vouchers outstanding more than a specified number of days will be purged by the Systems Operator.

5. All winning tickets and vouchers inserted into the SAM will be deposited automatically into a locked box in the machine. On a daily basis, an accounting representative will check out the key to the lock boxes to remove the tickets and vouchers. The key will be at a department independent of the Pari-Mutuel Gaming Center and will require signing a log to access. After the accounting representative obtains the tickets and vouchers, he or she will immediately deliver them to accounting.

6. Voids, also known as canceled tickets, will not be allowed at a SAM. Additionally, winning tickets that require IRS withholding will not be paid at the SAM.

G. PAYMENT OF WINNING WAGERS:

Upon presentation of a winning ticket by a customer, the writer/cashier will insert the ticket into the bar code reader for verification and payment authorization. The system will brand the ticket with the payout amount, writer/cashier's station number, and date. Information on all winning tickets paid will be retained by the system.

Should the bar code reader fail to read a ticket, the writer/cashier will manually enter the ticket number into the terminal. A payout ticket will then be printed which will include the following information: ticket number, "pay" indication, Gaming Facility name, pay amount, date, station number, and operator number.

The computer software is designed to prevent payment of a ticket that has been previously paid by the system, voided by the system, a losing ticket, or a ticket not issued by the system.

Payoffs over $10,000.00 may be delayed for up to 24 hours after the next banking day.

For winnings requiring the completion of a form W-2G, the computer system will preclude a writer/cashier form making payment until the patron's social security number is entered. Once the social security number is entered, the computer will compute the amount of withholding and the amount of customer payment. The system will not pay a winning ticket, which requires IRS withholding, unless the customer provides his/her social security number at the time of payment. The system will calculate the withholding amount and the net amount due to the customer, which will both be printed on the ticket. This will alert the writer/cashier and the supervisor to complete the required IRS forms. Persons who do not have social security numbers may receive winnings from the manager after complying with federal tax requirements.

H. POSTING OF RULES:

1. Posting of rules

All house rules shall be conspicuously displayed in the Gaming Facility.

2. Refunds

All bets received on any entry which does not start or on a race which is canceled or postponed shall be refunded on the basis of the refund policy in effect at the track.

3. Refusal to accept bets

The Gaming Facility reserves the right to refuse to accept bets on a particular entry or entries or in any or all pari-mutuel pools for what it deems good and sufficient reason.

4. Cancellation of track pool

In the event that a pari-mutuel pool is canceled by the track, the corresponding off-track betting pari-mutuel pool shall be refunded.

5. Responsibility of the Gaming Facility

The Gaming Facility bears no responsibility with respect to the actual running of any race or races upon which it accepts bets. In all cases, the off-track betting pari-mutuel pool distribution shall be based upon the order of finish posted at the track as "official." The determination of the judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the Gaming Facility.

6. Error in calculation of payments

In the event an error in calculation of payment occurs in a pool which is the result of the combination of the track pool and the off-track betting pool, the rules in effect at the track governing the disposition of such error shall prevail.

I. UNPAID WINNERS:

Unpaid winners remain on the computer system for a minimum of 90 days after the conclusion of a racing contest. Following the 90-day period, the unpaid winners are brought back into revenue by the source location.

J. LOST TICKETS:

Upon notification by a patron that a winning betting ticket has been lost, stolen or is otherwise not available for presentation, the following procedures will be follows:

1. The patron must report the loss of the ticket not later than the third day following the day the race was completed, unless the patron can show circumstances where this was not possible, or unless approved by Gaming Facility management.

2. A lost ticket report will be prepared by the Gaming Facility from information supplied by the patron. The report will contain the following information:

a. Name, address and telephone number of patron

b. Date/time the ticket was purchased

c. Amount/type of wager

d. Horse/greyhound betting numbers

e. Ticket number (if known by patron)

f. Signature of patron

g. Signature of report preparer

h. Signature of Gaming Facility Manager/supervisor

3. The lost ticket report will be delivered to the controller who will instruct an accounting clerk to research the unpaid ticket file.

4. If an unpaid ticket that matches the information on the lost ticket report cannot be located the lost ticket report will be returned to the Gaming Facility Manager with instructions that no payment can be made.

5. If an unpaid ticket is found that matches the lost ticket report, the unpaid ticket will be "locked" in the computer system to prevent payment to other than the claimant for the holding period of one ninety (90) days after the conclusion of the racing contest on which the wager was placed.

6. After the ticket is held for this one ninety (90) day period, the patron may be paid. The controller reviews all of the lost ticket claim support paperwork prior to signing the check to be mailed to the customer.

7. If the ticket is presented for payment within this ninety (90) day period by other than the patron represented on the lost ticket report, or if a dispute arises from the foregoing procedures, will be the Gaming Facility's responsibility to resolve such disputes.

K. MAIL PAYMENTS:

Only original wagered tickets are acceptable for mail payments.

All mail payment requests are opened and logged by personnel independent of the Gaming Facility. A copy of the log is retained by the accounting department for auditing mail tickets paid. The mailed ticket is forwarded directly to the Gaming Facility Manager's office, where it is then entered into a writer/cashier's terminal for unpaid ticket update to indicate that the ticket is no longer outstanding.

A request for disbursement and the approved ticket are forwarded to the controller for payment.

Only the controller or a designate is authorized to approve mail payments.

L. REPORT DESCRIPTIONS:

The race auditor has the ability to generate the following reports from the RMC each day:

Recap Report - this report will contain information by track and total information regarding write, refunds, payouts, outs, payments on outs, and federal tax withholding for each track will also be included. Additionally, information regarding SAM voucher activity will be included. This report will provide daily amounts.

