United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

SEP 10 1998

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NATIONAL INDIAN GAMING COMMISSION

Honorable Ivan Makil
President
Salt River Pima-Maricopa
Indian Community
10005 East Osborn Road
Scottsdale, Arizona 85256

Dear President Makil:

On August 21, 1998, we received the Compact between the Salt River Pima-Maricopa Indian Community (Tribe) and the State of Arizona (State), dated August 18, 1998. 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.

Notwithstanding our approval of the Compact, Section 11(d)(1) of IGRA, 25 U.S.C. § 2710(d)(1), requires that tribal gaming ordinances be approved by the Chairman of the National Indian Gaming Commission (NIGC). Regulations governing approval of Class II and Class III gaming ordinances are found in 25 C.F.R. §§ 501.1-577.15 (1997). Pursuant to IGRA and the regulations, even previously existing gaming ordinances must be submitted to the NIGC for approval when requested by the Chairman. The Tribe may want to contact the NIGC at (202) 632-7003 for further information to determine when and how to submit the ordinance for approval by the NIGC.

In addition, if the Tribe enters into a management contract for the operation and management of the Tribe's gaming facility, the contract must likewise be submitted to, and approved by the Chairman of the NIGC pursuant to

Section 11(d)(9) of IGRA, 25 U.S.C. § 2710(d)(9) and the NIGC's regulations governing management contracts. The Tribe may want to contact the NIGC for information on submitting the ordinance and the management contract for approval by the NIGC.

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

Sincerely,

/s/ Kevin Gover

Assistant Secretary - Indian Affairs

Enclosure

Identical Letter Sent to: Honorable Jane Dee Hull
Governor of Arizona
Phoenix, Arizona 85007

cc: Phoenix Area Director w/copy of approved Compact
Supt., Salt River Agency w/copy of approved Compact
[redacted]
Field Solicitor w/copy of approved Compact
Arizona United States Attorney w/copy of approved Compact

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of Approved Tribal-State Compact.

SUMMARY: Pursuant to Section 11 of the Indian Gaming Regulatory Act of 1988, Pub. L. 100–497, 25 U.S.C. § 2710, the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal-State Compacts for the purpose of engaging in Class III (casino) gaming on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority, has approved the Salt River Pima-Maricopa Indian Community and the State of Arizona Gaming Compact, which was executed on August 18, 1998.

DATES: This action is effective September 18, 1998.

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

Dated: September 10, 1998.

Kevin Gover,

Assistant Secretary—Indian Affairs.

[FR Doc. 98–25035 Filed 9–17–98; 8:45 am]

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SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

AND

STATE OF ARIZONA

GAMING COMPACT

1998

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY-STATE OF ARIZONA COMPACT

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SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY-STATE OF ARIZONA GAMING COMPACT

This Compact is entered into by and between the SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY ("Tribe") and the STATE OF ARIZONA ("State"), in accordance with the Indian Gaming Regulatory Act of 1988 for the purposes of governing Class III Gaming Activities conducted within the territorial jurisdiction of the Tribe.

DECLARATION OF POLICY AND PURPOSE

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, Public Law 100-497, 25 U.S.C. §§ 2701-2721 and 18 U.S.C.§§ 1166-1168 (the "Act") which requires a Tribal-State Compact negotiated between a Tribe and a State in order to conduct Class III Gaming Activities on the Indian Lands of a Tribe; and

WHEREAS, the purpose of the Act is to provide a statutory basis for the operation of gaming by Indian Communities as a means of promoting tribal economic development, self-sufficiency, and strong tribal governments; and

WHEREAS, the Tribe is a federally recognized Indian Tribe and exercises governmental power over Indian Lands which are located within the exterior boundaries of the State, 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 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) protect the public health, welfare and safety.

NOW, THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Tribe and the State agree as follows:

SECTION 1. Title

This document shall be referred to as "The Salt River Pima-Maricopa Indian Community-State of Arizona Gaming Compact."

SECTION 2. DEFINITIONS

For purposes of this Compact:

(a) "Act" means the Indian Gaming Regulatory Act, Public Law 100-97, 25 U.S.C. §§ 2701-2721 and 18 U.S.C. §§ 1166-1168.

(b) "Applicant" means any person who has applied for a license or certification under the provisions of this Compact, or employment with a Gaming Facility Operator, or approval of any act or transaction for which approval is required or permitted under the provisions of this Compact.

(c) "Application" means a request for the issuance of a license or certification or for employment by a Gaming Facility Operator, or for approval of any act or transaction for which approval is required or permitted under the provisions of this Compact.

(d) "Class I Gaming" means all forms of gaming defined as Class I in section 4(6) of the Act, 25 U.S.C. § 2703(6).

(e) "Class II Gaming" means all forms of gaming defined as

Class II in section 4(7) of the Act, 25 U.S.C. §2703(7).

(f) "Class III Gaming" means all forms of gaming as defined in section 4(8) of the Act, 25 U.S.C. § 2703(8).

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

(h) "Compact" means the Salt River Pima-Maricopa Indian Community--State of Arizona Gaming Compact.

(i) "Distributor" means a person who distributes Class III Gaming Devices and/or component parts thereof.

(j) "Enrolled Tribal Member" means a person who has been enrolled in the Tribe and whose name appears in the tribal membership roll and who meets the written criteria for membership.

(k) "Gaming Activity" means all forms of Class III Gaming owned and operated by the Tribe and conducted within the Indian Lands of the Tribe.

(l) "Gaming Device" or "Electronic Game of Chance" means a microprocessor-controlled electronic device which allows a player to play games of chance, some of which are affected by skill, which device is activated by the insertion of a coin, currency, tokens or by the use of a credit, and which awards game credits, cash, tokens, replays or a receipt that can be redeemed by the player for any of the foregoing. Game play may be displayed by:

(1) Video facsimile; or

(2) Mechanical rotating reels whereby the software of the device predetermines the stop positions and the presence, or lack thereof, of a winning combination and pay out, if any.

(m) "Gaming Employee" means any person employed as a Primary

Management Official or Key Employee of a Gaming Operation of the Tribe and any person employed in the operation or management of a Gaming Operation, including, but not limited to, any person whose employment duties require or authorize access to restricted areas of a Gaming Facility not otherwise open to the public.

(n) "Gaming Facility" means the buildings or structures in which Class III Gaming, as authorized by this Compact, is conducted.

(o) "Gaming Facility Operator" means the Tribe, an enterprise owned by the Tribe, or such other entity of the Tribe as the Tribe may from time to time designate by written notice to the State as the wholly-owned tribal entity having full authority and responsibility for the operation and management of Class III Gaming Activities.

(p) "Gaming Operation" means any Gaming Activity conducted within any Gaming Facilities.

(q) "Gaming Ordinance" means any duly enacted ordinance of the Tribe which governs the conduct of Gaming Activities within the Tribe, all amendments thereto, and all regulations promulgated thereunder.

(r) "Gaming Services" means the providing of any goods or services, except for legal services, to the Tribe in connection with the operation of Class III Gaming in a Gaming Facility, including but not limited to equipment, transportation, food, linens, janitorial supplies, maintenance, or security services for the Gaming Facility, in an amount in excess of $10,000 in any single month.

(s) "Indian Lands" means lands as defined in 25 U.S.C. § 2703(4)(A) and (B), subject to the provisions of 25 U.S.C. § 2719.

(t) "Interactive Terminal" or "Video Lottery Terminal" means an on-line computer or data-processing terminal capable of providing a source of both input and a video display output for the computer system to which it is connected, ~~in~~ which a player is playing against the algorithm of the terminal so that the player is playing directly against the terminal for immediate payment and is immediately rewarded or penalized based on the outcome, and which dispenses a paper receipt which can be redeemed by the player for the player's winnings.

(u) "Keno" means a house banking game in which a player selects from one to twenty numbers on a card that contains the numbers one through eighty; the house randomly draws twenty numbers; players win if the numbers they select correspond to the numbers drawn by the house, and the house pays all winners, if any, and collects from all losers.

(v) "Key Employee" means a Gaming Employee who performs one or more of the following functions:

(1) Counting room supervisor;
(2) Chief of security;
(3) Custodian of gaming supplies or cash;
(4) Floor management; or
(5) Custodian of Gaming Devices including persons with access to cash and accounting records within such devices; or,

If not otherwise included, any other person whose total cash compensation is in excess of $50,000 per year; or, if not otherwise included, the four most highly compensated persons in the Gaming Operation.

(w) "License" means an approval issued by the Tribal Gaming Office to any natural person or entity to be involved in the Gaming Operation or in the providing of Gaming Services to the Tribe.

(x) "Licensee" means any natural person or entity who has been licensed by the Tribal Gaming Office to be involved in the Gaming Operation or in the providing of Gaming Services to the Tribe.

(y) "Lotto" is the generic name for a type of on-line lottery game operated by the State of Arizona in which a player selects a group of numbers from a larger field of numbers and wins by matching specific numbers subsequently drawn.

(z) "Management Contract" means a contract within the meaning of 25 U.S.C. §§ 2710(d)(9) and 2711.

(aa) "Management Contractor" means a natural person or entity that has entered into a Management Contract with the Tribe or a Gaming Facility Operator which has been approved pursuant to 25 U.S.C. § 2710(d)(9) and 2711.

(bb) "Manufacturer" means a natural person or entity that manufactures Gaming Devices and/or component parts thereof as defined by this Compact for use or play in the Gaming Facilities.

(cc) "Person" includes a corporation, company, partnership, firm, association or society, as well as a natural person. When "person" is used to designate the violator or offender of any law, it includes a corporation, partnership or any association of persons.

(dd) "Player Activated Lottery Terminal means an on-line computer system that is player-activated, but does not provide the player with interactive gaming, and utilizes the terminal for dispensing purposes only in which (i) the terminal algorithm is used for the random generation of numbers, (ii) the tickets dispensed by the terminal do not allow the player the means to play directly against the terminal, (iii) the player uses the dispensed ticket to participate in an off-site random drawing, and (iv) the player's ability to play against

the terminal for immediate payment or reward is eliminated.

(ee) "Principal" means with respect to any Person:

(1) Each of its officers and directors;

(2) Each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer or general management;

(3) Each of its owners or partners, if an unincorporated business;

(4) Each of its shareholders who own more than ten (10) percent of the shares of the corporation, if a corporation;

(5) Each person other than a banking institution who has provide financing for the entity constituting more than ten (10) percent of the total financing of the entity; and

(6) Each of the beneficiaries, or trustees of a trust.

(ff) "Primary Management Official" means the person having management responsibilities under a Management Contract; or any person who has authority to hire and fire employees or to set up working policy for a Gaming Operation; or the chief financial officer or other person who has financial management responsibility for a Gaming Operation.

(gg) "State" means the State of Arizona, its authorized officials, agents and representatives.

(hh) "State Certification" means the process utilized by the State Gaming Agency to ensure that all persons required

to be certified are qualified to hold such certification in accordance with the provisions of this Compact.

(ii) "State Gaming Agency" means the agency of the State ~~which~~ the Governor may from time to time designate by written notice to the Tribe as the single state agency which shall act on behalf of the State under this Compact.

(jj) "Tribal Gaming Office" means the department, agency or commission designated by action of the Tribal Legislative Council as the tribal entity which shall exercise the civil regulatory authority of the Tribe over Class III Gaming Activities within the Tribe.

(kk) "Tribal Police Department" means the police force of the Tribe established and maintained or contracted for by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Tribe.

(11) "Tribe " means the Salt River Pima-Maricopa Indian Community, and its authorized officials, agents and representatives.

SECTION 3. NATURE, SIZE AND CONDUCT OF CLASS III GAMING

(a) Authorized Class III Gaming Activities. Subject to the terms and conditions of this Compact, the Tribe is authorized to operate the following Gaming Activities: (1) Gaming Devices, (2) Keno, (3) lottery, (4) off-track pari-mutuel wagering, (5) pari-mutuel wagering on horse racing, and (6) pari-mutuel wagering on dog racing.

(b) Appendices Governing Gaming.

(1) The State and the Tribe agree that the Tribe shall

only offer for play by the public at the Gaming Facilities Gaming Devices which comply with the technical standards as set forth in Appendix A.

~~(2)~~ The State and the Tribe agree that the Tribe shall comply with the security and surveillance requirements set forth in Appendix C to this Compact; provided however that the provisions of Appendix C shall only be required with respect to gaming devices operated as part of a network pursuant to Section 3 (q) of this Compact.

(3) The State and the Tribe further agree that prior to the Tribe conducting any Gaming Activities authorized in this Compact or any amendments thereto, other than Gaming Devices, the parties shall append to this Compact a mutually agreed-upon appendix setting forth the operational standards, specifications and regulations governing such gaming. In addition, any disputes regarding the contents of such appendices shall be resolved in the manner set forth in Section 15 of this Compact. A change in or the addition of an appendix shall not be considered an amendment to the Compact.

(4) The Tribal Gaming Office shall require each licensed and certified Manufacturer and Distributor to verify under oath, on forms provided by the Tribal Gaming Office, that the Gaming Devices manufactured or distributed by them for use or play at the Gaming Facilities meet the requirements of this Section.

(5) The Tribal Gaming Office and the State Gaming Agency by mutual agreement may require the testing of any Gaming Device to ensure compliance with the requirements of this Section. Any such testing shall be conducted according to the technical standards contained in Appendix A and shall be at the expense of the licensed Manufacturer.

(c) Number of Gaming Devices and Gaming Facility Locations. Subject to the terms and conditions of this Compact, the Tribe is authorized to operate the following number of Gaming Devices, not to exceed ~~500~~ Gaming Devices per Gaming Facility location, based upon its Enrolled Tribal Member population:

(1) Number of Enrolled Tribal Members	Number of Authorized Gaming Devices	Number of Authorized Gaming Facility Locations
1-4,000	475	2
4,001-8,000	700	3
8,001-16,000	900	3
Above 16,000	1,400	4

(2) For purposes of determining the number of Gaming Devices for the Tribe, enrollment shall be based upon the Tribe's official tribal enrollment figures submitted to the Bureau of Indian Affairs.

(3) If during the term of this Compact any tribe in the State of Arizona is authorized to operate Gaming Devices in excess of the number of Gaming Devices provided for in Section 3 (c) (1) or is authorized to operate more than 500 Gaming Devices per Gaming Facility location, for any reason other than the allowance of additional Gaming Devices pursuant to Section 3(e)(2)(b) then the Tribe, regardless of the number of Enrolled Tribal Members, shall be entitled to operate Gaming Devices without regard to the limitations on the number of Gaming Devices or the number of Gaming Devices per location without the need to amend this Compact.

(d) Number of Keno Games. Subject to the terms and conditions of this Compact, the Tribe is authorized to operate no more than

two Keno games per reservation.

(e) Additional Games.

~~(1)~~ If during the term of this Compact, State law changes to permit types of Class III Gaming not authorized under this Compact, or if any other tribe is authorized to engage in types of Class III Gaming not authorized under this Compact, then the Tribe, upon the effective date of such law or authorization, shall be authorized to operate such Class III Gaming, without the need to amend this Compact, subject to the provisions of Section 3(b).

(2) If during the term of this Compact, State law changes to permit non-tribal entities or the State to operate (i) Class III Gaming Devices or Electronic Games of Chance, (ii) Keno, or (iii) Vide Lottery Terminals that allow the play, or simulate the play, or are electronic facsimiles of any game other than the game of Lotto, then the Tribe, upon the effective date of such law, shall be authorized to either:

(A) Operate a maximum of twelve (12) table games per Gaming Facility location, without the need to amend this Compact, subject to the provisions of Section 3(b), or

(B) As an alternative to paragraph (A) above, the Tribe may notify the State of its intent to negotiate for gaming devices in excess of the number of devices set forth in this Section as is appropriate to the change in state law. If the State and the Tribe fail to agree within one hundred eighty (180) days of the receipt of such notice, the dispute shall be resolved pursuant to Section 15(d).