Daily Reconciliation report - this report will summarize information in total by track. Report information will include write, today's winning ticket total, total commission and breakage due the licensee, and net funds transfer to or from the licensee's bank account.

Window Activity Report - this report will summarize for each window the following information: Sales, cash outs, cancels, draws, returns, vouchers sold, vouchers cashed, over/short.

Teller Balance Report - this report will summarize daily activity by track and writer/cashier, and SAM terminals. Specifically, the report will contain the following: tickets sold, tickets cashed, tickets canceled, draws, returns, computed cash turn-in, actual turn-in, and over/short.

Teller Details Report - this report will summarize teller activity. Specifically, for each teller, the report will contain tickets sold, tickets cashed, tickets canceled, tickets refunded, W-2G withholdings, funds returned, draws and over/short.

Session Sales summary - this report will summarize sales activity for each type of wager placed, for each race run, and for each track opened. Additionally, total sales will be provided. Specific information included will be sales, cancels, sales, from previous sessions, refunds, and net sales.

Cashed Tickets Report - this report will list all paid winning tickets by track and race. This report will include the ticket number, date, tickets written, horse or greyhound selection and type of bet made , amount of bet or bets, total take, and pay amount. The report will also include IRS withholdings, if applicable.

Canceled Tickets Report - this report will list all tickets that were canceled for the day. Specific information will include ticket serial number, sale window, cancellation window, and amount.

Refunded Tickets Report - this report will list all tickets refunded for the day. Specifically, this report will include ticket serial number, ticket description, and amount.

SAM Activity Report - this report will contain a summary of Screen Activated Machines (SAM) activity. Specifically, this report will include the SAM number, ticket sales, ticket cash outs, voucher sales, and voucher cash outs.

Cashed Voucher Report - this report will contain a detailed listing of all vouchers cashed for the day. Specifically, this report will contain the ticket serial number, the window(s) at which the voucher was sold and cashed, and the amount of the voucher cashed.

IRS Tax Report-Cashed - this report will contain a detailed listing of all tickets cashed that were subject to federal withholding. This report will include the customer's social security number, ticket serial number, ticket conditions, race date, amount of payout, withholding amount, net payout, cashing and selling window(s), and teller identification.

Future Tickets Report - this report will contain a detailed listing of all tickets bet on events occurring subsequent to the current day. This report will include ticket serial number, window where the ticket was bet, cost, amount, type of bet, race number, and horses chosen.

Outsbook Tickets Report - this report will contain a listing by window, race, track and in summary of winning tickets which remain unpaid. Specifically, this report will include ticket number, window, pay amount, and IRS withholding (if applicable).

Public Results Information Report - this report will contain race results and prices paid.

Transaction Search Report - this report will contain a listing of all tickets and vouchers written and paid per station. Also the report contains canceled tickets.

Exception Report - this report will contain a listing of all systems functions and overrides not involved in the actual writing or cashing of tickets. This report will also include sign-on/off tickets, voids, and manually entered paid tickets.

-x-

APPENDIX B

Gaming Facilities locations

The Gaming Facility will be located at the physical address of:
58100 E 66 Rd
Quapaw, Oklahoma
74363

Address is located on land held in trust by the Federal Government
for the Quapaw Tribe of Oklahoma.

Appendix C

COPY

QUAPAW TRIBE GAMING ORDINANCE

TITLE I.

General Provisions

Section 100. Short Title.

This ordinance shall be known and may be cited as the Quapaw Tribe Gaming Ordinance.

Section 101. Findings and Intent.

The Quapaw Tribe finds:

(a) The Quapaw Tribe desires to be self-sufficient in its internal affairs, as continued reliance upon federal and other resources will adversely affect the quality of life of this Tribe.

(b) Public gaming operations have been introduced to the Quapaw Tribe and it is of vital interest to the public health, safety and welfare of the Quapaw people that the Tribe promote and regulate public gaming in a manner commensurate with the interests of the Quapaw Tribe.

(c) By virtue of the treaties between the United States of America and the Quapaw Tribe, and federal statutes and court decisions which together have established and maintained the doctrine of Indian sovereignty, there remains the federal guarantee of the perpetual integrity of the Quapaw Tribe.

(d) The Quapaw Tribe requires an economic base by which Tribe may generate revenues in order to promote its self-sufficiency and fund essential governmental services.

(e) The operation and regulation of public gaming by the Tribe is in the best interest of the Quapaw Tribe.

Further, the Quapaw Tribal Business Committee determines the intent of this ordinance is to:

(f) Authorize, regulate, and control gaming on lands over which the Quapaw Tribe exercises governmental authority or control;

(g) Provide, revenue generated by the Tribe's licensed gaming operations, to fund tribal government operations and programs, and to promote the general welfare of Tribe;

(h) Foster a spirit of cooperation with the National Indian Gaming Commission, and other federally recognized tribes in the regulation of Tribal gaming;

(i) Protect gaming as a means of promoting tribal economic development; and,

(j) Ensure Tribal gaming is conducted fairly and honestly both by the operator and the players as a genuine means of providing both recreation and entertainment, free from organized crime and other corrupting influences.

Section 102. Definitions.

The following words and phrases when used in this Ordinance shall have the meanings respectively ascribed to them in this section:

(a) "Tribe" shall mean the Quapaw Tribe, a federally recognized Indian tribe organized pursuant to the sovereign powers of the Quapaw people.

(b) "Business Committee" shall mean the governing body of Tribe, duly elected in accordance with the provisions of the governing resolution of Tribe.