The Tribe shall select either paragraph (A) or

paragraph (B) above, but not both.

(3) The provisions of Section 3 (e) (1) and Section 3 (e) (2) shall not apply to the use of Player Activated Terminals, casino nights operated by non profit or charitable organizations pursuant to and qualified under A.R.S. § 13-3302(B), or to Video Lottery Terminals or Interactive Terminals used by the State of Arizona for playing the game of Lotto.

(4) The table games authorized in Section 3 (e) (2) shall be limited to twelve (12) blackjack or twelve (12) dice games or any combination of the two types of games per Gaming Facility location.

(f) Authorized Gaming Facility Locations. The Tribe is authorized to operate three (3) Gaming Facility locations based on current tribal enrollment figures. All Gaming Facility locations shall be located not less than one and one-half miles apart and shall be located on the Indian Lands of the Tribe. The Tribe shall notify the State Gaming Agency of the physical location of any Gaming Facility a minimum of thirty (30) days prior to commencing gaming authorized pursuant to this Compact at such location. Gaming on lands acquired after the enactment of the Act on October 17,1988 shall be authorized only in accordance with 25 U.S.C. § 2719.

(g) Forms of Payment. All payment for wagers made on authorized forms of Class III Gaming conducted by the Tribe on its Indian Lands, including the purchase of tokens for use in wagering, shall be made by cash, cash equivalent, credit card or personal check. Personal checks shall not be honored in excess of two hundred and fifty dollars ($250) per person per day. Automatic Teller Machines (ATMs) may be installed at the Gaming Facilities. Personal checks guaranteed by a third party check guarantee contractor shall be considered ATM transactions.

(h) Wagering Limitation,. The maximum wager authorized for any single play of a Gaming Device is eight dollars ($8.00).

(i) Hours of Operation. The Tribe may establish by ordinance

or regulation the permissible hours and days of operation of Gaming Activities; provided, however, that the Tribe shall comply with all applicable State liquor laws at all Gaming Facilities.

(j) ~~Ownership~~ Ownership of Gaming Facilities and Gaming Activities. The Tribe shall have the sole proprietary interest in the Gaming Facilities and Gaming Activities. This provision shall not be construed to prevent the Tribe from granting security interests or other financial accommodations to secured parties, lenders or others, or to prevent the Tribe from entering into true leases or financing lease arrangements.

(k) Prohibited Activities. Any Class III Gaming not specifically authorized in this Section is prohibited. Except as provided herein, nothing in this Compact is intended to prohibit otherwise lawful and authorized Class II gaming upon the Tribe's Indian Lands or within the Gaming Facilities.

(l) Restriction on Minors. No person under 18 years of age shall be permitted to place any wager, directly or indirectly, in any Gaming Activity. No person under 18 years of age shall be employed by a Gaming Facility Operator or by the Tribal Gaming Office. No person under 21 years of age shall be employed in the service of alcoholic beverages at any Gaming Facility, unless otherwise permitted under State law.

(m) Prohibition on Firearms. The possession of firearms by any person within a Gaming Facility shall be strictly prohibited. This prohibition shall not apply to certified law enforcement officers authorized to be on the premises as well as any private security service retained to provide security at a Gaming Facility, or armored car services.

(n) Financing. Any third-party financing extended or guaranteed for the Gaming Operation and Gaming Facilities shall be disclosed to the State Gaming Agency and persons or entities extending such financing shall be required to be licensed by the Tribe and annually certified by the State Gaming Agency, unless said person or entity is an agency of the United States or a lending institution licensed and regulated by the State or the

United States.

(o) Record-Keeping. The Gaming Facility Operator shall maintain the following logs as written or computerized records which shall be available for inspection by the State Gaming Agency in accordance with Section 7(b) of this Compact: a surveillance log recording all material surveillance activities in the monitoring room of the Gaming Facilities; and a security log recording all unusual occurrences investigated by the Tribal Gaming Office. Videotape recordings, made in accordance with Appendix C, shall be retained by the Gaming Facility Operator for at least seven (7) days from the date of original recording.

(p) Persons Excluded. The Tribal Gaming Office shall establish a list of persons barred from the Gaming Facilities because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the Gaming Activities of the Tribe. The Tribal Gaming Office shall employ its best efforts to exclude persons on such list from entry into its Gaming Facilities. The Tribal Gaming Office shall send a copy of its list on a monthly basis to the State Gaming Agency.

(q) Operation as Part of a Network. Gaming Devices authorized pursuant to this Compact may be operated to offer an aggregate prize or prizes as part of a network with the Gaming Devices of other Indian Communities located within the State of Arizona which have entered into Class III Gaming Compacts with the State of Arizona. Gaming Devices operated as part of a network shall conform to the Technical Standards set forth in Appendix A of this Compact, and shall comply with the security and surveillance requirements set forth in Appendix C of this Compact.

SECTION 4. TRIBAL-STATE LICENSING AND CERTIFICATION REQUIREMENTS

(a) Gaming Facility Operator and Gaming Facility. The Gaming Facility Operator, and all Gaming Facilities authorized by this Compact, shall be licensed by the Tribal Gaming Office in conformance with the requirements of this Compact prior to

commencement of operation, and annually thereafter. The licensing of the Gaming Facility Operator shall include the licensing of each Principal, Primary Management Official and Key Employee. Prior to the initial commencement of the operation, the State Gaming Agency and Tribal Gaming Office shall verify compliance with this requirement through a joint pre-operation inspection and letter of compliance. The State Gaming Agency shall send a compliance letter within seven (7) working days after the completion of the inspection if the inspection reveals that the Gaming Facility Operator and Gaming Facilities comport with the terms of this Compact. If the State Gaming Agency determines that the Gaming Facility Operator and Gaming Facility do not comport with the terms of this Compact a non-compliance letter shall be sent within seven (7) working days of the inspection that shall set forth the matters of non-compliance upon which the State Gaming Agency bases its decision. If a dispute arises during the inspection, it shall be resolved pursuant to Section 15 of this Compact.

(b) Gaming Employees. Every Gaming Employee shall be licensed by the Tribal Gaming Office and every employee of the Tribal Gaming Office shall be licensed by the Tribe. Any Gaming Employee or Tribal Gaming Office employee that is a non-member of the Tribe shall also be certified by the State Gaming Agency prior to commencement of employment, and annually thereafter, subject to the temporary certification provided in Section 5(n). Enrolled members of the Tribe are not required to be certified by the State as a condition of employment.

(c) Management Contractor. Any management contractor, including its Principals, engaged by the Tribe to assist in the management or operation of the Gaming Facilities or Gaming Activities shall be subject to the licensing requirements of the Tribal Gaming Office, and shall be required to obtain State certification prior to providing management services for Class III Gaming authorized by this Compact. The certification shall be renewed annually thereafter.

(d) Manufacturers and Suppliers of Gaming Devices and Gaming Services. Each Manufacturer and supplier of Gaming Devices, and each person providing Gaming Services, within or without the Gaming

Facility, shall be licensed by the Tribal Gaming Office and shall be certified by the State Gaming Agency prior to the sale or lease of any Gaming Devices or gaming services. The Tribe shall provide to the State Gaming Agency a list of the names and addresses of all vendors providing gaming services on a periodic basis at the time of the meetings required pursuant to Section 6(h) of this Compact.

SECTION 5. PROCEDURES FOR TRIBAL LICENSING AND STATE CERTIFICATION

(a) Procedures for Tribal License Applications and State Certification. Every Applicant for a Tribal gaming license and every Applicant for State Certification shall submit the completed Application, along with any required information, to both the Tribal Gaming Office and to the State Gaming Agency. Each Application for State Certification and for a tribal license shall be accompanied, as required, by the applicant's fingerprint card(s), current photograph, and the fee required by the State Gaming Agency or the Tribal Gaming Office.

(b) Background Investigation of Applicants.

(1) Upon receipt of a completed Application and required fee for tribal licensing, the Tribal Gaming Office shall conduct the necessary background investigation to ensure the Applicant is qualified for tribal licensing. Upon completion of the necessary background investigation, the Tribal Gaming Office shall either issue a tribal license, or deny the Application. If the Application for licensing is denied, a statement setting forth the grounds for denial shall be forwarded to the State Gaming Agency together with all other documents relied upon by the Tribal Gaming Office to the extent allowed by law.

(2) Upon receipt of a completed Application and required fee for State Certification, the State Gaming Agency shall conduct the necessary background investigation to ensure the Applicant is

qualified for State Certification. The State Gaming Agency shall expedite State Certification Applications. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue a State Certification, or deny the Application. If the Application for certification is denied, a statement setting forth the grounds for denial shall be forwarded to the Tribal Gaming Office together with all other documentation relied upon by the State Gaming Agency to the extent allowed by State law. The State shall also conduct background investigations of all Applicants for tribal licenses and, consistent with Section 5(q), shall provide the Tribal Gaming Office with a written recommendation as to whether the Applicant should be licensed by the Tribal Gaming Office.

(3) The Tribal Gaming Office and the State Gaming Agency shall retain the right to conduct additional background investigations of any person required to be licensed or certified at any time, while the license or certification remains valid.

(c) Notification to Applicant. The Applicant for State Certification shall be notified by the Tribal Gaming Office of the status of the Application within ten (10) days after the Tribal Gaming Office receives the State Gaming Agency's recommendation for certification or denial.

(d) Tribal Employment Standards. Neither the issuance of a license by the Tribal Gaming Office nor the issuance of certification by the State Gaming Agency creates or implies a right of employment or continued employment. The Gaming Facility Operator shall not employ, and if already employed, shall terminate, a Gaming Employee if it is determined by the Tribal Gaming Office, that the Applicant:

(1) has been convicted of any felony or gaming offense;

(2) has knowingly and willfully provided materially important false statements or information or omitted materially important information on his or her employment Application for employment at the Gaming Facility or background questionnaire; or

(3) is determined to be a person whose prior activities, criminal record if any, 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, and methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

(e) Notification of Change of Principals. After an entity is licensed by the Tribal Gaming Office, or certified by the State Gaming Agency it shall file a report of each change of its Principals with the Tribal Gaming Office and the State Gaming Agency. Each new Principal shall file a complete Application within (30) days after appointment or election. The Tribal Gaming Office shall forward a copy of the Application to the State Gaming Agency. The entity's license shall remain valid unless the Tribal Gaming Office disapproves the change or denies the Application. The entity's certification shall remain valid unless the State Gaming Agency disapproves the change or denies the Application.

(f) Grounds for Revocation, Suspension or Denial of State Certification. The State Gaming Agency may revoke, suspend or deny a State Certification when an Applicant or holder of certification:

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of this Compact or any provision of any State Gaming Agency rule, or when any such violation has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

(2) Knowingly causes, aids, abets, or conspires with another to cause any person or entity to violate any of the laws of this State or the rules of the State or Tribal Gaming Office, or the provisions of this Compact;

(3) Has obtained a State Certification or tribal license by fraud, misrepresentation, concealment or through inadvertence or mistake;

(4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, willful failure to make required payment or reports to any tribal, state or United States governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of a Tribe, any state of the United States, or of any crime, whether a felony or misdemeanor, involving any gaming activity or physical harm to individuals or moral turpitude;

(5) Makes a misrepresentation of, or fails to disclose a material fact to the State Gaming Agency or the Tribal Gaming Office;

(6) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this Section;

(7) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under subsection (4) of this Section; provided, that at the request of an Applicant for an original certification, the State Gaming Agency may defer decision upon the Application during the pendency of such prosecution or appeal;

(8) Has had a gaming license issued by any state or tribe in the United States revoked or denied;

(9) Has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdiction, including suspension, revocation, denial of Application or forfeiture of license;

(10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal laws of any state if such pursuit creates probable cause to believe that the participation of such person in gaming or related activities would be detrimental to the proper operation of an authorized gaming or related activity in this State. For the purposes of the paragraph, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;

(11) Is a career offender or a member of a career offender organization or an associate of a career offender or career offender organization in such a manner which creates probable cause to believe that the association is of such a nature as to be detrimental to the proper operation of the authorized gaming or related activities in this State. For the purposes of this paragraph, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purposes of economic gain utilizing such methods as are deemed criminal violations of tribal law, federal law or the laws and the public policy of this State. A career offender organization shall be defined as any group of persons who operate together as career offenders;

(12) Is a person whose prior activities, criminal record, if any, reputation, habits and associations

pose a threat to the public interest of the Tribe or the State or to the effective regulation and control of Class III Gaming, or creates or enhances the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of Class III Gaming, or the carrying on of the business and financial arrangements incidental thereto; or

(13) Fails to provide any information requested by the State Gaming Agency within 14 days of the request for the information.

(g) Right to Hearing for Revocation, Suspension or Denial of State Certification. Any Applicant for State Certification, or holder of a State Certification shall be entitled to a full hearing on any action by the State Gaming Agency which may result in the revocation, suspension, or denial of State Certification. The hearing shall be conducted in accordance with the procedures contained in the applicable provisions of the Arizona Administrative Procedures Act, Title 41, Chapter 6, Arizona Revised Statutes or the State Gaming Agency administrative rules; provided, the State, after consultation with the Tribal Gaming Office, may defer such actions to the Tribal Gaming Office. Nothing herein shall prevent the Tribal Gaming Office from invoking its disciplinary procedures.

(h) Issuance, Revocation, Suspension or Denial of License Issued by Tribal Gaming Office. The issuance, revocation, suspension or denial of any tribal gaming license by the Tribe or the Tribal Gaming Office, including the terms and conditions thereof, shall be in accordance with the Tribe's ordinances and regulations governing such procedures and the grounds for such actions shall not be less stringent than those of this Section. The Tribal Gaming Office shall not be required to grant an Application for a license even if the State Gaming Agency issues a State Certification.

(i) Duration and Renewal of Tribal Licenses and State Certifications. Any tribal license or State Certification shall be

effective for one (1) year from the date of issuance; provided, that a licensed or certified employee or person that has applied for renewal may continue to be employed or engaged under the expired license or State Certification until action is taken on the renewal Application by the Tribal Gaming Office or the State Gaming Agency. Applicants for renewal of a license or certification shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to resubmit historical data already available to the Tribal Gaming Office or the State Gaming Agency. Additional background investigations shall not be required of Applicants for renewal unless new information concerning the Applicant's continuing eligibility for a license or a State Certification is discovered by either the Tribal Gaming Office or the State Gaming Agency.

(j) Identification Cards. The Gaming Facility Operator shall require all Gaming Employees to wear in plain view identification cards issued by the Tribal Gaming Office which include photograph, first and last name and an identification number unique to the individual tribal license and which shall include a tribal seal or signature, and a date of expiration.

(k) Exchange of Tribal Licensing and State Certification Information. In an effort to ensure a qualified work force in the Class III Gaming authorized by this Compact, upon completion of any administrative action against a holder of a tribal license or State Certification, the final disposition shall be forwarded to either the Tribal Gaming Office or the State Gaming Agency, as appropriate, and maintained as part of both agencies' permanent records and which may be shared with other federal, state, and tribal agencies.

(l) Fees for State Certification. The fees for State Certification shall be the following:

(1) Gaming Employee and provider of Gaming Services

Initial Certification	$150
Renewal	$ 75

(2) Management Contractors and/or Financiers

Initial Certification $1500
Renewal $ 500

(3) Manufacturers and Suppliers of Gaming Devices
Initial Certification $1500
Renewal $ 500

A State Certification shall be valid for any Gaming Operation in Arizona and no additional fee shall be required. In the event actual costs incurred by the State Gaming Agency to investigate the background of an Applicant exceed the above fees, those costs shall be assessed to the Applicant during the investigation process. Payment in full to the State Gaming Agency shall be required prior to the issuance of State Certification. The State may require Manufacturers, suppliers, management companies and financiers applying for State Certification to post a bond sufficient to cover the actual costs that the State Gaming Agency anticipates will be incurred in conducting a background investigation of the Manufacturer, supplier, management contractor or financier. Notwithstanding any other provision of this Compact, the State Gaming Agency may modify any of the above fees by giving the Tribe sixty (60) days notice of intent to modify fees. Should a dispute arise under this section, it shall be resolved pursuant to Section 15 of this Compact.