(c) "Gambling equipment" shall mean any and all goods, materials, machines or devices used to conduct gaming activities by Tribe.

(d) "Gaming" shall mean the act of paying (wagering) for the opportunity to participate in a game or games of chance (risk) for a prize of money or something of value; to operate, carry on, conduct, maintain, or expose for play, money, property, or any representative of value wherein the outcome of a game is decided by chance or in which chance is a material element, but does not include social games played solely for

consumable goods, i.e., foodstuffs or games played in private homes or residences for prizes or games operated by charitable and educational organizations which are approved by the Council.

(e) "Gaming enterprise" shall mean any commercial business owned by Tribe and operated, in part or in whole, for the conduct of Class II gaming as delineated by the Indian Gaming Regulatory Act of 1988, 25 U.S.C. $2701, et seq. and/or by virtue of Tribe's exercise of its governmental powers and authority as a sovereign nation.

(f) "Gaming Manager" shall mean a person, organization or entity that conducts the management of gaming at a Tribal gaming enterprise; including an entity entering into a management contract, with Tribe or Tribe itself, including any subdivision thereof.

(g) "Primary Management Offical" shall mean (1) the person having management responsibility for a management contract; (2) any person who has the authority to hire and fire employees or to set up working policy for the gaming operation; or (3) the chief financial officer or other person who has financial management responsilbity.

(h) "Indian Gaming Regulatory Act of 1988" shall mean the Act of the United States Congress adopted on October 17, 1988, as Public Law 100-597, 102 Stat. 2467, codified at 25 U.S.C. $2701, et seq.

(i) "Key employees" shall mean persons who serve as the bingo caller, counting room supervisor, chief of security, custodial of aming supplies or cash, floor manager, bit boss, dealer, croupier, approver of credit, or custodian of gambling devices including persons with access to cash and accounting records within such devices, a person whose total cash compensation is in excess of $50,000.00 per year, and, if not included above, the four most highly compensated persons in the gaming operation.

(j) "License" shall mean the permission by authority of Tribe to do any act, which without such permission, shall be illegal. License, with respect to real property of Tribe, is a privilege to go on the premises

for a certain purpose, but does not operate to confer on, vest in, or license any title, interest, or estate in such property.

(k) "Licensee" shall mean any person, entity or organization granted a license pursuant to the provisions of this Ordinance.

(l) "Management Officials" shall mean any persons who have a direct financial interest in, or management responsibility for, a gaming enterprise, and in the case of a corporation, shall include those individuals who serve on the board of directors of such corporation and each of its stockholders who hold, directly or indirectly, five percent (5%) or more of its issued and outstanding stock.

(m) "Other games of chance" shall mean games similar to traditional bingo in which prizes are awarded on the basis of a designated winning number or numbers, color or colors, symbol or symbols determined by chance. Such games may be played using pull tabs, raffles, paddlewheels, tipboards, punchboard, tip jars, gaming tables, tokens, or satellite television transmission, all of which shall have the same meaning as the term Class II gaming as defined by the Indian Gaming Regulatory Act of 1988, codified at 25 U.S.C. §2703(7)(A). Any such games as are permitted to be played in the State of Oklahoma by any person for any purpose, shall be included in this definition.

(n) "Shall" as used in this Ordinance imposes an obligation to act.

(o) "Class II" gaming shall mean

(1) bingo or lotto (whether or not electronic, computer or other technologic aids are used) when players

(A) play for prizes with cards bearing numbers or other designations;

(B) cover numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined; and

(C) win the game by being the first person to cover a designated pattern on such cards;

(2) if played at the same location as bingo or lotto, pull-tabs, punch boards, tip jars, instant bingo, and other games similar to bingo;

(3) non-banking card games that:

(A) state law explicitly authorizes, or does not explicitly prohibit, and are played legally anywhere in the state; and

(B) players play in conformity with state laws and regulations concerning hours, periods of operation, and limitations on wagers and pot sizes.

(p) "Class III" gaming shall mean all forms of gaming that are not Class I or Class II gaming, including but not limited to:

(1) any house banking game, including but not limited to:

(A) card games such as baccarat, chemin de fer, blackjack (21), and pai gow (if played as house banking games);

(B) casino games such as roulette, craps, and keno;

(2) any slot machines as defined in 15 U.S.C. § 1171(a)(1) and electronic or electromechanical facsimilies of any game of chance;

(3) any sports betting and parimutuel wagering including but not limited to wagering on horse races, dog racing, or jai alai; or

(4) lotteries.

(q) "Net Revenues or Net Profit" shall mean gross gaming revenues of an Indian gaming operation less:

(1) amounts paid out as, or paid for, prizes; and

(2) total gaming-related operating expenses, excluding management fees.

Section 103. Effect of Headings.

Article and section headings contained herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent of the provisions of any article or section of this Ordinance.

Section 104. Civil Penalty Provisions.

It shall be a civil violation of the laws of the Quapaw Tribe to any of the provisions of this Ordinance, any regulations promulgated by the Tribal Gaming Board and of any proper order issued under the authority of this Ordinance. Any person or licensee so violating such authority shall be fined not more than One Thousand Dollars ($1,000.00) or by suspension of license for a period not to exceed one year, or by both such fine and suspension or other penalty alternative under Tribal law, including revocation; a show cause hearing pursuant to Section 208 shall be afforded by the Tribal Gaming Board to any person subject to such civil penalty prior to any final determination to impose any civil penalty.

Section 105. Liberal interpretation.

The provisions of this Ordinance, being necessary for the welfare of the Tribe and its members, shall be construed liberally to effect the purpose and objective hereof.

Section 106. Severability.

The provisions of this Ordinance are severable; and if any part or provision hereof shall be held void by tribal or federal court or federal agency, the decision of the court or agency so holding shall not affect or impair any of the remaining provisions of the Ordinance.

Section 107. Implementation.

It being immediately necessary for the preservation of the public peace, health, and safety of Tribe and its members, this

Ordinance shall take effect and be in full force from and after its approval and passage.

Section 108. Amendment.

This Ordinance may be amended only by majority vote of the Tribal Business Committee.

TITLE II.

Development, Administration and Enforcement

Section 200. Tribal Gaming Board Over Gaming.

In order to provide for the orderly development, administration, and regulation of tribal gaming, the Tribal Gaming Board is hereby empowered and established to exercise its authority as the duly authorized body of Tribe over the regulation of any gaming activity within the Quapaw Tribe in compliance with the provisions of this Ordinance.

Section 201. Conflict of Interest.

Any Board member, or employee of the Board or any member of his/her family living with him/her may not have a financial interest in any gaming business of enterprise doing business with Quapaw jurisdiction, or in any gaming contractor, or accept any gift or thing of value from a gaming contractor so enjoyed by Tribe. Nothing in this section shall prohibit a Board member or other person subject to this section from having a financial interest in any gaming business or enterprise operating pursuant to the provisions of this Ordinance as would any member of Tribe if entitled to such interest as a Tribal member, including any per capita payments derived from profits made by any gaming business or enterprise operating pursuant to the provisions of this Ordinance.

Section 202. Gaming Board Duties.

(a) The Gaming Board shall be charged with the responsibility of administering and enforcing the provisions of this Ordinance.

(b) It shall be the responsibility of the Gaming Board to promulgate regulations, if necessary, to administer the provisions of this Ordinance. These duties involved in the administration of this Ordinance shall include but not be limited to the following:

(1) Printing and making available application forms for initial and renewal licenses, as well as any other necessary licenses and to make available the licenses themselves;

(2) Supervise the collection of all fees and all applicable taxes;

(3) Processing all gaming license applications;

(4) Issuing licenses and notifying the National Indian Gaming Commission of such issuances as required by the Indian Gaming Regulatory Act;

(5) Determining applicable license fees;

(6) Providing for outside independent audits of all gaming activity licensed pursuant to the provisions of this Ordinance and providing those audits to the National Indian Gaming Commission or other appropriate regulatory agency until the Commission commences its duties;

(7) Reviewing all gaming operation contracts, records, documents, and anything else necessary and pertinent to the financial accountabilities of licensees or the enforcement of any provision of this ordinance, regulations adopted or other applicable law.

(8) The Gaming Board shall have the power and authority to deny any application, to limit, condition, suspend, or restrict any license, making a finding of suitability or approval of the license or a finding of suitability or approval of or the imposition of a fine upon any person licensed for any cause deemed reasonable by the Council;

(9) The performance of any other duties required in the Ordinance or any amendments thereto or other

duties which may hereafter be specified by the Gaming Board;

(10) Employing legal counsel;

(11) Defending the Ordinance in any court of law or before any federal agency;

(12) Conduct or have conducted background investigations on all primary management officials and key employees of the involves gaming enterprise, and maintain ongoing oversight of such management and key employees;

(13) The Gaming Board shall propose an annual budget for operations pursuant to the provisions of this Ordinance.

Section 203. Power of Gaming Board.

The Gaming Board may exercise any proper power and authority necessary to perform the duties assigned by this Ordinance and is not limited by any enumeration of powers in this chapter.

Section 204. Plan of organization.

The Gaming Board may organize any functional committees or divisions as may be necessary and may from time to time alter such plan of organization as may be expedient.

Section 205. Notice of Amendment.

In adopting, amending, or repealing any provision under this Ordinance, the Gaming Board shall give prior notice of the proposed action to all licensees and other persons whom the Gaming Board have reason to believe have a legitimate and bona fide interest in such proposed action.

Section 206. Hearing.

The Gaming Board shall afford an applicant for a license an opportunity for a hearing prior to a final action denying such application and shall afford a licensee or any other person(s), subject to this Ordinance, the opportunity for a hearing prior to

taking final action resulting in terminating, revoking, suspending, or limiting a license or any other adverse action the Gaming Board deems appropriate, provided, the Gaming Board may summarily suspend temporarily or extend suspension of a license for thirty (30) days in those cases where such action is deemed appropriate by the Gaming Board. In cases where a license is suspended prior to a prompt hearing, an opportunity for a hearing shall be provided.

Section 207. Gaming Board Findings.

Whenever upon specific factual finding the Gaming Board determines any person has failed to comply with the provisions of this Ordinance, or any regulation promulgated hereunder, the Gaming Board shall make a certification of findings with a copy thereof to the subject or subjects of that determination. After five (5) days notice and within ninety (90) days thereof, the Gaming Board shall hold a hearing, at which time the subject shall have an opportunity to be heard and to present evidence.

Section 208. Show Cause Hearing.

At such hearing, it shall be the obligation of the subject to show cause why the determination is incorrect; why the application in question should not be denied; why the license, or licenses, in question should not be denied; why the license, or licenses, in question should not be revoked or suspended; why the period of suspension should not be extended; to show cause why special conditions or limitations upon a license should not be imposed; or to show cause why any other action regarding any other person or persons subject to any action should not be taken. At such hearing, the subject shall be allowed to have access to evidence upon which any determination is made and to confront witnesses.