(m) Fees for Tribal License. The fees for tribal licenses shall be set by the Tribe.

(n) Temporary Certification. Within twenty (20) days of the receipt of a completed Application for State Certification, and upon request of the Tribal Gaming Office the State Gaming Agency shall issue a temporary certification to the Applicant unless the background investigation undertaken by the State Gaming Agency discloses that the Applicant has a criminal history, or unless other grounds sufficient to disqualify the Applicant pursuant to subsection (f) of this Section are apparent on the face of the Application. The temporary certification shall become void and be of no effect upon either the issuance of a State Certification or upon the issuance of notice of denial, in accordance with the provisions of this Compact.

(o) Summary Suspension of Tribal License or State Certification. The Tribal Gaming Office, pursuant to the laws and regulations of the Tribe, and the State Gaming Agency, pursuant to the laws and regulations of the State, may summarily suspend any respective ~~tri~~bal license or State Certification if the continued licensing or certification of a person or entity constitutes an immediate threat to the public health, safety or welfare.

(p) State Administrative Process; Non-Tribal Members. Any non-tribal member Applicant for State Certification agrees by making such Application to be subject to State jurisdiction to the extent necessary to determine the Applicant's qualification to hold such certification, including all necessary administrative procedures, hearings and appeals pursuant to the Administrative Procedures Act, Title 41, Chapter 6, Arizona Revised Statutes and the administrative rules of the State Gaming Agency.

(q) Administrative Process; Tribal Members.

(1) Any member of the Tribe applying for licensure by the Tribal Gaming Office acknowledges that by making such Application, the State Gaming Agency, as set forth herein, may be heard concerning the Applicant's qualifications to hold such license. If the State recommends revocation, suspension, or denial of a license, and the Tribal Gaming Office revokes, suspends, or denies the license based on the State Gaming Agency's recommendation, the Tribal member may appeal that action to the Tribe, to the extent any such right exists.

(2) If the Tribal Gaming Office takes any action with respect to a license of a Tribal member despite a State recommendation to the contrary, the Tribal Gaming Office shall afford the State an opportunity for a hearing before an appropriate Tribal forum to contest the Tribal Gaming Office licensing decision. The decision of the Tribal forum shall be final.

(3) The Tribal Gaming Office shall afford the State Gaming Agency the opportunity to be heard in an appropriate Tribal forum on its recommendation to suspend or revoke the license of any Tribal member in the same manner as if the State Gaming Agency had recommended denial of the license in the first instance.

SECTION 6. TRIBAL REGULATION OF COMPACT PROVISIONS

(a) Tribal Gaming Office. The Tribal Gaming Office has the responsibility for the regulation of all Gaming Activities pursuant to the Tribe's Gaming Ordinance and for the enforcement of this Compact on behalf of the Tribe. The State Gaming Agency has the regulatory responsibility over Gaming Activities which is specifically set out in this Compact.

(1) The Tribe's Gaming Ordinance is attached as Appendix B of this Compact.

(2) The Tribe shall notify the State Gaming Agency of its intent to amend or repeal the Ordinance set forth in Appendix B, or to adopt regulations and shall provide a copy of any change or modification in Appendix B to the State Gaming Agency.

(3) The Tribe's Gaming Ordinance shall provide for the detention of persons who may be involved in illegal acts for the purpose of notifying appropriate law enforcement authorities.

(4) The Tribal Gaming Office shall require the Gaming Facility Operator to establish, consistent with the provisions of Appendix C to this Compact, a closed-circuit television surveillance system capable of recording and preserving on videotape all areas of the Gaming Facilities required by this Compact to be under surveillance;

(5) The Tribal Gaming Office shall have the responsibility and authority to investigate alleged violations of this Compact, the Tribe's Gaming Ordinance, and other applicable laws and to take appropriate disciplinary action against the Gaming Facility Operator or the holder of a license for a violation or to institute appropriate legal action for enforcement or both; and to confiscate or shut down any Gaming Device or other equipment or gaming supplies failing to conform to any required standards.

(b) Gaming Facility Operator. The Tribe shall require the Gaming Facility Operator to have the responsibility for the on-site operation, management, and security of the Gaming Facility. The Tribe shall require the Gaming Facility Operator to adopt reasonable procedures designed to provide for the following:

(1) The physical safety of its employees;

(2) The physical safety of patrons in the Gaming Facility;

(3) The physical safeguarding of assets transported to and from the Gaming Facility and cashier's cage department; and

(4) The protection of the patrons' and the Gaming Operation's property from illegal activity.

(c) Tribal Gaming Office Staff and Executive Director. The Tribe has sole authority to determine the composition of the Tribal Gaming Office, however, no employee of a Gaming Facility Operator shall be employed by or be a member of the Tribal Gaming Office. The Tribe shall designate an Executive Director of the Tribal Gaming Office. The Executive Director shall have overall responsibility for the administrative functions of the Tribal Gaming Office. The Executive Director shall serve as the formal liaison to the person holding the similarly titled position with the State Gaming Agency.

(d) Right of Inspection.

(1) The Tribal Gaming Office shall have the right to inspect any Gaming Facility at any time and shall have immediate access to any and all areas of a Gaming Facility for the purpose of ensuring compliance with the provisions of this Compact and the Tribe's Gaming Ordinance.

(2) The Tribal Gaming Office shall employ inspectors or agents who shall act under the authority of the Tribal Gaming Office. Said inspectors shall be independent of the Gaming Facility Operator and any management contractor, and shall be supervised and accountable only to the Tribal Gaming Office. Said inspectors shall have the right to inspect any Gaming Facility at any time and shall have immediate access to any and all areas of the Gaming Facility. An inspector shall be present in the Gaming Facilities during all hours of gaming operation.

(e) Reporting of Violations. The Gaming Facility Operator, or the Tribal Gaming Office inspector, as applicable, shall report unusual occurrences and all violations or suspected violations of this Compact, or of the Tribe's Gaming Ordinance by an employee or agent of the Gaming Facility Operator, or any person on the premises whether or not associated with Gaming Activities, to the Tribal Gaming Office. Regardless of the identity of the reporter or to whom the report is made, the Tribal Gaming Office shall make a written record of any unusual occurrences, violations or suspected violations, without regard to materiality. Each entry shall be assigned a sequential number and shall include, at a minimum, the following information which shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page is sequentially numbered:

(1) The assigned number;

(2) The date;

(3) The time;

~~(4)~~ The nature of the incident;

(5) The person(s) involved in the incident; and

(6) The name of the security department or Tribal Gaming Office employee assigned to investigate.

(f) Investigations. The Tribal Gaming Office shall investigate any reported violation of the Compact provisions or the Gaming Ordinance and shall require the Gaming Facility Operator to correct the violation upon such terms and conditions as the Tribal Gaming Office determines are necessary and proper under the provisions of the Tribe's Gaming Ordinance.

(g) Reporting to State Gaming Agency. Within forty-eight (48) hours of the time a violation or suspected violation was reported, the Tribal Gaming Office shall notify the State Gaming Agency. Upon completion of any investigation of a violation or suspected violation, the Tribal Gaming Office shall provide copies of its investigative report to the State Gaming Agency, if such disclosure will not compromise on-going law enforcement investigations or activities.

(h) Periodic Meetings. In order to develop and foster a positive and effective relationship in the enforcement of the provisions of this Compact, representatives of the Tribal Gaming Office and the State Gaming Agency shall meet, not less than on a quarterly basis, to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Tribal Gaming Office. The State Gaming Agency, prior to or during such meetings, shall disclose to the Tribal Gaming Office any concerns, suspected activities or pending matters reasonably believed to constitute potential violations of this Compact by any person, organization or entity, if such disclosure will not compromise on-going law enforcement investigations or activities. Following

the first year of this Compact, the Tribal Gaming Office and the State Gaming Agency shall jointly determine the number of meetings necessary, but in no event shall less than two (2) meetings occur for any twelve (12) month period.

SECTION 7. STATE MONITORING OF COMPACT PROVISIONS

(a) Monitoring. The State Gaming Agency shall, pursuant to the provisions of this Compact, have the authority to monitor the Tribe's Gaming Operation to ensure that the operation is conducted in compliance with the provisions of this Compact. Such monitoring shall include the authority to investigate suspected violations of the Compact. The monitoring shall be conducted in accordance with the following requirements:

(1) Agents of the State Gaming Agency shall have free and unrestricted access to all public areas of a Gaming Facility during operating hours without giving prior notice to the Gaming Facility Operator;

(2) The monitoring activities of these agents shall be conducted in a manner which does not unduly interfere with the normal functioning of the Tribe's Gaming Operation;

(3) Agents of the State Gaming Agency shall be entitled to enter the non-public areas of any Gaming Facility licensed by the Tribe after by the Tribe after such state agents have:

(A) Provided proper identification to the senior supervisory employee of the Gaming Facility Operator on duty and to the Tribal Gaming Office inspector, who at his discretion, may witness the monitoring or investigation of nonpublic areas of the Gaming Facilities by the State Gaming Agency, and

(B) Given advance notice to the Tribal Gaming Office. Such advance notification shall not be required if such notification will compromise an ongoing law enforcement investigation or activity.

(b) State's Access to the Tribe's Gaming Records; Confidentiality Requirements. Agents of the State Gaming Agency shall, upon twenty-four (24) hours advance notification to the Tribal Gaming Office, have the right to inspect and copy during normal business hours, all records maintained by the Gaming Facility Operator. Such advance notification shall not be required if such notification will compromise an ongoing law enforcement investigation or activity. However, all records, and copies thereof, shall remain the property of the Tribe irrespective of their location. All such records, and the information derived from such records, are confidential and proprietary information of the Tribe. Access to all records, or documents of the Gaming Facility Operator, or copies thereof in the possession of the State shall be limited solely to employees of the State Gaming Agency and the Tribal Gaming Office and the State shall not disclose such records and documents to other persons within the state government or to third parties, provided however that disclosure shall be authorized when made pursuant to an order of a court of competent jurisdiction, or when disclosed to a federal, state or tribal regulatory or criminal justice agency pursuant to a regulatory or criminal justice investigation under this Section, or when disclosed pursuant to Section 5 (k). The State Gaming Agency shall immediately notify the Tribal Gaming Office of the receipt of any request for access to any such records from any person outside the State Gaming Agency unless ordered otherwise by a court of competent jurisdiction.

(c) Retention of Records. Throughout the term of this Compact and during the pendency of any litigation arising from this Compact, and for one (1) year following the termination of this Compact, the Tribe shall require that all books and records relating to authorized Gaming Activities, including the records of any management contractor, the Gaming Facility Operator and the Tribal Gaming Office are separately maintained in order to

facilitate auditing of these books and records to ensure compliance with this Compact. All such records shall be maintained pursuant to generally accepted accounting principles and shall be suitable for audit pursuant to the standards of the American Institute of Certified ~~Pub~~lic Accounts.

(d) Tribe's Access to State Records. The Tribe shall have the right to inspect and copy all records received by the State Gaming Agency concerning the Tribe's authorized Class III Gaming if such disclosure will not compromise ongoing law enforcement investigations or activities, and would not violate applicable state and federal law.

(e) Notification to Tribal Gaming Office. At the completion of any inspection or investigation conducted by the State Gaming Agency, copies of an investigative report shall be immediately forwarded by the State Gaming Agency to the Tribal Gaming Office. Within forty-eight (48) hours of the receipt of any report of a violation of this Compact, the Tribe's Gaming Ordinance, or the Act, the State Gaming Agency shall forward notification of such report of a violation to the Tribal Gaming Office.

(f) Cooperation with Tribal Gaming Office. The State Gaming Agency shall meet periodically, consistent with Section 6(h), with the Tribal Gaming Office and cooperate fully in all matters relating to the enforcement of the provisions of this Compact and immediately notify the Tribal Gaming Office of any activity suspected or occurring whether within the Gaming Facilities or not, which adversely affects State, Tribal or public health, safety, or welfare interests relating to the Gaming Facility and Gaming Facility Operator, if such disclosure will not compromise an ongoing law enforcement investigation or activity.

SECTION 8. CIVIL AND CRIMINAL JURISDICTION

Nothing in this Compact is intended to change, revise or modify the civil and criminal jurisdiction of the Tribe or of the State. Nothing contained herein shall be deemed to modify or limit existing federal jurisdiction over Indians and the Gaming

Operations authorized under this Compact.

SECTION 9. CROSS-DEPUTIZATION AGREEMENT

The State and the Tribe, to the extent permitted by law, may agree to enter into such cross-deputization agreements as necessary to facilitate cooperation between State and Tribal law enforcement personnel.

SECTION 10. AUTHORIZATION TO ENACT RULES AND REGULATIONS

(a) State Gaming Agency Rules. Pursuant to its general rule-making authority, the State Gaming Agency may enact, as part of its rules governing gaming, all or part of the provisions of this Compact. The rules adopted by the State Gaming Agency shall be consistent with the provisions and appendices of this Compact.

(b) Tribal Gaming Office. The Tribal Gaming Office may enact, as part of its rules or regulations governing gaming, all or part of the provisions of this Compact.

SECTION 11. OPERATIONAL REQUIREMENTS

(a) Additional Operational Requirements Applicable to Class III Gaming. The Tribal Gaming Operation shall be operated pursuant to an internal control system approved by the Tribal Gaming Office. The internal control system shall be designed to reasonably assure that:

(1) Assets are safeguarded;

(2) Financial records are accurate and reliable;

(3) Transactions are performed in accordance with the Tribe's general or specific authorization;

(4) Access to assets is permitted only in accordance

with the Tribe's specific authorization;

(5) Recorded accountability for assets is compared with actual assets at frequent intervals and appropriate action is taken with respect to any discrepancies; and

(6) Functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

(b) Internal Controls. The internal control system shall include:

(1) An organizational chart depicting appropriate segregation of functions and responsibilities;

(2) A description of the duties and responsibilities of each position shown on the organizational chart;

(3) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of subsection (a) of this Section; and

(4) A description of procedures governing the maintenance and preservation of security and surveillance information.

(c) Annual Audit. The Gaming Operation shall be audited, not less than annually, by an independent certified public accountant licensed by the State. The Gaming Facility Operator shall notify the State Gaming Agency of its fiscal year end. Such audit shall be at the expense of the Gaming Facility Operator. The financial statement and audit shall be prepared in accordance with the auditing standards published by the American Institute of Certified Public Accountants and shall be submitted to the Tribal Gaming Office and the State Gaming Agency within one hundred twenty (120)

days of the close of the fiscal year of the Gaming Operation. All auditors shall preferably have experience in Class III Gaming matters conducted pursuant to the Act. In addition, the State Gaming Agency shall be authorized to confer with the independent certified public accountant retained by the Tribe during the preparation of the audit and the preparation of the financial statement. The Tribal Gaming Office shall be notified of and provided the opportunity to participate in and attend any such conference.

SECTION 12. TRIBAL REIMBURSEMENT OF STATE GAMING AGENCY EXPENSES

(a) Compensation to the State Gaming Agency. The Tribe agrees to pay the State Gaming Agency the necessary costs incurred by the State as a result of the State's performance of its rights or duties under the terms of this Compact.