Section 209. Gaming Authority Determination.

Following such hearing the Gaming Board shall, within seven (7) days, reach a determination concerning the accuracy of the preliminary certification of facts and whether the license in question should be granted, continued, suspended, revoked,

conditioned, or limited and whether any other action recommended to or by the Gaming Board (including, but not limited to, forfeitures or fines) should be taken.

Section 210. Written determination provided.

Within three (3) days following this determination, the Gaming Board shall inform the subject, in writing, of that determination.

Section 211. Sanctions.

Any person who engages in activities on property subject to the provisions of this Ordinance without a license in violation of the terms imposed thereon, in violation of terms of suspension, or in violation of any other provision of this Ordinance, regulations promulgated hereunder, or amendments thereto shall be in violation of the ordinance, including any person who unlawfully trespasses upon any premises licensed by this Ordinance without the consent of the licensee and/or the Gaming Board. Separate violations shall be prosecuted as separate offenses before the Gaming Board or other Tribal judicial body, or other judicial body as the case may be. Each day of violation shall constitute a separate count or violation of this Ordinance. A violator shall also be required to pay court costs, storage fees, and auction or sales fees. All property used in each and every separate violation of this Ordinance may become the property of Tribe by forfeiture. Persons may be prohibited from trespassing on premises licensed under this Ordinance; and licenses may be suspended, revoked, or limited and/or establishments may be forcibly closed. All such action shall be taken at the discretion of the Gaming Board. Winnings found to have been received in violation of this Ordinance are forfeited and become the property of Tribe.

Section 213. No limitation on the number of gaming enterprises.

Nothing in this Ordinance shall limit the number of gaming operators the Gaming Board can license pursuant to the provisions of this Ordinance to conduct gaming on those lands within the jurisdiction and control of Tribe.

TITLE III.

Licensing

Section 300. License required.

Any person, organization or entity (including management officials and key employees), engaged on behalf of Tribe, in conducting public gaming enterprise pursuant to the provisions of this Ordinance, on trust or restricted lands of Tribe and/or which is subject to the jurisdiction of Tribe, or any person, organization or entity selling, leasing or otherwise distributing gambling equipment or video games of chance to Tribe, shall be required to have and display prominently, or display upon request, an appropriate, valid, and current Tribal public gaming license issued pursuant to the provisions of this Ordinance. Any other forms of public gaming operations being conducted within the jurisdiction of Tribe without the lawful written approval of the Gaming Board are prohibited. There shall be a license required for each location, place and facility, and for each class of license, that a person operates.

Section 301. Application.

(a) Except as provided for in Section 307, all persons or organizations who seek to engage in public gaming activities within the jurisdiction of Tribe may apply for the appropriate license at lease thirty (30) days prior to the scheduled activities or as otherwise allowed in the discretion of the Gaming Board.

(b) The following notice shall be placed on the application form for a key employee or primary management official before that form is filled out by an applicant:

> In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the following information on this form is authorized by 25 U.S.C. §2701 et seq. The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by the National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate

Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when pursuant to a requirement by a tribe or the National Indian Gaming Commission in connection with the hiring of firing of an employee, the issuance or revocation of a gaming license, or investigations of activities while associated with a tribe or a gaming operation. Failure to consent to the disclosures indicated in this motice will result in a tribe's being unable to hire you in a primary management official or key employee position.

The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

(c) Existing key employees and primary management officials shall be notified in writing that they shall either:

(1) Complete a new application form that contains a Privacy Act notice; or

(2) Sign a statement that contains the Privacy Act notice and consent to the routine uses described in that notice.

(d) The following notice shall be placed on the application form for a key employee or primary management official before that form is filled out by an applicant:

A false statement on any part of your application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment. (U.S. Code, title 18, section 1001.)

(e) Existing key employees or primary management officials shall be notified in writing that they shall either:

(1) Complete a new application form that contains a notice regarding false statements; or

(2) Sign a statement that contains the notice regarding false statements contained in subsection (d) of this section.

Section 302. Application for gaming enterprise.

The application for any gaming enterprise made by the proposed gaming operator for that gaming enterprise shall contain the following information:

(a) the name and address of the gaming operator;

(b) the name(s) and address(es) of all interested parties (including those with direct or indirect financial interests) and their interest and connection with the applicant;

(c) the name and location of the gaming enterprise for which the gaming operator license is being sought, the number and types of games to be played, a detailed plan of any proposed construction with an environmental impact study, the number of planned employees, and a business plan, which includes pro-forma projection;

(d) explicit and detailed information of any criminal record of any party of interest whose name appears on the application to determine whether any party of interest:

(1) has committed a felony or gaming offense in any jurisdiction;

(2) has engaged in prior activities or maintains habits or associations affecting his present conduct which would:

(i) pose a threat to the public and Tribal interests;

(ii) threaten the effective regulation and control of Tribal gaming;

(iii) enhance the dangers of unsuitable, unfair, or illegal methods, or activities in the conduct of gaming or the appearance of same.

(3) the name and address of all proposed or actual ancillary contractors who provide supplies, services, concessions or property to the proposed gaming operator;

(4) the social security number(s) of all parties of interest whose names appear on the application;

(5) a description of any previous experience which the proposed operator has had with the gaming industry generally, and Indian gaming in particular, including specifically the name and address of any licensing or regulatory agency with which such applicant has had contact relating to gaming;

(6) a financial statement of applicant;

(7) any additional information as may be deemed necessary by the Gaming Board.

Section 303. Application for management officials and key employees; and other employees.