(b) Gaming Device Assessment. The State and the Tribe have determined that during the initial two (2) years of this Compact, an annual fee of five hundred dollars ($500) per Gaming Device shall be paid annually to the State Gaming Agency for necessary costs incurred for State regulation and enforcement duties. After the initial two (2) years, the regulatory assessment per Gaming Device shall be renegotiated by the Tribe and the State based upon actual and projected costs and expenses incurred for State regulation and enforcement duties pursuant to this Compact. The assessment shall be payable in equal quarterly installments, the first of which shall be payable within fifteen (15) days of receipt by the Tribal Gaming Office of the notification of compliance pursuant to Section 4(a) of this Compact. The second and all ensuing installments shall be paid, respectively, on the first day of January, April, July, and October, as appropriate. For the purposes of assessment, Gaming Device counts will be made quarterly. If a Gaming Device is added to play any time during the quarter, it will be deemed to have been in play for the entire quarter and be assessed in such manner. Thereafter, should any deficit in necessary funds exist, the Tribe shall be billed within thirty (30) days, its share of sums necessary to eliminate any such deficit. Monies in excess of the Tribe's share of costs and

expenses actually incurred by the State Gaming Agency shall be returned to the Tribe annually thirty (30) days following the close of the State's fiscal year, or the overpayment shall be credited to the Tribe for the succeeding year at the Tribe's discretion. If credits are provided or if any excess remains at the conclusion of the Compact term, the State shall return such monies to the Tribe within thirty (30) days from the expiration date of this Compact.

(c) Statement of Expenses. The State Gaming Agency shall submit to the Tribe verified statements of expenses with supporting documentation on a quarterly basis consistent with the provisions of subsection (b) of this Section commencing ninety (90) days after the Tribe receives a letter of compliance pursuant to Section 4(a) of this Compact.

(d) Dispute Resolution. In the event a dispute arises, it will be resolved pursuant to Section 15 of this Compact.

SECTION 13. PUBLIC HEALTH SAFETY AND WELFARE

(a) Compliance The Tribe shall comply with standards governing health and safety which shall apply to the Gaming Facilities and which shall be no less stringent than the standards generally imposed by the Uniform Laws Annotated Codes covering the following:

(1) The Uniform Building Code (1988 edition);

(2) The Uniform Mechanical Code (1988 edition);

(3) The Uniform Plumbing Code (1988 edition);

(4) The Uniform Fire Code (1988 edition),

In addition, public health standards for food and beverage handling shall be in accordance with United States Public Health Service requirements.

(b) Emergency Service Accessibility. The Tribe shall require

the Gaming Facility Operator to make provisions for adequate emergency accessibility and service.

(c) Tort Remedies for Patrons. The Tribe shall establish procedures ~~for~~ the disposition of tort claims arising from alleged injuries to patrons of its Gaming Facilities, which procedures may be analogous to the remedial system available for similar claims arising against the State. The Tribe shall not be deemed to have waived its sovereign immunity from suit with respect to such claims by establishing such procedures or by any provision of this Compact.

(d) Liability for Damage to Persons and Property. During the term of this Compact, the Tribe shall maintain public liability insurance which provides no less than one million dollars ($1,000,000) for personal injury and property damage. The Tribe's insurance policy shall include an endorsement providing that the insurer may not invoke tribal sovereign immunity up to the limits of the policy set forth above.

SECTION 14. PATRON DISPUTES

(a) Refusal to Pay Winnings. Whenever the Gaming Facility Operator refuses payment of alleged winnings to a patron, and the Gaming Facility Operator and the patron are unable to resolve the dispute to the satisfaction of the patron and the dispute involves:

(1) At least five hundred dollars ($500), the Gaming Facility Operator shall immediately notify the Tribal Gaming Office. The Tribal Gaming Office shall conduct whatever investigation it deems necessary and shall determine whether payment should be made; or

(2) Less than five hundred dollars ($500), the Gaming Facility Operator shall inform the patron of his or her right to request that the Tribal Gaming Office conduct an investigation. Upon request of the

patron, the Tribal Gaming Office shall conduct whatever investigation it deems necessary and shall determine whether payment should be made.

(b) Notice to Patrons. The Tribal Gaming Office shall mail written notice by certified mail, return receipt requested, to the Gaming Facility Operator and the patron of the decision resolving the dispute within thirty (30) days after the date that the Tribal Gaming Office first receives notification from the Gaming Facility Operator or a request to conduct an investigation from the patron.

(c) Effective Date of Decision. The decision of the Tribal Gaming Office is effective on the date it is received by the aggrieved party as reflected on the return receipt.

(d) Review of Decision. Within thirty (30) days after the date of receipt of the written decision, the aggrieved party may file a petition with the Tribal Gaming Office requesting a review of the decision. The Tribal Gaming Office may set a hearing on the matter or may make a decision based solely upon the prior decision and other documentation provided to it by the patron and the Gaming Facility Operator. The Tribal Gaming Office shall then issue a written decision and mail it to the parties pursuant to the procedures set forth in Section 14(b). The decision of the Tribal Gaming Office shall be final and binding upon the patron and the Gaming Facility Operator and shall not be subject to judicial review, dispute resolution or other legal action.

SECTION 15. DISPUTE RESOLUTION

(a) Procedures and Provisions Subject to Dispute Resolution. The parties may discuss and reconsider Sections 4, 5, 7, 11, 12, 14 and all appendices to this Compact upon written notice and request by either party. Thereafter, if the Tribe or the State believes that the other party has failed to comply with the requirements of the foregoing Sections and appendices, or if any dispute arises as to the proper interpretation thereof, the procedures set forth in this Section shall apply.

(b) Notice. 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 proffered interpretation of the Compact provision for which interpretation is sought.

(c) Voluntary Resolution. Representatives of the Tribe and the State shall meet within ten (10) days following receipt of the notice in an effort to resolve the dispute.

(d) Arbitration Procedures. If the dispute is not resolved to the satisfaction of the parties within thirty (30) days after service of the notice set forth above, the dispute shall be adjudicated through arbitration in Arizona or such other place as the parties may agree as follows:

(1) The parties shall attempt to agree upon one arbitrator with expertise in the subject matter of the dispute.

(2) If the parties are unable to agree on an arbitrator, each party shall select an arbitrator within ten (10) days of the commencement of the arbitration and the two (2) arbitrators shall mutually appoint a third arbitrator within twenty (20) days of their appointment. If the two (2) arbitrators are unable to agree on the appointment of a third arbitrator within twenty (20) days, the third arbitrator shall be appointed by the American Arbitration Association.

(3) The arbitrator(s) shall confer with the parties immediately after appointment to determine an arbitration schedule including whether and to what extent discovery is required. The arbitrator(s) may set the matter for an evidentiary hearing or oral argument, or may dispose of the dispute based upon written submissions only.

(e) Arbitration Costs. The cost of arbitration shall be borne equally by the parties, with one-half of the expenses charged to the Tribe and one-half charged to the State. The parties shall bear their own costs and attorneys' fees associated with their participation in the arbitration unless the decision of the arbitrator shall specify otherwise.

(f) Arbitration Decision. The decision of the majority of the arbitrator(s) shall be final, binding and unappealable. Failure to comply with judgment upon the award entered in such arbitration proceeding shall be deemed a breach of the Compact.

(g) Action to Enjoin a Class III Gaming Activity Conducted in Violation of the Agreement. The parties recognize that the Act provides at 25 U.S.C. § 2710(d)(7)(A)(ii) that the United States District Courts shall have jurisdiction over an action initiated by the State or the Tribe to enjoin a Class III Gaming activity located on Indian Lands and conducted in violation of this Compact.

SECTION 16. RESERVATION OF RIGHTS UNDER THE ACT

(a) Status of Class I and Class II Gaming. This Compact shall not apply to any Class I or Class II Gaming whether conducted within or without the Gaming Facilities, and shall not confer upon the State any jurisdiction or other authority over such Class I or Class II gaming conducted by the Tribe on Indian Lands.

(b) Prohibition on Taxation by the State. Nothing in this Compact shall be deemed to authorize or permit the State or any political subdivision thereof to impose any tax, fee, charge or assessment upon the Tribe or any Gaming Operation of the Tribe, except for the payment of expenses as provided in Section 12 of this Compact.

(c) Preservation of Tribal Self-Government. Nothing in this Compact shall divest or diminish the sovereign governmental authority of either the Tribe or the State.

(d) Use of Net Revenues. The net revenues derived from Class III Gaming authorized under this Compact shall be used by the Tribe for the purposes permitted under the Act.

(e) ~~Tax~~ Documentation. For purposes of cooperation, the Tribal Gaming Office shall obtain from the Gaming Facility Operator and provide to the State Gaming Agency a copy of the documentation the Gaming Facility Operator submits to the Internal Revenue Service indicating gaming winnings of patrons of the Gaming Operation.

SECTION 17. AMENDMENTS

Any amendment to this Compact shall be in writing and signed by both parties. The terms and conditions of this Compact shall remain in effect until amended, modified, or terminated.

SECTION 18. SEVERABILITY

Each provision of this Compact shall stand separate and independent of every other provision. If a court of competent jurisdiction finds any provision of this Compact to be invalid or unenforceable, it is the intent of the parties that the remaining provisions shall remain in full force and effect to the extent possible.

SECTION 19. THIRD PARTY BENEFICIARIES

This Compact is not intended to create any third-party beneficiaries and is entered into solely for the benefit of the Tribe and the State.

SECTION 20. NOTICES

All notices required or authorized to be served under this

Compact shall be served by certified mail (return receipt requested), commercial overnight courier service or by personal delivery, at the following addresses or such other address as either party shall hereafter inform the other by written notice:

State: The State of Arizona
Arizona Department of Gaming
202 East Earll Drive, Suite 200
Phoenix, Arizona 85012

Tribe: Attn: President
Salt River Pima-Maricopa Indian Community
10005 East Osborn Road
Scottsdale, AZ 85256

SECTION 21. CALCULATION OF TIME

In computing any period of time prescribed or allowed by this Compact, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday under the Tribe's laws, State law, or federal law, or when the act to be done is the filing of or providing access to any report or document, and the last day of the period falls on a day in which the weather or other conditions have made the offices in which the report or document is to be filed inaccessible, in which event the designated period shall extend until the end of the next day on which the office is accessible which is not a Saturday, Sunday or legal holiday, and is not one of the previously mentioned days. When the period of time prescribed or allowed is less than eleven (11) days, intermediate Saturdays, Sundays and legal holidays under the Tribe's laws, State law or federal law shall be excluded from the computation period.

SECTION 22. COUNTERPARTS

This Compact is executed in three original documents; one shall be maintained by the President of the Tribe, one shall be maintained by the Governor of the State and the third shall be sent to the Secretary of the Interior for approval.

SECTION 23. EFFECTIVE DATE AND DURATION

(a) Conditional Effectiveness; Effective Date.

(1) This Compact shall not be effective, and no rights, duties or obligations of the State or the Tribe shall arise thereunder unless and until the execution of substantially similar Compacts by the State and all of the following: the Tohono O'Odham Nation, the Gila River Indian Community, the Pascua Yaqui Tribe of Arizona, the Yavapai-Prescott Indian Tribe, the Cocopah Indian Tribe, the Fort McDowell Mohave-Apache Indian Community of Arizona and the Ak-Chin Indian Community shall have occurred within four (4) days of the date upon which the first of the foregoing and the State execute a Compact. The State and the Community agree to execute an acknowledgement that this condition has been satisfied after all such Compacts have been executed.

(2) Subject to the provisions of Section 23 (a)(1) above, this Compact shall become effective upon the date of publication in the Federal Register of the notice of approval of this Compact by the Secretary of the Interior.

(b) Duration.

(1) This Compact shall be in effect for a term of ten (10) years after the effective date.

(2) The duration of this Compact shall thereafter be

automatically extended for terms of five (5) years, unless either party serves written notice of nonrenewal on the other party not less than one hundred eighty (180) days prior to the expiration of the original term of this Compact or any extension thereof.

(3) In the event written notice of nonrenewal is given by either party as set forth in this Section, the Tribe shall cease all Class III Gaming under this Compact upon its expiration date, unless extended by mutual agreement, or upon the date the procedures in subsection (5) of this Section are concluded and a successor Compact, if any, is not in effect.

(4) The Tribe may operate Class III Gaming only while this Compact, or any extension thereof under this Section, is in effect.

(5) In the event that written notice of nonrenewal of this Compact is given by one of the parties under subsection (2) of this Section above, the Tribe may, pursuant to the procedures of the Act, request the State to enter into negotiations for a successor Compact governing the conduct of Class III Gaming Activities to become effective following the expiration of this Compact. Thereafter the State shall negotiate with the Tribe in good faith concerning the terms of a successor Compact pursuant to 25 U.S.C. § 2710(d)(3)(A). If a successor compact is not concluded by the expiration date of this Compact, or any extension thereof under subsection (2) or (3), the Tribe shall do one of the following:

(A) Immediately cease all Class III Gaming upon the expiration of this Compact, or any extension thereof under subsection (2) of this Section; or

(B) Commence an action in the United States District Court pursuant to 25 U.S.C. § 2710 (d)(7) in which event this Compact shall remain in effect until the procedures set forth in 25 U.S.C. § 2710(d)(7) are exhausted.

(c) Termination. This Compact may be voluntarily terminated by mutual agreement of the parties, or by a duly adopted ordinance or resolution of the Tribe revoking the authority to conduct Class III Gaming upon its lands, as provided for in 25 U.S.C. § 2710(d)(2)(D).

(d) Enforceability.

(1) The State and the Tribe voluntarily enter into this Compact pursuant to 25 U.S.C. § 2710 (d)(3)(B). Furthermore the State abandons any argument it may have had under the Tenth Amendment to the United States Constitution that its execution of this Compact was coerced.

(2) In the event that federal law changes to prohibit the gaming authorized by this Compact, the State may seek, in a court of competent jurisdiction, a declaration that this Compact is invalid.

(3) This Compact shall remain valid and enforceable against the State and the Tribe unless or until it is held to be invalid in a final non-appealable judgment or order of a court of competent jurisdiction.

SECTION 24. GOVERNING LAW.

This Compact shall be governed by and construed in accordance with the applicable laws of the United States, and the Tribe and the State.

SECTION 25. ENTIRE AGREEMENT

This Compact contains the entire agreement of the parties with respect to the matters covered by this Compact and no other statement, agreement, or promise made by any party, officer, or agent of any party shall be valid or binding.

SECTION 26. AUTHORITY TO EXECUTE

Each of the undersigned represents that he is duly authorized and has the authority to execute this agreement on behalf of the party for whom he is signing and that this Compact is a contractual agreement which is valid, enforceable and binding upon the parties.

STATE OF ARIZONA

Jane Dee Hull, Governor

Date: 8/18/98

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

Ivan Makil, President

Date: 8/18/98

ATTEST:

ARIZONA SECRETARY OF STATE

By

Date: 8-18-98

APPROVED:

ASSISTANT SECRETARY - INDIAN AFFAIRS

By
KEVIN GOVER

Date: SEP 10 1998

APPENDIX A

TRIBAL/STATE COMPACT BETWEEN

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

AND

THE STATE OF ARIZONA

TECHNICAL STANDARDS FOR ELECTRONIC GAMES OF CHANCE

TECHNICAL STANDARDS FOR ELECTRONIC GAMES OF CHANCE

SECTION 1. DEFINITIONS

For the purposes of this Compact:

(a) "Credit" means the smallest unit of value that may be used to play a game on an electronic game of chance or that may be redeemed in currency.

(b) "Distributor" means a person who obtains an electronic game of chance from a manufacturer and who intends to furnish it to the Tribe.

(c) "Manufacturer" means a person who manufactures, produces, or assembles an electronic game of chance and who intends to furnish it to a distributor or the Tribe.

(d) "Electronic Game of Chance" means a microprocessor-controlled electronic device which allows a player to play games of chance, some of which are affected by skill, which device is activated by the insertion of a coin, currency, tokens or by the use of a credit and which awards game credits, cash or tokens or prizes of value, replays or a receipt that can be redeemed by the player for any of the foregoing. Game play may be displayed by:

(i) Video facsimile; or

(ii) Mechanical rotating reels whereby the software of the device predetermines the stop positions and the presence, or lack thereof, of a winning combination and payout, if any.

(e) "Progressive Jackpot" means an electronic game of chance payoff that increases automatically over time or as the machine or another is played.

(f) "Base Amount" means the amount of the progressive jackpot initially offered before it increases.

(g) "Incremental amount" means the difference between the amount of a progressive jackpot and its base amount.

SECTION 2. TESTING AND APPROVAL OF ELECTRONIC GAMES OF CHANCE.

No electronic game of chance may be purchased, leased or otherwise acquired by the Tribe unless:

(a) The electronic game of chance is purchased, leased or acquired from a manufacturer or distributor licensed by the Tribe and certified by the State to sell, lease or distribute electronic games of chance to the Tribe, and

(b) The electronic game of chance, or prototype thereof, has been tested, approved and certified by a gaming test laboratory as meeting the requirements and standards of this Compact.

For purposes of this Compact, a gaming test laboratory is a laboratory designated in writing by the Tribe and the State Gaming Agency as competent and qualified to conduct scientific tests and evaluations of electronic games of chance and related equipment. A laboratory operated by or under contract with the State or by or under contract with the States of Minnesota, Montana, Nevada, New Jersey, South Dakota, or Wisconsin constitutes a designated gaming test laboratory.

SECTION 3. APPLICATION FOR APPROVAL OF PROTOTYPE ELECTRONIC GAMES OF CHANCE.

In order to obtain the necessary approval and certification, the Tribe shall require that the gaming test laboratory and the State Gaming Agency each be provided with one copy of electronic game of chance illustrations, schematics, block diagrams, circuit analyses, technical and operation manuals, program object and source codes and hexadecimal dumps (the compiled computer program represented in base 16 format) and any other necessary prototype information.

SECTION 4. TESTING OF ELECTRONIC GAMES OF CHANCE.

If required by the gaming test laboratory, the Tribe shall require the manufacturer or distributor to transport not more than two working models of the electronic game of chance and related equipment to a location designated by the laboratory for testing, examination and analysis. The Tribe shall require the manufacturer or distributor to pay for any and all costs for the transportation, testing, examination and analysis. The testing, examination and analysis may include the entire dismantling of the electronic games of chance and related equipment and some test may result in damage or destruction to one or more electronic components of the devices. If required by the laboratory, the Tribe must provide, or require the manufacturer to provide, specialized equipment or the services of an independent technical expert to assist with the testing, examination and analysis.

SECTION 5. REPORT OF TEST RESULTS.

At the conclusion of each test, the laboratory shall provide to the tribe and to the State Gaming Agency a certified affidavit that contains findings, conclusions and a determination that the electronic game of chance and related equipment conforms or fails to conform to the technical requirements and standards set forth in this Compact. If modifications can be made which would bring the electronic game of chance or related equipment into compliance, the report may contain recommendations for such modifications.

SECTION 6. MODIFICATIONS OF APPROVED ELECTRONIC GAMES OF CHANCE.

No modification to the assembly or operational functions of any electronic game of chance or related equipment may be made after testing and installation unless the gaming test laboratory certifies to the Tribal Gaming Office and the State Gaming Agency that the modified electronic game of chance conforms to the standards of this Compact. All proposed modifications shall be described in a written request made to the State Gaming Agency and ~~the~~ Tribal Gaming Office, which contains information describing the modification, the reason therefor and all documentation required by the laboratory. If the State Gaming Agency and the Tribal Gaming Office agree that a modification is warranted, the documentation shall be forwarded to the gaming test laboratory. The State Gaming Agency and the Tribal Gaming Office will jointly agree to a temporary certification of the modifications for up to 15 days pending compliance with this Section.

SECTION 7. CONFORMITY TO TECHNICAL STANDARDS.

The Tribe shall require the manufacturer or distributor to certify, in writing, that, upon installation, each electronic game of chance:

(a) Conforms precisely to the exact specifications of the electronic game of chance prototype tested and approved by the gaming test laboratory; and

(b) Operates and plays in accordance with the technical standards set forth in this Compact.

A copy of the certification document shall be forwarded to the State Gaming Agency.

SECTION 8. REPORTS TO TRIBE AND STATE GAMING AGENCY.

(a) Installation and Operation. Prior to installation of an electronic game of chance, the manufacturer or distributor shall report in writing to the Tribe and the State Gaming Agency the following information for each electronic game of chance, including, but not limited to:

(i) The type of electronic game of chance;

(ii) The game's serial number;

(iii) The game's manufacturer;

(iv) The person from whom the game was acquired; the means by which the game was transported into the State and the name and street address of any common carrier or other person transporting the game;

(v) The certification required under Section 7 above;

(vi) The Erasable Programmable Read Only Memory ("EPROM") chip's identification number;

(vii) The location in which the game will be placed, and

(viii) The date of installation.

(b) Upon installation of an electronic game of chance, the Tribe shall provide in writing to the State Gaming Agency the unique identification number assigned by the Tribe under Section 9(o), below.

(c) Removal from Play. Upon removal of an electronic game of chance from a tribal gaming facility, the manufacturer or distributor shall report in writing to the Tribe and the State Gaming Agency the following information:

(i) The date on which it was removed;

(ii) The game's destination; and

(iii) The name of the person to whom the equipment is to be transferred, including the person's street address, business and home telephone numbers; the means by which the game is to be transported and the name and street address of any common carrier or other person transporting the game.

SECTION 9. HARDWARE REQUIREMENTS FOR ELECTRONIC GAMES OF CHANCE.

Electronic games of chance operated under this Compact must meet the following specifications:

(a) Physical Hazard. Electrical and mechanical parts and design principles of the electronic games of chance may not subject a player to physical hazards.

(b) Surge Protector. A surge protector must be installed on the line that feeds power to the electronic game of chance.

(c) Battery Backup. A battery backup or an equivalent shall be installed on the electronic game of chance for the electronic meters and must be capable of maintaining the accuracy of all information required by this Compact for 180 days after power is discontinued from the machine. The backup device shall be kept within the locked microprocessor compartment.

(d) On/Off Switch. An on/off switch that controls the electrical current used in the operation of an electronic game of chance and any associated equipment must be located in a place which is readily accessible within the interior of the Gaming Device.

(e) Static Discharge. The operation of each electronic game of chance must not be adversely affected by static discharge or other electromagnetic interference.

(f) Approved Coin and Bill Acceptors. At least one electronic coin acceptor must be installed in or on each electronic game or chance. The devices may also contain bill acceptors for denominations determined by the Tribe. Prior to operation, all model of coin and bill acceptors installed must be tested and approved in writing by a gaming test laboratory as provided in Section 2 above.

(g) Cabinet Security.

(i) The cabinet or interior area of the electronic game of chance shall be locked and not readily accessible.

(ii) Each electronic game of chance shall communicate with an on-line electronic game management system (either a dedicated line or a dial-up system) approved by the State and the Tribe that provides permanent sequential tracking, which permits monitoring of error conditions on a printed medium for future use, and which records the following information:

(A) Amount deposited in the machine through coin collectors and bill acceptors;

(B) Amount paid out by machine;

(C) Amount of net revenue of the machine;

(D) Time of day in twenty-four hour format showing hours and minutes;

(E) Date;

(F) Machine serial number;

(G) Terminal number;

(H) Number of times the microprocessor compartment has been opened if switches have been installed for this purpose;

(I) Number of times the cash compartment has been opened;

(J) The number of times the cabinet has been opened; and

(iii) Electronic games of chance utilizing coin drop hoppers are permitted.

(iv) The term "error conditions" as used in this subparagraph includes:

(A) Open cabinet doors and cash compartment doors.

(B) Coin-in tilt and reverse coin-in tilt.

(C) Hopper empty, hopper jam, or hopper runaway/malfunction.

(h) Repairs and Service. A licensed and certified agent or employee of the Tribe may open the gaming cabinet to effect repairs and service, but shall do so only in the presence of an authorized agent or inspector of the Tribal Gaming Office or after notifying the closed circuit television surveillance room. The Tribe shall make available upon request a licensed and certified agent or employee of the Tribe to assist with the removal and replacement of EPROM's for the compliance testing of electronic games of chance by the State Gaming Agency.

(i) Microprocessor Compartment. The compartment containing the microprocessor-controlled device within the cabinet of the electronic game of chance must be locked and sealed and unlocked by a different key than the key which unlocks the cabinet or cash compartment. The compartment may only be opened in the presence of an authorized agent of the Tribal Gaming Office. The key to the microprocessor compartment shall be kept by the Tribe in a secure place.

(j) Access to Cabinet. A log shall be maintained disclosing the identity of all persons accessing the gaming device cabinet or microprocessor compartment, including the date, time and reason for entry.

(k) Secure Electronic Components.

(i) Logic Boards and EPROM chips and other logic control components shall be located in a separate compartment within the electronic game of chance and that compartment shall be sealed and locked with a different key or combination than that used for the main cabinet door and cash compartment.

(ii) Upon installation, the Tribe shall affix or cause to be affixed to the EPROM chip of each electronic game of chance a strip of security tape, capable of evidencing the removal of the EPROM chip if the EPROM chip is removed from the circuit board. The security tape shall be secured and available only to the authorized personnel of the Tribal Gaming Office. The Tribe and the State Gaming Agency shall maintain accurate and complete records of the identification number of each EPROM chip installed in each electronic game of chance.

(l) Secure Cash Compartment. The coin and currency compartment shall be locked separately from the main cabinet area, and secured with a different key or combination than used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper as permitted in this Section. Cash compartment keys must be kept in a secure location. Except as provided in this section, the compartment in which the inserted coins and bills are deposited shall be locked at all times. An employee or an official of the Tribe may open the cash compartment in the gaming cabinet for the purpose of collecting the accumulated

cash. The person collecting the accumulated cash shall record the amount collected.

(m) Hardware Switches or Hardware Modification of Pay Tables or Payouts Prohibited. No hardware switches (DIP Switches) may be installed on an electronic game of chance or on any associated equipment which may alter the pay tables or payout percentages in the operation of the gaming device. Hardware switches may be installed to control the machine's sound, screen color and game speed.

(n) Operation as Part of a Network. The hardware requirements of this Section shall not be construed to prevent the operation of the electronic game of chance as part of a network within the Tribal Gaming Facility, or between the Gaming Facilities on Tribal Lands, with an aggregate prize or prizes; provided that an electronic game of chance capable of bi-directional communication with external associated equipment must utilize communication protocol which insures that erroneous data or signals will not adversely affect the operation of the game. The operation of the local network must be approved by the independent gaming test laboratory.

(o) Identification Plates Required. Each electronic game of chance shall have an unremovable identification plate on the exterior of the cabinet which contains the following information:

(i) Manufacturer;

(ii) Serial Number;

(iii) Model Number;

(iv) License stamp and identification number issued by the Tribe and the State Gaming Agency certifying compliance with the technical standards set forth in this Compact.

SECTION 10. REQUIREMENTS FOR PROGRESSIVE ELECTRONIC GAMES OF CHANCE.

(a) A meter that shows the amount of the progressive jackpot must be conspicuously displayed at or near the machines to which the jackpot applies. At least once a day each Tribe shall record the amount shown on each progressive jackpot meter at the Tribe's gaming facility except for those jackpots that can be paid directly from the machine's hopper. Explanations for meter reading decreases must be maintained with the progressive meter reading sheets, and where payment of a jackpot is the explanation for a decrease, the Tribe shall record the jackpot payout form number on the progressive meter reading sheets or have a number reasonably available. Each Tribe shall record the base amount of each progressive jackpot that the Tribe offers.

(b) A Tribe may limit a progressive jackpot to an amount that is equal to or greater than the amount of the jackpot when the limit is imposed. The Tribe shall post a conspicuous notice of the limit at or near the machine or machines to which the limit applies.

(c) A Tribe shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:

(i) A player wins the jackpot;

(ii) The Tribe adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to subsection (b) above, and the Tribe documents the adjustment and the reasons for it as follows:

(A) The Tribe documents the distribution;

(B) Any machine offering the jackpot to which the Tribe distributes the incremental amount does not require that more money be played on a single play to win the jackpot than the machine from which the incremental amount is distributed;

(C) Any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of Section 11(b);

(D) The distribution is completed within 30 days after the progressive jackpot is removed from play.

(iv) Upon presentation of exceptional circumstances to the State Gaming Agency, and by mutual agreement , the Tribe may reduce, eliminate, distribute, or follow a procedure not otherwise described in this subsection.

(d) The Tribe shall preserve the records required by this section for two years following the expiration date of this Compact.

SECTION 11. SOFTWARE REQUIREMENTS FOR ELECTRONIC GAMES OF CHANCE.

Electronic games of chance must meet the following specification:

(a) Software Requirements for Randomness Testing. Each electronic game of chance must have a true random number generator which will determine the occurrence of a specific symbol or a specific number to be displayed on the video screen where such symbol, card, or number is wholly or partially determinative of the outcome of the game. A selection process will be considered random if:

(i) Chi-Square Analysis.

Each symbol, card, stop position or number position which is wholly or partially determinative of the outcome of a game, satisfies the 99 percent confidence limit using the standard chi-square analysis.

(ii) Runs Test.

Each symbol, card, stop position or number does not as a significant statistic, produce predictable patterns of game elements or occurrences. Each symbol, card, stop position or number will be regarded as random if it meets the 99 percent confidence level with regard to the "runs test" or any generally accepted pattern testing statistic.

(iii) Correlation Analysis.

Each symbol, card, stop position or number is independently chosen without regard for any other symbol, card or number drawn within that game play. Each pair of symbol, card or number positions is considered random if it meets the 99 percent confidence level using standard correlation analysis.

(iv) Serial Correlation Analysis.

Each symbol, card, stop position or number is independently chosen without reference to the same symbol, card, stop position or number in the previous game. Each symbol, card, stop position or number position is considered random if it meets the 99 percent confidence level using standard serial correlation analysis.

(v) Live Game Correlation.

Video games of chance that are representative of live gambling games must fairly and accurately depict the play of the live game.

(b) Software Requirements for Percentage Payout. Each electronic game of chance must meet the following maximum and minimum theoretical percentage payout during the expected lifetime of the game.

(i) Games Not Affected by Player Skill.

Electronic games of chance with game outcomes not affected by player skill shall payout a minimum of 80 percent and not more than 100 percent of the amount wagered, including replays. The theoretical payout percentage will be determined using standards methods of probability theory. For the video game of keno, the theoretical payout percentage requirements apply to each number of spots marked, but in no instance less than 75 percent for each wager.

(ii) Games That Are Affected by Player Skill.

Electronic games of chance that are affected by player skill, such as draw poker and blackjack, shall payout a minimum of 83 percent and no more ~~than~~ 100 percent of the amount wagered, including replays. This standard is met by using a method of play which will provide the greatest return to a player over a period of continuous play.

(c) Minimum Probability Standard for Maximum Payout. Each electronic game of chance must have a probability of obtaining the maximum payout which is greater than 1 in 17,000,000 (ONE IN SEVENTEEN MILLION) for each play.

(d) Software Requirements for Continuation of Game After Malfunction. Each electronic game of chance must be capable of continuing the current game with all current game features after a game malfunction is cleared automatically or by an attendant. This provision does not apply if a game is rendered totally inoperable; however, the current wager and all player credits prior to the malfunction must be returned to the player after verification of those amounts by the Tribe.

(e) Software Requirements for Play Transaction Records. Each game shall maintain electronic accounting meters. Such meters shall be maintained at all times, whether or not the game is being supplied with external power. The following information must be recorded and stored on meters:

(i) Total number of coins or tokens inserted (the meter must count the total number of coins or tokens, or the equivalent value if a bill acceptor is used inserted by the players) (the "In Meter");

(ii) Number of coins or tokens automatically paid directly by the machine to the patron (the "Out Meter");

(iii) Number of coins or tokens plus the value of any currency dropped into the machine's Drop Bucket (the "Drop Meter");

(iv) Number of coins or tokens or value of amounts required to be paid manually to winning patrons not including the value of an aggregate prize or prizes which may be awarded under Section 9(n). (the "Manual Jackpot Meter");

(v) Number of coins or tokens or value of amounts or credits that have been paid to a patron in the last complete valid game, which shall be displayed visibly on the front of the machine (the "Win Meter");

(vi) Number of coins, tokens or credits wagered in the current game;

(vii) Number of coins, tokens or credits wagered in the last complete, valid game; and

(viii) Number of cumulative credits representing credits won and money or tokens inserted by a player but not collected (commonly referred to as the "Credit Meter").