(a) The application for management officials and key employees of any gaming operator or Tribe shall contain:

(1) Full name, other names used (oral or written), birth date, birth place citizenship, gender, and all languages used (spoken or written);

(2) The social security number(s) of the applicant;

(3) A description of any previous experience which the applicant has had with the gaming industry generally, including ownership interests in those businesses;

(4) A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;

(5) Currently and for the previous five (5) years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers lincense numbers;

(6) For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any;

(7) For each misdemeanor conviction or ongoing prosecution (excluding minor traffic violations), within ten (10) years of the date of the Applaication, the name and address of the Court involved andd the date and disposition if any;

(8) For each additional criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within ten (10) years of the date of the application and is not otherwise listed pursuant to paragraph (6) or (7) of this section, the criminal charge, the name and address of the Court involved and the date and disposition;

(9) A Current photograph;

(10) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;

(11) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the Applicant during each period of residence listed under paragraph (5) of this Section.

(12) any additional information, including the fingerprints, of the applicant, as may be determined by the Gaming Board.

(b) Any other employee not a management official or key employee shall be required to fill out an employment application provided by the gaming operator of Tribe and shall be required to submit to a background check with local law enforcement authorities chosen by the gaming manager of Tribe and leave on file with such authorities a set of fingerprints, or as otherwise required by any applicable Tribal/State compact.

(c) The Tribe shall conduct an investigation sufficient to make a determination under subsection (d) below. In conducting a background investigation, the Tribe or its agent shall promise to keep confidential the identity of each person interviewed in the course of the investigation.

(d) The Tribe shall review a person's prior activities, criminal record, if any, and reputation, habits and associations to make a finding concerning the eligibility of a key employee or primary management official for employment in a gaming operation. If the Tribe determines that employment of the person poses a threat to the public interest or the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair, or illegal practices, methods and activities in the conduct of gaming, a tribal gaming operation shall not employ that person in a key employee or primary management official position.

(e) When a key employee or primary managaement official begins work at a gaming operation authorized by this ordinance, the Tribe shall forward to the National Indian Gaming Commission a completed application for employment and conduct the background investigation and make the determination referred to in subsection (c) of this section.

(f) The Tribe shall forward the report referred to in subsection (d) of this section to the National Indian Gaming Commission within sixty (60) days after an employee begins work or within sixty (60) days of the approval of this ordinance by the Chairman of the National Indian Gaming Commission. The gaming operation shall not employ as a key employee or primary management official a person who does not have a license after ninety (90) days.

(g) Pursuant to the procedures set out in subsections (e) and (f) of this section, the Tribe shall prepare and forward to the National Indian Gaming Commission an investigative report on each background investigation. The investigative report shall include all of the following:

(1) Steps taken in conducting the investigation;

(2) Results obtained;

(3) Conclusions reached; and

(4) The basis for those conclusions.

The Tribe shall submit, with the report, a copy of the eligibility determination made under subsection (d) of this section.

(h) If a license is not issued to an applicant, the Tribe:

(1) Shall notify the National Indian Gaming Commission; and

(2) May forward copies of its eligibility determination and investigative report (if any) to the National Indian Gaming Commission for inclusion in its individuals records system.

(i) With respect to key employees and primary management officials, the Tribe shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the National Indian Gaming Commission or his or her designee for no less than three (3) years from the date of termination of employment or declination of employment.

(j) All fingerprints used for application approval purposes shall be taken by officers of the Bureau of Indian Affairs, Miami Indian Agency, Miami, Oklahoma; until such time that the Tribe has its own law enforcement officers qualified to take fingerprints. The contact person at that agency shall remain the Agency Superintendent. The fingerprint cards shall then be processed through the National Indian Gaming Commission.

Section 304. Classes of Licenses.

Upon proper application and approval, the following classes of licenses may be issued by the Gaming Board:

(a) Class I license for a gaming enterprise in which a gaming management firm or entity wishes to conduct traditional bingo and other games of chance at a Tribal

gaming enterprise; the license shall be site specific. valid for a period of one year and shall have an application fee of $1,000.00;

(b) Class II license to any distributor or manufacturer of gambling equipment and/or video games of chance to be used in a Tribal gaming enterprise; the license shall be valid for a period of one year and shall have an application fee of $2,500.00;

(c) Class III license for each video game of chance to be used in a Tribal gaming enterprise; the license shall be valid for a period of one year and shall have a fee of $25.00 per machine.

Section 305. Fraud on application.

It shall be unlawful for any applicant to lie or willfully deceive in the submission of a license application.

Section 306. Exemptions.

(a) The following activities are not public gaming operations under the terms of this ordinance and, therefore, do not require licensing under this Title:

(1) Gaming not for gain. Gaming in which no cash or valuable prizes are won, other than "points" for cumulative competitive ratings or "places" for immediate competitive rankings, is not subject to the provisions of this Ordinance. However, gaming for fun which is conducted by a non-profit organization is subject to the requirement of this ordinance if cash or valuable prizes are awarded. "Valuable prize" means $100.00 or more in fair market value.

(2) Traditional Indian Gaming. Traditional Indian gaming activity, in the nature of hand games, are not subject to the provisions of this Ordinance. The Gaming Authority is hereby authorized to determine on a case-by-case basis, upon request, whether a particular traditional gaming activity qualifies for the exemption.

Section 307. License Renewal

Every licensee intending to continue engaging in public gaming activities within the Quapaw Tribal Jurisdiction during the next calendar year shall apply for renewal of the license at least thirty (30) days prior to the expiration of the previous license period.

Section 308. License display.

Every licensed gaming operation shall display in a prominent place a current and valid Quapaw Tribal License for that location.