(f) No Automatic Clearing of Accounting Meters. No electronic game of chance shall have a mechanism or program which will cause the electronic accounting meters to automatically clear. The electronic accounting meters may be cleared only after written records of the readings before and after the clearing process are taken by the Tribe, which shall also record the reason the meter was cleared.

SECTION 12. NON-COMPLYING ELECTRONIC GAMES OF CHANCE.

(a) Prohibition. All electronic games of chance operated in violation of this Compact shall be deemed to be non-complying electronic games of chance and are hereby prohibited.

(b) Definition. The following are declared to be non-complying games:

(i) All electronic games of chance operated in violation of this Compact;

(ii) All electronic games of chance to which State Gaming Agency personnel have been denied access for inspection purposes;

(iii) All electronic games of chance not reported as required under Section 8 of these Standards.

(c) Demand for Remedies for Non-Complying Games. Electronic games of chance found to be non-complying shall be so designated in writing by the State Gaming Agency. Within 24 hours of receipt of such written designation, the Tribe shall either:

(i) Accept the allegation of non-compliance, remove the games from play and take appropriate action to ensure that the Tribe, the manufacturer, distributor or other responsible person cures the problem; or

(ii) Arrange for the inspection of the contested equipment, or single example thereof, by a mutually agreed upon independent gaming test laboratory. Any contested electronic game of chance shall be removed from play until such game has been found by the independent laboratory to be in compliance. If the independent laboratory finds that the game or related equipment is non-complying, the non-complying game and related equipment shall be permanently removed from play unless modified to meet the requirements of this Compact. Such games and related equipment removed from play under this paragraph may be returned to play only after being tested, approved and certified as provided under Section 2, and

reported to the State Gaming Agency as provided under Section 8, of these Standards.

APPENDIX B

TRIBAL/STATE COMPACT BETWEEN

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

AND

THE STATE OF ARIZONA

TRIBAL GAMING ORDINANCE

SALT RIVER PIMA-MARICOPA
INDIAN COMMUNITY
Rt. 1, Box 216
Scottsdale, AZ 85256

SRO 219-96

AN ORDINANCE TO GOVERN, REGULATE, AND CONTROL, GAMING ON THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY RESERVATION.

BE IT ENACTED BY THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY:

The Community's ordinance SRO-212-96 is hereby amended in Sections 9(b) and 11. The amended Ordinance is herewith set forth in its entirety, as follows.

Section 1. **Purpose**

It is the purpose of this Ordinance to govern and regulate the operation and conduct of all gaming activities on lands within the jurisdiction of the Salt River Pima-Maricopa Indian Community, in order to protect the public interest in the integrity of such gaming activities, to prevent improper or unlawful conduct in the course of such gaming activities, and to promote the development of a balanced tribal economy by dedicating all of the net revenues from such gaming activities to the public purposes of the Tribe, including the support of Community government programs which promote economic development and the health, education and welfare of the Community and its members.

Section 2. **Definitions**

For purposes of this Ordinance:

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

(b) "Applicant" means any person who has applied for a license under the provisions of this Ordinance.

(c) "Application" means a request for the issuance of a license under the provisions of this Ordinance.

(d) "Class II gaming" means Class II gaming as defined in accordance with the Act, 25 U.S.C. Sec. 2703(7)(A), and the regulations promulgated thereunder by the Commission.

(e) "Class III gaming" means Class III gaming as defined in accordance with the Act, 25 U.S.C. Sec. 2703(8).

(f) "Commission" means the National Indian Gaming Commission.

(g) "Community" means the Salt River Pima-Maricopa Indian Community.

(h) "Community Council" means the Salt River Pima-Maricopa Indian Community Council, the duly constituted governing body of the Salt River Pima-Maricopa Indian Community, empowered by the Salt River Pima-Maricopa Indian Community Constitution to adopt this Ordinance.

(i) "Community law enforcement agency" means the police force of the Salt River Pima-Maricopa Indian Community established and maintained by the Community to carry out law enforcement on the Reservation.

(j) "Community President" means the President of the Salt River Pima-Maricopa Indian Community.

(k) "Community Regulatory Agency" means the Salt River Pima-Maricopa Indian Community Gaming Regulatory Agency established pursuant to this Ordinance.

(l) "Compact" means such compact governing the conduct of Class III gaming on the Community's Reservation as may be entered into pursuant to the Indian Gaming Regulatory Act between the State of Arizona and the Salt River Pima-Maricopa Indian Community, and approved by the Secretary of the Interior, or such procedures promulgated by the Secretary of the Interior pursuant to the Indian Gaming Regulatory Act governing the conduct of Class III gaming on the Community's Reservation.

(m) "Director" means the Executive Director of the Salt River Pima-Maricopa Indian Community Regulatory Agency established pursuant to this Ordinance.

(n) "Enterprise" means the Salt River Pima-Maricopa Indian Community Gaming Enterprise established by the Salt River Pima-Maricopa Indian Community Council to conduct all gaming operations of the Community on the Reservation.

(o) "Game" means any game played with cards, dice, equipment or any mechanical, electromechanical or electronic device or machine for coin, currency, property or other consideration or thing of value.

(p) "Gaming" or "gambling" means to deal, operate, carry on, conduct, maintain or expose for play any game.

(q) "Gaming device" means a microprocessor-controlled electronic device which allows a player to play games of

chance, some of which are affected by skill, which device is activated by the insertion of a coin, currency, tokens or by the use of credit, and which awards game credits, cash, tokens, replays or a receipt that can be redeemed by the player for any of the foregoing. Game play may be displayed by ~~video~~ facsimile, or mechanical rotating reels whereby the software of the device predetermines the stop positions and the presence, or lack thereof, of a winning combination and pay out, if any.

(r) "Gaming employee" means any key employee, any primary management official, and any other person employed by the Enterprise, including but not limited to any person whose employment duties require or authorize access to restricted areas of a gaming facility not otherwise open to the public.

(s) "Gaming employee license" means a license issued by the Community Regulatory Agency pursuant to section 9 of this Ordinance permitting a person to be employed as a gaming employee.

(t) "Gaming equipment" means any machine, equipment or device which is specially designed or manufactured for use in the operation of any Class II or Class III gaming activity, including any gaming device.

(u) "Gaming facility" or "gaming facilities" means any room or rooms in which Class II gaming or Class III gaming is conducted on the Reservation.

(v) "Gaming facility license" means a license issued by the Community Regulatory Agency pursuant to section 11 of this Ordinance allowing permitting gaming operations at a gaming facility.

(w) "Gaming operation" means any Class II or Class III gaming conducted by the Enterprise pursuant to this Ordinance.

(x) "Gaming operator license" means a license issued by the Community Regulatory Agency pursuant to Section 12 of this Ordinance, permitting the Enterprise to conduct gaming operations at a gaming facility.

(y) "Gaming services" means:

(i) the providing of any goods or services (except for legal services) for the gaming facilities or the gaming enterprise in an amount in excess of $5,000 in any single month, including but not limited to equipment, transportation, food, linens, janitorial supplies, maintenance, or security services;

(ii) the providing of any amount of gaming equipment to the Community or the Enterprise in connection with the operation of Class II or Class III gaming in a gaming facility;

~~(iii)~~ the extension of or guarantee of any financing for the Enterprise or the gaming facilities by any person or entity other than the Community or an institutional investor;

(iv) the provision of any services by a management contractor.

(z) "Gaming services license" means a license issued by the Community Regulatory Agency pursuant to Section 10 of this Ordinance permitting a person or entity to provide gaming services.

(aa) "Institutional investor" means an agency of the United States; a lending institution licensed and regulated by the State or the United States; a mutual fund that meets the requirements of a 'qualified institutional buyer' as defined in Rule 144A of the Federal Securities Act; an insurance company as defined in Section 2(a)(17) of the Investment Company Act of 1940, as amended; and investment company registered under Section 8 of the Investment Company Act of 1940, as amended; an investment adviser registered under Section 203 of the Investment Advisers Act of 1940, as amended; a finance company with net assets in excess of $250 million which regularly provides companies with asset-based equipment leasing or financing; or a gaming company duly licensed in such jurisdictions as the Community Regulatory Agency deems acceptable.

(bb) "Key employee" means:

(i) A person who performs one or more of the following functions:

(1) Bingo caller;
(2) Counting room supervisor;
(3) Chief of security;
(4) Custodian of gaming supplies or cash;
(5) Floor manager or management
(6) Pit boss;
(7) Dealer;
(8) Croupier;
(9) Approver of credit; or
(10) Custodian of gaming devices including persons with access to cash and accounting records within such devices;

(ii) If not otherwise included, any other person whose total cash compensation is in excess of $50,000 per year; or

(iii) If not otherwise included, the four most highly compensated persons in the Enterprise.

(cc) "Management contract" means a contract within the meaning of 25 U.S.C. Sections 2710(d)(9) and 2711.

(dd) "Management contractor" means a natural person or entity that has entered into a management contract with the Community or the Enterprise which has been approved pursuant to 25 U.S.C. Sections 2710(d)(9) and 2711.

(ee) "Manufacturer" means a natural person or entity that manufactures Gaming Devices and/or component parts thereof as defined herein for use or play in the Gaming Facilities.

(ff) "National Indian Gaming Commission" means the National Indian Gaming Commission established pursuant to 25 U.S.C. Section 2704.

(gg) "Net revenues" means gross revenues of Class II and Class III gaming activities less amounts paid out as, or paid for, prizes and total operating expenses including debt service but excluding management fees paid to a management contractor within the meaning of 25 U.S.C. Section 2711(c).

(hh) "Ordinance" means this Salt River Pima-Maricopa Indian Community Gaming Ordinance, and any regulations and Standards of Operation and Management promulgated by the Community Regulatory Agency hereunder.

(ii) "Person" includes a corporation, company, partnership, firm, association or society, as well as a natural person. When "person" is used to designate the violator or offender of any law, it includes a corporation, partnership, or any association of persons.

(jj) "Principal" shall mean, with respect to any person:

(i) each of its officers and directors;

(ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer or general management;

(iii) each of its owners or partners, if an unincorporated business;

(iv) each of its shareholders who own more than ten percent of the shares of the corporation, if a corporation;

(v) each person other than a banking institution who has ~~pro~~vided financing for the entity constituting more than ten percent of the total financing of the entity; and

(vi) each of the beneficiaries, or trustees of a trust.

(kk) "Primary management official" means:

(i) The person having management responsibility for or under a management contract; or

(ii) Any person who has authority:

(1) To hire and fire employees; or
(2) To set up working policy for the Enterprise; or

(iii) The chief financial officer or other person who has financial management responsibility for the Enterprise.

(ll) "Reservation" means all lands within the limits of the Salt River Pima-Maricopa Indian Community Reservation, and all other lands title to which is held in trust by the United States for the benefit of the Community or any individual member or members of the Community or held by the Community or an individual member of the Community subject to restriction by the United States against alienation and over which the Community exercises governmental power.

(mm) "Revocation hearing" means a hearing conducted to consider the initial denial, or subsequent conditioning, suspension or revocation of a gaming employee or gaming services license.

(nn) "State" means the State of Arizona, its authorized officials, agents and representatives.

(oo) "State gaming agency" means such agency of the State of Arizona which the Governor may from time to time designate by written notice to the Community as the single state agency which shall act on behalf of the State under the Compact.

Section 3. **Adoption of Compact**

At such time as the Compact becomes legally effective pursuant to the Act, the Compact shall be deemed to be incorporated herein and enacted as an integral part of this Ordinance as if set forth in full herein, and in the event of any conflict between a provision

of this Ordinance and a provision of the Compact, the provision set forth in the Compact shall be deemed to be controlling, except in the event that the provision set forth in this Ordinance is stricter or more stringent. The adoption of the Compact and incorporation herein shall under no circumstances be deemed to affect the operation by the Community of any Class II gaming, whether conducted within or without the gaming facilities, or to confer upon the State any jurisdiction over such Class II gaming conducted by the Community on the Reservation.

Section 4. **Gaming Authorized**

The Enterprise on behalf of the Tribe may conduct Class II gaming, and the Enterprise on behalf of the Tribe may conduct all types of Class III gaming authorized by the compact once the Compact becomes legally effective pursuant to the Act. No person under the age of 21 shall be allowed to be permitted to place any wager, directly or indirectly, on any Class II or Class III gaming.

Section 5. **Ownership of Gaming**

The Community shall have the sole propriety interest in and responsibility for the conduct of any gaming operation authorized by this Ordinance; provided, however, that nothing herein shall be construed to prevent the Community from granting security interests or other financial accommodations to secured parties, lenders or others, or to prevent the Community from entering into true leases or financing lease arrangements, or to interfere with the exercise by any secured party of its rights under any financing agreement with the Community to enforce its security interests in the premises on which such gaming activities may be conducted, or to enforce its rights against gross revenues of the Community from its gaming activities for the purpose of repayment of the debt obligations of the Community to such secured party in accordance with the provisions of such agreements.

Section 6. **Use of Gaming Revenue**

(a) In compliance with Sec. 2710(b)(2)(B) of the Act, net revenues from Class II and Class III gaming shall be used only for the following purposes:

(i) to fund tribal government operations and programs;
(ii) provide for the general welfare of the Community and its members.
(iii) promote tribal economic development;
(iv) donate to charitable organizations; or
(v) help fund operations of local government agencies.

(b) If the Community elects to make per capita payments to Community members, it shall authorize such payments only upon approval of a plan submitted to the Secretary of the Interior under Sec. 2710(b)(3) of the Act.

Section 7. **Audit**

The Enterprise shall cause to be conducted annually an independent audit of all gaming operations and shall submit the resulting audit reports to the National Indian Gaming Commission. All gaming related contracts that result in the purchase of supplies, services, or concessions in excess of $25,000.00 annually, except contracts for professional legal and accounting services, shall be specifically included within the scope of such audit.

Section 8. **Protection of the Environment and Public Health and Safety**

All gaming facilities shall be constructed, maintained and operated in a manner that adequately protects the environment and the public health and safety, and for that purpose shall comply with the standards generally imposed by the Uniform Laws Annotated Codes covering the Uniform Building Code, Uniform Mechanical Code, Uniform Plumbing Code, and Uniform Fire Code, the public health standards for food and beverage handling requirements of the United States Public Health Service, and all other applicable health, safety and environmental standards of the Community.

Section 9. **Gaming Employee Licenses**

All Class II and Class III gaming employees shall be required to obtain a gaming employee license from the Community Regulatory Agency, and no person may commence or continue employment as a gaming employee unless he or she is the holder of a valid current gaming employee license or temporary gaming employee license issued by the Community Regulatory Agency, and is certified by the State gaming agency if so required by the Compact. No person may commence employment as a gaming employee unless such person is at least 18 years of age, and no person shall be employed in the service of alcoholic beverages at any gaming facility, if such service of alcoholic beverages is allowed by the Community, unless such person is at least 21 years of age. The Community Regulatory Agency shall ensure that the policies and procedures set out in Appendix A attached hereto and made a part hereof are implemented with respect to gaming employee licensure for all Class II and Class III gaming employees. The Community Regulatory Agency shall be empowered to create a dual or multi-tiered licensure system which requires a greater degree of information be provided and a more comprehensive background investigation be employed with respect to prospective key employees and primary management officials.

(a) Application Forms. The Community Regulatory Agency shall ensure that all application forms for a gaming employee license shall contain the notice described in Section A of Appendix A, and require at a minimum that each prospective employee provide the Community Regulatory Agency with the information set out in Section B of Appendix A.