Section 309. Requirements to maintain license.

(a) Change in location. When a licensee changes a location of public gaming activities within the Quapaw Tribal Jurisdiction, the Gaming Board shall, after notification by the licensee of such changes, issue a corrected license for the balance of the current period reflecting the new address upon reasonable proof of change of address and without imposition of an additional license fee.

(b) It shall be unlawful for any licensee to fail to notify the Gaming Board of any new key employee, new ancillary contractor, or new operator. The Gaming Board shall investigate and provide approval or disapproval of the new key employee, contractor, or operator within thirty (30) days. Any information received by the Gaming Board shall be confidential.

(c) It shall be unlawful for any licensee to begin the employment of a new person, begin the performance of any new contract or begin the control of any new operator without the approval of the Gaming Board.

(d) It shall be unlawful for any person to possess a firearm or dangerous weapon on premises where licensed gaming is allowed, with the exception of licensed firearms for the maintenance or order, firearms possessed by duly authorized peace officers, and firearms maintained by the licensee if previously approved by the Gaming Board and Tribal Law Enforcement for protection of himself, his agents, and invitees.

(e) It shall be unlawful for a licensee to engage in pawnbroking or to take goods or materials in hock or to lend money or engage in similar activity with indigent persons solely for the purpose of enabling the indigent person to gamble. This provision is not intended to prohibit the extending of credit by the licensee to persons of means after proper application and credit checks are performed.

(f) A licensee is required during normal business hours, to maintain his premises open for inspection by the Gaming Board or its agents or any other authorized government agency and keep its books and financial record open for similar inspection.

(g) Licensed gaming employees and tribal gaming managers must produce at a player's request, losing tickets, copies of canceled checks or other evidence of loss acceptable to the Internal Revenue Service if requested by the player or contestant at the time the player or contestant buys a ticket or chance or otherwise enters the game.

(h) The Gaming Board shall by regulation impose the following additional requirements:

(1) A determination of whether and in what manner rules of play must be posted for each type of licensed gaming;

(2) The maximum prize, pot or bet limit, if any, that shall be offered in any type of gaming;

(3) Rules for the particular conduct or any type of licensed gaming should the Gaming Board deem that such rules are necessary for the proper conduct or gaming;

(4) Any other regulation controlling licensed gaming which is deemed necessary by the Gaming Board.

Section 310. Fees.

Each application for an initial or renewal license shall be accompanied by payment of the license fee. The Gaming Board's determination of the license fee properly owed under this

Ordinance shall be final. This fee is imposed for the revocable privilege of being licensed to engage in public gaming activities within the jurisdiction of Tribe.

Section 311. Non-transferability.

The license issued pursuant to the provisions of this Ordinance is valid only for the person(s) or organization(s) at the place of business shown on the face thereof. It is not assignable or otherwise transferable to any other person or organization or for any other location without the written approval of the Gaming Board.

Section 312. Payment of license fees.

All license fees collected under authority of the Tribal Gaming Board shall be paid to the Treasury of Tribe.

Section 313. License as a revocable privilege.

The public gaming operations license is a revocable privilege, and no holder thereof shall be deemed to have an interest in any vested rights therein or thereunder. The burden of proving qualifications to hold any license rests at all times in the licensee. The Gaming Board is charged by law with the duty of continually observing the conduct of all licensees to the end that licenses shall not be held by unqualified or disqualified persons or unsuitable person or persons whose operations are conducted in an unsuitable manner.

Section 314. Violations.

Violation of any provision of this Ordinance or any of the Gaming Board's Regulations by a Licensee, his agent, or employee shall:

(a) be deemed contrary to the public health, safety, morals, good order, and general welfare of Tribe and its members;

(b) be grounds for refusing to grant or renew a license, or for suspension or revocation of a license;

(c) be grounds for the filing of criminal charges and/or a civil action in a court of competent jurisdiction on behalf of the Gaming Board; and,

(d) be grounds for immediate revocation of license in the case of a licensee being convicted of a felony.

Acceptance of a license or renewal thereof or condition imposed thereon by a licensee constitutes agreement on the part of the licensee to be bound by all the regulations and/or conditions of the Gaming Board and by the provisions of this Ordinance as the same are now or may hereafter be amended or promulgated. It is the responsibility of the licensee to keep him/herself informed of the contents of all such regulations, provisions, and conditions, and ignorance thereof will not excuse the violation.

TITLE IV

Rules of General Applicability

Section 400. Rules of gaming operation.

Each licensee operating a gaming enterprise under a license issued pursuant to the provisions of this Ordinance shall prominently display in writing all rules and regulations pertaining to all gaming activity, including but not limited to traditional bingo and other games of chance, near the specific location where such gaming activity is conducted; or shall make available a written list of all such rules and regulations to any person making a request for such.

Each gaming employee and management entity licensed under the provisions of this Ordinance shall utilize gaming rules and regulations that are in compliance with the laws of Tribe, the United States of America, and any gaming Compact and, specifically, the Indian Gaming Regulatory Act of 1988.

Section 401. Service Agent

In the event that service of process is necessary on the Quapaw Tribe of Oklahoma it shall be served upon the Tribe's general counsel as follows:

M. Allen Core
4100 E. 51st Street
Suite 104
Tulsa, OK 74135

Section 402. Restrictions for gaming enterprises.

Each licensee operating a gaming enterprise under a license issued pursuant to the provisions of this Ordinance must at all times observe the following restrictions on gaming activities:

(a) Minimum age for players: no person below the age of eighteen (18) years on the date of gaming shall be permitted to participate in the gaming in any gaming enterprise licensed under the provisions of this Ordinance. If any person below the age of eighteen (18) years plays and otherwise qualifies to win any prize, the prize shall not be paid, and the estimated amount wagered during the course of the game shall be returned to the player.

(b) Prohibition on alcohol: no gaming enterprise shall allow to be sold or, otherwise make available, any beverage containing alcohol, including, but not limited to, beer or liquor at the gaming enterprise location without the specific approval of same by the Gaming Board.

(c) Prohibition on firearms: no firearms or airguns which are capable of discharging dangerous projectiles or games, including, but not limited to, "bb's" or CO2 guns, rifles, shotguns, pistols, or revolvers, shall be allowed on the premises except as permitted for security by an employed security force or other city, state, or federal law enforcement officers in the course of their official duties.

TITLE V.

Indian Gaming Regulatory Act

Section 500. Policy.

It shall be the policy of Tribe to fully comply with all applicable U.S. Federal law, to include the provisions of the Indian Gaming Regulatory Act of 1988, P.L. 100-597, 102 Stat. 2467, codified at 25 U.S.C. §2701, et seq., and the Tribal Gaming Compact, if any, in the conduct of all gaming activity within the jurisdiction of Tribe.

Section 501. Proprietary Interest.

The Quapaw Tribe shall have the sole proprietary interest in and responsibility for the conduct of any gaming activity, Class II or Class III, as those terms are defined by Indian Gaming Regulatory Act of 1988, 25 U.S.C. §2703(7), (8) within the jurisdiction of Tribe.

Section 502. Net Revenues.

Net revenues derived from gaming activity shall be utilized for the following purposes:

(a) To fund Tribal government operations or programs;

(b) To provide for the general welfare of Tribe and its members;

(c) To promote Tribal economic development;

(d) To donate to charitable organizations; or

(e) To help fund operations of local government agencies.

Section 503. Per capita payments.

Net revenues from any Class II gaming activity (as defined by the Indian Gaming Regulatory Act, 25 U.S.C. §2703) may be used to make per capita payments to Tribal members only if the following conditions are first met:

(a) Tribe has prepared an adequate plan for allocation of net revenues as described above in Section 502, which plan has been approved by the Secretary of Interior or his authorized delegee;

(b) In the event of a per capita distribution, the interests of affected minors and other legally incompetent persons entitled to such per capita payments are adequately protected and preserved, under a plan approved by the Gaming Board and by the Secretary of the Interior or his authorized delegee; and,

(c) The recipients of the said per capita payments are properly notified by Tribe that the payments are subject to federal taxation.

Section 504. Licensee standards.

It is the further duty of the Gaming Board to develop standards whereby any person whose prior activities, criminal record, if any, or reputation, habits or associations pose a threat to the public interest or to the effective regulation of the gaming activity contemplated herein, or create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming shall not be eligible for employment by any gaming activity licensed by the Gaming Board. The Gaming Board shall conduct background investigations on primary management officials and key employees of all gaming activity. The results of such background checks shall be supplied to the National Indian Gaming Commission prior to the issuance of any gaming license.

Section 505. Contracts.

All contracts for supplies, services, or concessions for a contract amount in excess of Twenty-five Thousand Dollars ($25,000.00) annually (except for contracts for professional legal or accounting services) relating to Class II gaming (as defined by the Indian Gaming Regulatory Act, 25 U.S.C. §2703) shall be subject to the outside independent audits provided for in Title II, Section 206(6) of this Ordinance.

Section 509. Management agreements.

All management agreements entered into by. Tribe, if any, shall comply with all the applicable provisions of the Indian Gaming Regulatory Act of 1988, 25 U.S.C. $2711.

Section 510. Internal Revenue Code.

All applicable Internal Revenue Code provisions concerning reporting and withholding of taxes with respect to the winnings from gaming shall be adhered to.

Section 511. Arbitration and Dispute Resolution.

(a) In the event that a dispute arises between TRIBE and any gaming manager (if one exists or is obtained) as to one of the following matters, the matter may be brought by either party to arbitration under the then existing rules of the American Arbitration Association in Tulsa, Oklahoma.

(1) Whether there is a material breach of this Agreement giving cause to terminate any contract pursuant to the contracts termination clause; or

(2) Disputes concerning any other substantive matter on which the parties are unable to agree.

(b) In the event that a dispute arises between a management contractor and a patron that cannot be resolved informally at the time of the incident, a patron shall have the right to file a written complaint and be heard before the Quapaw Tribal Gaming Control Commission. The written complaint must be received by the Gaming Control Commission within thirty (30) days of the incident. A decision of the Control Commission may be appealed to the Quapaw Tribal Business Committee by filing an appeal in writing with the Secretary of the Business Committee within ten (10) days of the decision of the Gaming Control Commission being received. The decision of the Business Committee is final.

CERTIFICATION

This is to certify that the foregoing QUAPAW TRIBE GAMING ORDINANCE was duly adopted and enacted as revised by action of the duly elected Quapaw Tribal Business Committee at a specially called meeting conducted on Monday October 24, 1994. The vote reflecting 7 yes, 0 no, 0 abstensions and 0 absent. Be it further cetified that this document supercedes and replaces all previous gaming ordinances of the Quapaw Tribe.

Grace Goodeagle, Chairman
Quapaw Tribal Business Committee
Quapaw Tribe of Oklahoma
October 24, 1994

Lloyd Buffalo, Secretary-Treasurer
Quapaw Tribal Business Committee
Quapaw Tribe of Oklahoma
October 24, 1994