(b) Background Investigations. The Community Regulatory Agency shall ensure that a background investigation is conducted on all prospective gaming employees upon receipt of a completed application for employment as a gaming employee. Such background investigation shall commence immediately upon receipt of the completed application and shall be conducted as quickly as possible, and in any event shall be completed within thirty days from the time of commencement. The Community law enforcement agency, or such other third-party investigative entity with which the Community Regulatory Agency may contract, shall assist the Community Regulatory Agency in conducting background investigations as deemed necessary and appropriate by the Community Regulatory Agency. The Community Regulatory Agency shall conduct an investigation sufficient to make a determination under subsection (c) below. In conducting such background investigation, the Community Regulatory Agency and its agents shall promise to keep confidential the identity of each person interviewed in the course of the investigation. The Community shall enter into an agreement with the National Indian Gaming Commission as a third-party investigative entity for purposes of taking and checking fingerprints of all applicants and conducting any additional criminal history checks as may be deemed necessary by the Commission pursuant to 25 C.F.R. § 522.2(h).

(c) Eligibility Determination. The Community Regulatory Agency shall, as soon as possible after completion of the background investigation, determine whether an applicant is eligible for a gaming employee license. The Community Regulatory Agency shall determine that an applicant is not eligible for a gaming employee license if such applicant:

(i) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations, pose a threat to the public interest or to the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of the gaming activities permitted pursuant to this Ordinance, or

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

untrue or misleading in connection with such application, or

(iii) has been convicted of any felony or gaming offense.

(d) ~~Pro~~cedures for Forwarding Applications and Reports for Key Employees and Primary Management Officials to the National Indian Gaming Commission. Upon completion of a background investigation, and an eligibility determination for a gaming employee license pursuant to subsection (d) of this section, and in any event no later than the time when a key employee or primary management official begins work, the community Regulatory Agency shall forward to the National Indian Gaming Commission a copy of the completed application for employment, and a investigative report on the background investigation required pursuant to subsection (b) of this section. Such investigative report shall include the steps taken in conducting the background investigation, the results obtained, the conclusions reached, and the bases for those conclusions, along with a copy of the eligibility determination made pursuant to subsection (c) of this section. Such eligibility determination and investigative report shall be forwarded to the National Indian Gaming Commission for inclusion in the Indian Gaming Individuals Records System, regardless of whether a prospective licensee is granted or denied a license. The Community Regulatory Agency shall retain applications for employment of key employees and primary management officials and reports of background investigations of such individuals for inspection by the Chairman of the Commission or his or her designee for no less than three years from the date of termination of employment.

(e) Granting a Gaming License. Upon completion of the eligibility determination required pursuant to subsection (c) of this section, the Community Regulatory Agency shall either grant or deny a gaming employee license. Any individual denied a gaming employee license shall be entitled to a revocation hearing. In the event the Community Regulatory Agency determines that a key employee or primary management official is eligible to be granted a gaming employee license, such individual shall be granted a temporary gaming license pending completion of the following procedure. If, upon completion of a 30-day period after receipt by the Chairman of the National Indian Gaming Commission of the investigative report required pursuant to subsection (d) of this section, the Commission notifies the Community Regulatory Agency that it has no objection to the issuance of a gaming employee license, or fails to provide the Community Regulatory Agency with a request for further information or a statement itemizing objections to the issuance of a gaming employee license to a key employee or primary management official, the Community Regulatory Agency shall grant a gaming employee

license to such individual. If, however, the Chairman requests further information during the 30-day period, the 30-day period shall be suspended until the Chairman receives the information requested, If, within the 30-day period, the Commission provides the Community Regulatory Agency with a statement itemizing objections to the issuance of a gaming employee license to a key employee or to a primary management official, the Community Regulatory Agency shall reconsider the license application, taking into account the objections itemized by the Commission. The Community Regulatory Agency shall make the final decision whether to issue a gaming employee license to such applicant. Each temporary gaming employee license shall expire and become void and of no effect upon the determination by the Community Regulatory Agency of the applicant's suitability for a gaming employee license. Each holder of a gaming employee license shall be required to wear in plain view while at work an identification card issued by the Community Regulatory Agency which includes the holder's photograph, first and last name, and an identification number unique to the individual license which shall include a tribal seal or signature, and an expiration date.

(f) License Suspension and Revocation. The issuance of a gaming employee license by the Community Regulatory Agency shall not create or imply a right of employment or continued employment. The Enterprise shall not employ, and if already employed, shall terminate, and the Community Regulatory Agency shall revoke the license of any person who has been convicted of any felony or gaming offense. If, after the issuance of a gaming employee license, the Community Regulatory Agency receives from the National Indian Gaming Commission reliable information indicating that a key employee or a primary management official is not eligible for employment pursuant to the standard for eligibility determination contained in subsection (c) of this section, the Community Regulatory Agency shall suspend such license, shall notify in writing the licensee of the suspension and proposed revocation of the licensee's gaming employee license, and shall hold a revocation hearing. After the revocation hearing, the Community Regulatory Agency shall decide to revoke or to reinstate the gaming employee license, and shall notify the licensee and the Commission of its decision. Additionally, the Community Regulatory Agency shall have the right to conduct additional background or other investigations of any gaming employee at any time, and may suspend or revoke any gaming employee license issued hereunder if new information concerning facts arising either prior to or since the issuance of the Regulatory Agency which information could justify denial of such original license, or any renewal thereof; provided, however, that no such license shall be suspended without notice and a revocation hearing unless the Community Regulatory Agency determines that continued licensing

constitutes an immediate threat to the public health, safety or welfare, or the integrity of gaming on the Reservation, and no license shall be revoked until the Community Regulatory Agency has provided the licensee with a revocation hearing.

(g) License Duration and Renewal. Any gaming employee license shall be effective for one year from the date of issuance; provided, that a licensee who has applied for renewal may continue to be employed or engaged under the expired license until action is taken on the renewal application by the Community Regulatory Agency. Applicants for renewal of a gaming employee license shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to resubmit historical data already available to the Community Regulatory Agency. Additional background investigations shall not be required for applicants for license renewal unless new information concerning the applicant's continuing eligibility for a license is discovered by either the Community Regulatory Agency or the State gaming agency.

Section 10. **Gaming Services Licenses**

No person or entity may provide gaming services to the Community or the Enterprise, within or without the gaming facilities, unless it is the holder of a valid current gaming services license issued by the Community Regulatory Agency. Each manufacturer and supplier of gaming devices used by the enterprise shall be required to hold a valid current gaming services license before providing or supplying gaming devices to any gaming operation. Any management contractor, including the management contractor's principals, shall be required to hold a valid current gaming services license and to have received approval of its management contract by the National Indian Gaming Commission, before providing management services to any gaming operation.

(a) Application Forms. The Community Regulatory Agency shall ensure that all application forms for a gaming service license shall contain a form of the notice described in Section A of Appendix A, and require at a minimum that each prospective gaming service licensee provide the Community Regulatory Agency with the information set out in Section B of Appendix A concerning the applicant and the applicant's principals. The community Regulatory Agency shall require each prospective provider of gaming services to provide the Community Regulatory Agency with such information, documentation and assurances as may be required by the Community Regulatory Agency, which shall at a minimum identify all of said applicant's principals, and which shall concern the applicant's and each principal's personal and family history, personal and business references, criminal conviction record, business activities, financial affairs, prior gaming industry

experience and general educational background; all of the foregoing as may be applicable to such applicant or such principal. Each such application shall be accompanied by the fingerprint card(s) and current photograph(s) of each principal of the applicant in form as required by the Community Regulatory Agency.

(b) Background Investigations. The Community Regulatory Agency shall ensure that a background investigation is conducted on all prospective gaming services providers upon receipt of a completed application. Such background investigation shall commence immediately upon receipt of the completed application and shall be conducted as quickly as possible, and in any event shall be completed within sixty days from the time of commencement. The Community law enforcement agency, or such other third-party investigative entity with which the Community Regulatory Agency may contract, shall take fingerprints pursuant to 25 C.F.R. § 522.2(h), and shall assist the Community Regulatory Agency in conducting background investigations as deemed necessary and appropriate by the Community Regulatory Agency. The Community Regulatory Agency shall conduct an investigation sufficient to make a determination under subsection (c) below. In conducting such background investigation, the Community Regulatory Agency or its agent shall promise to keep confidential the identity of each person interviewed in the course of the investigation.

(c) Eligibility Determination. The Community Regulatory Agency shall, as soon as possible after completion of the background investigation, determine whether an applicant is eligible for a gaming services license. The Community Regulatory Agency shall determine that an applicant is not eligible for a gaming services license if such applicant, or any principal identified with such applicant:

(i) has been determined to be a person or entity whose prior activities, criminal record, if any, or reputation, habits and associations, pose a threat to the public interest or to the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of the gaming activities permitted pursuant to this Ordinance, or

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

(iii) has been convicted of a felony or a gaming offense.

(d) Granting a Gaming Services License. Upon completion of the eligibility determination required pursuant to subsection (c) of this Section, the Community Regulatory Agency shall either grant or deny a gaming services license. Any gamingservices licensee applicant denied a gaming services license shall be entitled to a revocation hearing.

(e) License Suspension and Revocation. The issuance of a gaming services license by the Community Regulatory Agency shall not create or imply a right to supply gaming services on a continuing basis. The Community Regulatory Agency shall have the right to conduct additional background or other investigations of any gaming services licensee or principal of such licensee at any time, and may suspend or revoke any gaming services license issued hereunder if new information concerning facts arising either prior to or since the issuance of the original license, or any renewal thereof, comes to the attention of the Community Regulatory Agency which information could justify denial of such original license, or any renewal thereof; provided, however, that no such license shall be suspended without notice and hearing unless the Community Regulatory Agency determines that continued licensing constitutes an immediate threat to the public health, safety or welfare, or the integrity of gaming on the Reservation, and no license shall be revoked until the Community Regulatory Agency has provided the licensee with a revocation hearing; and provided further, that the licensee shall be entitled to any payment due for services provided or goods delivered prior to the effective date of suspension or revocation of the license.

(f) License Duration and Renewal. Any gaming services license shall be effective for one year from the date of issuance; provided, that a licensee who has applied for renewal may continue to supply gaming services under the expired license until action is taken on the renewal application by the Community Regulatory Agency. Applicants for renewal of a gaming services license shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to resubmit historical data already available to the Community Regulatory Agency. Additional background investigations shall not be required of applicants for license renewal unless new information concerning the applicant's continuing eligibility for a license is discovered by the Community Regulatory Agency.

Section 11. **Gaming Facility Licenses**

Upon issuance of a certificate of occupancy by the Tribe's Community Development Department, the Community Regulatory Agency

shall issue a separate gaming facility license to each gaming facility, which license shall be required for each place, facility, or location on Indian lands within the Community, prior to commencement of any gaming operations at such gaming facility, certifying that such gaming facility has been constructed in accord with the standards set forth in Section 8 of this Ordinance. The Community Regulatory Agency shall enforce the health and safety standards applicable to the gaming facilities in accordance with Section 8 of this Ordinance. Such gaming facility license shall be renewed on an annual basis by the Community Regulatory Agency, provided that the gaming facility is maintained and operated in accord with the standards set forth in section 8 of this Ordinance. The Community Regulatory Agency shall not renew a gaming facility license, and shall suspend or revoke a gaming facility license, in the event that the Community Development Department suspends or revokes the certificate of occupancy for the gaming facility, or the Community Development Department determines the gaming facility is not maintained and operated at all times in accord with the standards set forth in Section 8 of this Ordinance.

Section 12. **Gaming Operator License**

The Community Regulatory Agency shall issue a gaming operator license prior to commencement of any gaming operations at a gaming facility, certifying that each principal, primary management official and key employee of the Enterprise holds a valid current gaming employee license issued in accordance with Section 9 of this Ordinance. Such gaming operator license shall be renewed on an annual basis by the Community Regulatory Agency, provided that each principal, primary management official and key employee of the Enterprise continues to hold a valid current gaming employee license, and such license may be suspended or revoked by the Community Regulatory Agency in the event that such requirements are not met.

Section 13. **Gaming Regulatory License**

Until the Executive Director notifies the Director of the Community Development Department and the members of the Community Regulatory Agency Board that the Community Regulatory Agency has the ability to take over all gaming regulator licensing, no person may commence or continue employment as a Board member, Director, staff or inspector in the Salt River Pima-Maricopa Gaming Regulatory Department unless he or she is the holder of a valid current gaming regulator license issued by the Community Development Department and the Community Regulatory Agency, after the notification described in this paragraph (hereafter called "Regulatory Licenser"). The Community Development Department shall ensure that the policies and procedures set out in Appendix A attached hereto and made a part hereof are implemented with respect to gaming regulator licensure for prospective gaming regulator licensees.

(a) Application Forms. The Regulator Licenser shall ensure that all application forms for a gaming regulator license shall contain the notice described in Section A of Appendix A, and require at a minimum that each prospective licensee provide the Regulator Licenser with the information set out in Section B of Appendix A.

(b) Background Investigations. The Regulator Licenser shall ensure that a background investigation is conducted on all prospective Gaming Regulatory licensees upon receipt of a completed application for employment as a gaming regulator. Such background investigation shall commence immediately upon receipt of the completed application and shall be conducted as quickly as possible, and in any event shall be completed within thirty days from the time of commencement. The Community law enforcement agency, or such other third-party investigative entity with which the Regulator Licenser may contract, shall assist the Regulator Licenser in conducting background investigations as deemed necessary and appropriate by the Regulator Licenser. The Regulator Licenser shall ensure that an investigation is conducted sufficient to make a determination under subsection (c) below. In conducting such background investigation, the Regulator Licenser or its agent shall promise to keep confidential the identity of each person interviewed in the course of the investigation. All actions of the Director not subject to the policies and procedures of the Community, except those policies and procedures adopted pursuant to the regulatory provisions of this ordinance, may be reviewed by the Board at the request of any person or at the Board's own initiative upon the Board's written finding that the review will deal with a matter which significantly effects the operation of the Community Regulatory Agency or any entity subject to its regulation.

(c) Eligibility Determination. The Regulator Licenser shall, as soon as is practicable after completion of the background investigation, determine whether an applicant is eligible for a gaming regulator license. The Regulator Licenser shall determine that an applicant is not eligible for a gaming regulator license if such applicant:

(i) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations, pose a threat to the public interest or to the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of the gaming activities permitted pursuant to this Ordinance, or

(ii) has failed to provide any information reasonably required to investigate the application for a gaming

employee license or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application, or

~~(iii)~~ has been convicted of any felony or gaming offense.

(d) Granting a Gaming Regulator License. Upon completion of the eligibility determination required pursuant to subsection (c) of this section, the Regulator Licenser shall either grant or deny a gaming regulator license. Any person denied a gaming regulator license shall have the opportunity to appeal such denial to the Community Council, or such body delegated by the Community Council to hear such appeals, pursuant to procedures similar in form to the procedures used in a revocation hearing.

(e) License Suspension and Revocation. The issuance of a gaming regulator license by the Regulator Licenser shall not create or imply a right of employment or continued employment. The Regulator Licenser shall have the right to conduct additional background or other investigations of any licensee at any time, and may suspend or revoke any gaming regulator license issued hereunder if new information concerning facts arising either prior to or since the issuance of the original license, or any renewal thereof, comes to the attention of the Regulator Licenser which information could justify denial of such original license, or any renewal thereof; provided, however, that no such license shall be suspended without notice and hearing unless the Regulator Licenser determines that continued licensing constitutes an immediate threat to the public health, safety or welfare, or the integrity of gaming on the Reservation, and no license shall be revoked until the Regulator Licenser has provided the licensee with the opportunity to appeal such denial to the Community Council, or such body delegated by the Community Council to hear such appeals, pursuant to procedures similar in form to the procedures used in a revocation hearing.

(f) License Duration and Renewal. Any gaming regulator license shall be effective for one year from the date of issuance; provided, that a licensee who has applied for renewal may continue to be employed or engaged under the expired license until action is taken on the renewal application by the Regulator Licenser. Applicants for renewal of a gaming regulator license shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to resubmit historical data already available to the Regulator Licenser. Additional background investigations shall not be required of applicants for license renewal unless

new information concerning the applicant's continuing eligibility for a license is discovered by or made available to the Regulator Licenser.

Section 14. **Community Regulatory Agency**

(a) Establishment of the Community Regulatory Agency and Board. The Salt River Pima-Maricopa Indian Community Regulatory Agency is hereby established. The Community Regulatory Agency shall be a regulatory agency of the Salt River Pima-Maricopa Indian Community, governed by a Board composed of three members. The Board shall consist of a Chairman and two other members, at lest two of whom shall be members of the Community, and all of whom shall be selected by the Community Council. Each Board member shall serve for a term of three years commencing on the date of their appointment; provided, that the initial members so appointed shall serve for terms deemed to commence on [October __, 1996] and one of the initial members appointed shall be designated to serve for an initial term of one year and one of the initial members appointed shall be designated to serve for an initial term of two years. Board members shall serve on a part-time basis, and the Community Council shall establish the compensation of the Board members. Board members shall serve at the pleasure of and may be removed with or without cause by a vote of a majority of the members of the Community Council then in office. Vacancies in the Board may be filled by appointment by the Community President pending action by the Community Council. All decisions of the Board are final and are not subject to further judicial or political review or appeal.

(b) Director. The Community Council shall appoint an individual to serve as a full-time Director of the Community Regulatory Agency to administer its responsibilities on a day to day basis. The Director shall be required to have a minimum of five years of experience as a gaming regulator. The compensation of the Director shall be established by the Community Council. The Director shall be responsible for coordination of the functions of the Community Regulatory Agency with the Community Council, the Enterprise, the Community law enforcement agency, the State gaming agency, state and federal law enforcement agencies, and the National Indian Gaming Commission. The Board may request the Director to conduct investigations and render recommendations to the Community Regulatory Agency with respect to the grant or denial, suspension or revocation of any license, the imposition of any penalty, the investigation of any complaint, or any other action within the jurisdiction of the Community Regulatory Agency. The Director shall hire, pursuant to the authorized budget for the Community Regulatory Agency, and supervise and oversee inspectors and such other staff,

consultants and counsel as the Community Regulatory Agency may from time to time employ. The Director shall have the power, in the name of the Community Regulatory Agency, to conduct any hearing, investigation or inquiry, compel the production of any information or documents, and otherwise exercise the investigatory powers of the Community Regulatory Agency, which the Community Regulatory Agency may exercise under this Ordinance and any other applicable law. The Director shall further have the power, in the name of the Community Regulatory Agency, to issue, deny, condition, suspend or revoke any gaming employee license, gaming services license, gaming facility license, or gaming operator license, and to take any other action on behalf of and in the name of the Community Regulatory Agency, unless such power is reserved to the Board by this Ordinance or regulations adopted hereto. The Director shall be the agent of the Community for the service by the National Indian Gaming Commission of process, or any official determination, order or notice pursuant to the Act or to 25 C.F.R. § 522.2(g). All actions of the Director may be reviewed by the Board, acting on its own initiative or at the request of the Director, and subject to such review any action of the Director may be upheld, vacated or revised by the Board.

(c) Restriction on Activities. Neither the Board members, the Director nor the staff of the Community Regulatory Agency shall participate as a player in any gaming activity conducted by the Community, or have any personal financial interest in any gaming activity conducted by the Community, or engage in any business or have any personal financial activity in any business which is licensed or regulated by the Community Regulatory Agency pursuant to this Ordinance, or be employed by the Enterprise.

(d) Powers and Duties of the Community Regulatory Agency. The Community Regulatory Agency shall have the following powers and duties:

(i) The Community Regulatory Agency shall have primary responsibility for oversight of Community gaming operations to assure the integrity of such operations and shall, for that purpose employ as staff of the Community Regulatory Agency inspectors who shall be present in all gaming facilities during all hours of operation and who shall be under the sole supervision of and report to the Community Regulatory Agency and not to any management employees of the Community gaming operations. Inspectors appointed by the Community Regulatory Agency and the Board members, Director and staff of the Community Regulatory Agency, shall be licensed by the Regulator Licenser in accordance with Section 13 of this Ordinance.

(ii) Community Regulatory Agency inspectors shall have unrestricted and immediate access to any and all areas of the gaming facilities at all times for the purpose of ensuring compliance with this Ordinance and other applicable laws, and personnel employed by the Enterprise shall for such purposes provide such inspectors access to locked and secure areas of the gaming facilities in accordance with this Ordinance and other applicable laws. An inspector or inspectors shall be present in the Gaming Facilities during all hours of gaming operation. Such inspectors shall report to the Community Regulatory Agency regarding any failure by the Enterprise, any employee or agent of the Enterprise, or any person or entity to comply with any of the provisions of this Ordinance and other applicable laws. Inspectors assigned by the Community Regulatory Agency shall also receive consumer complaints within the gaming facilities and shall assist in seeking voluntary resolution of such complaints.

(iii) The Community Regulatory Agency shall have the responsibility and authority to investigate any alleged or reported violations of this Ordinance, and all other applicable laws. The Community Regulatory Agency shall on its own initiative investigate any aspect of the operations of the Enterprise in order to protect the public interest in the integrity of such gaming activities and to prevent improper or unlawful conduct in the course of such gaming activities, and shall investigate any report of a failure of the Enterprise or any other person or entity to comply with the provisions of this Ordinance and all other applicable laws. The Community Regulatory Agency may receive any complaint from any person, including the gaming public or any gaming employee, who is or who claims to be adversely affected by any act or omission of a gaming operation or any employee thereof and which is asserted to violate this Ordinance, the Act or other applicable law. The Community Regulatory Agency may, in its sole discretion, conduct a hearing and receive evidence, pursuant to such procedures as it may adopt, if it deems an evidentiary proceeding useful in the resolution of any such complaint or alleged violation or breach. The Community Regulatory Agency may compel any person employed by or doing business with the Enterprise to appear before it and to provide such information, documents or other materials as may be in their possession to assist in any such investigation. The Community Regulatory Agency shall make a written record of any unusual occurrences, violations or suspected violations, without regard to materiality. In the event of a determination by the Community Regulatory Agency of a violation of this

Ordinance or other applicable laws, the Community Regulatory Agency shall require the Enterprise or the holder of a license to take any corrective action deemed necessary by the Community Regulatory Agency upon such terms and conditions as the Community Regulatory Agency ~~may~~ determine necessary and proper pursuant to this Ordinance. Appropriate disciplinary action may include, but not be limited to, suspension or revocation of a license, and confiscation or shutting down any gaming device or other equipment or gaming supplies which fail to conform with required standards. The Director shall report regularly to the Community Council on material violations of the provisions of this Ordinance and actions taken by the Community Regulatory Agency in response to such violations.

(iv) The Community Regulatory Agency shall prepare a plan for the protection of public safety and the physical security of patrons in each of the gaming facilities, following consultation and agreement with the Enterprise, the Community law enforcement agency and the appropriate state and federal law enforcement agencies, setting forth the respective responsibilities of the Community Regulatory Agency, the security department of the Enterprise, the Community law enforcement agency and the appropriate state and federal law enforcement agencies.

(v) The Community Regulatory Agency, through action of the Board, shall establish and revise Standards of Operation and Management for Class II and Class III gaming activities, which Standards of Operation and Management shall be approved by the Community Council. The initial Standard of Operation and Management for Security and Surveillance Requirements is hereby adopted and set forth in Appendix B attached hereto. The Community Regulatory Agency shall require that the Enterprise establish, pursuant to the Security and Surveillance Requirements set forth in Appendix B, a closed-circuit television surveillance system capable of recording and preserving on videotape all areas of the gaming facilities required by the Community Regulatory Agency to be under surveillance. The Community Regulatory Agency shall review and approve floor plans and surveillance systems for each gaming facility.

(vi) The Community Regulatory Agency shall issue or deny and, when necessary and appropriate, condition, suspend or revoke, gaming employee licenses, gaming services licenses, gaming facility licenses, and gaming operator licenses, in accordance with sections 9, 10, 11, and 12, respectively, of this Ordinance.

(vii) The Community Regulatory Agency shall establish a list of persons barred from the gaming facilities because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the gaming activities of the Community.

(viii) The Community Regulatory Agency, through action of the Board, may impose penalties for violations of this Ordinance, the Standards of Operation and Management, and other applicable laws, in accordance with Section 15 of this Ordinance.

(ix) The Community Regulatory Agency may recommend to the Community Council that the Community bring any civil action or criminal complaint in the courts of the Community, the State or the United States to enforce the provisions of this Ordinance or to enjoin or otherwise prevent any violation of this Ordinance, the Act or other applicable laws, occurring on the Reservation.

(x) The Community Regulatory Agency, through action of the Board, shall adopt an annual operating budget which shall be subject to the approval of the Community Council, and shall in accordance with said budget employ such staff from time to time as it deems necessary to fulfill its responsibilities under this Ordinance. All employees of the Community Regulatory Agency, including the Director and the Board members, shall be tribal employees subject to the personnel policies of the Community.

(xi) The Community Regulatory Agency may set fees to be assessed against gaming employees and gaming services providers to cover the costs incurred by the Community Regulatory Agency in conducting background investigations required for licensure of gaming employees and gaming services providers.

(xiii) The Community Regulatory Agency may adopt regulations to authorize the use of credit by gaming customers.

(e) Emergency Powers of the Director. The Director or any other member of the Community Regulatory Agency acting in the absence of the Director may, whenever he or she deems it necessary to protect the public interest in the integrity of tribal gaming operations, issue in the name of the Community Regulatory Agency any order which the Community Regulatory Agency has the power to issue, to the Enterprise or to any employee or contractor of the Enterprise or to any other person or entity within the jurisdiction of the Community, to

take any action or cease and desist from any action as may be required to protect the public interest; provided, that any such order shall be subject to review by the Board at its earliest opportunity, whereupon it may be confirmed or vacated by the Board.

(f) Procedures of the Community Regulatory Agency Board.

(i) Regular meetings of the Board may be held upon such notice, or without notice, and at such time and place as shall from time to time be fixed by the Board. Unless otherwise specified by the Board, no notice of such regular meetings shall be necessary.

(ii) Special meetings of the Board may be called by the Chairman or the Director. The person or persons calling the special meeting shall fix the time and place thereof. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need to be specified in the notice of the meeting.

(iii) At any meeting of the Board, a majority of the members then in office shall constitute a quorum for the transaction of business. The vote of a majority of the members present at a meeting at which a quorum is present shall be the act of the Board. The Chairman shall preside at all meetings of the Board unless the Chairman designates another member to preside in his absence.

(iv) Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if all the members sign written consents setting forth the action taken or to be taken, at any time before or after the intended effective date of such action. Such consents shall be filed with the minutes of the Board, and shall have the same effect as a unanimous vote or resolution of the Board at a legal meeting thereof. Any such action taken by unanimous written consents may, but need not be, set forth in such consents in the form of resolutions or votes.

(v) Members of the Board may participate in a meeting of the Board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such matter by any member who does not object at the beginning of such meeting to the holding thereof in such manner shall constitute presence in person at such meeting.

(vi) The Board shall adopt such additional procedures, rules and regulations as it deems necessary or convenient

to govern the affairs of the Community Regulatory Agency and which are consistent with this Ordinance.

(vii) The Board shall conduct all revocation hearings mandated by this Ordinance. All revocation hearings shall afford the person affected with at least fifteen days written notice of the proposed action and the opportunity to appear and be heard before the Board, to be represented by counsel at such hearing, and to offer sworn oral, written and documentary evidence relevant to the breach or action charged. All decisions of the Board at revocation hearings shall be in writing and shall be made available to the person affected. Notwithstanding the foregoing, if the Board deems it necessary to protect the public interest in the integrity of the gaming activities, the Board may take such action with immediate effect as it deems required, and shall thereupon provide notice and an opportunity to be heard to the affected person as soon as is reasonably practicable following such action. Any person who is denied an initial gaming employee license or gaming services license or who is barred from the gaming facilities by action of the Board may request a revocation hearing before the Board, provided such person submits such request in writing submitted within thirty days following receipt of notice of the action of the Community Regulatory Agency.

Section 15. **Penalties**

Any person who violates any provision of this Ordinance shall be subject to civil penalties including exclusion from employment by the Enterprise, exclusion from attendance at any gaming facility, exclusion from the Reservation if a non-member of the Community, or, with respect to any person subject to the jurisdiction of the Community to impose such fines, a fine of not more than $5,000.00 for each such violation. The Community Regulatory Agency shall have the jurisdiction to impose any such penalties on any person within the jurisdiction of the Community.

Section 16. **Repeal and Severability**

To the extent that they are inconsistent with this ordinance, all prior gaming ordinances of the Community are hereby repealed. If any provision of this Ordinance or its application to any person or circumstance is held invalid, the remainder of this Ordinance or the application of the provision to other persons or circumstances shall remain valid and shall not be thereby affected.

Section 17. **Compliance with the Act**

This Ordinance shall be construed in a manner which conforms to the Act in all respects, and if inconsistent with the Act in any manner, the provisions of the Act shall govern.

Section 18. **Prohibited Acts**

It shall be a violation of this Ordinance for any person to:

(a) Conduct or participate in any Class II or Class III gaming on the Reservation other than in a licensed gaming facility.

(b) Receive, distribute, apply or divert any property, funds, proceeds or other assets of a gaming operation to the benefit of any individual or other person except as authorized by this ordinance, the Act or other application law.

(c) Tamper with any equipment used in the conduct of gaming with the intent to cause any person to win or lose any wager other than in accordance with the publicly announced rules of the gaming operation.

(d) Do any other act in connection with the conduct of gaming with the intent to affect the outcome of any game or any wager other than in accordance with the publicly announced rules of the gaming operation.

(e) Alter or misrepresent the outcome or other event on which wagers have been made after the outcome is determined but before it is revealed to the players.

(f) Place, increase or decrease a wager or determine the course of play after acquiring knowledge, not available to all players, of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet, or aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a wager or determining the course of play contingent upon that event or outcome.

(g) Claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from any authorized game, with intent to defraud, without having made a wager thereon, or to claim, collect or take an amount greater than the amount won.

(h) Manipulate, with intent to cheat, any component of any authorized game or the game itself in a manner contrary to the designed and normal operational purpose for the component, or the game itself.

(i) Use tokens or chips for wagers other than those approved by the Community Regulatory Agency, or use counterfeit or fraudulent coin, currency or other money or funds of any kind.

(j) Possess or entice another person to possess any device to assist in projecting the outcome of any game, including but not limited to devices designed to count cards, analyze probabilities, or suggest strategies for playing or betting, or use or entice another person to use any device or means to cheat or defraud.

(k) Possess or discharge any firearm in any gaming facility, except in accordance with the Community Regulatory Agency.

(l) Act or conspire with another to give, or offer to give, any money, thing of value, gift or other consideration to any elected official or employee of the Community, including employees and officials of the Enterprise and the Community Regulatory Agency, for the purpose of influencing any action or decision relating to gaming or Community governmental activities related thereto.

C E R T I F I C A T I O N

Pursuant to authority contained in Article VII, Section (c) of the Constitution of the Salt River Pima-Maricopa Indian Community ratified by the Tribe, February 28, 1990, and approved by the Secretary of the Interior, March 19, 1990, the foregoing ordinance was adopted this 26th day of June, 1996, in a duly called meeting held by the Community Council in Salt River, Arizona, at which a quorum of 9 members were present by a vote of 8 for; 0 opposed; 1 absent (out of room).

SALT RIVER PIMA-MARICOPA
INDIAN COMMUNITY COUNCIL

Ivan Makil

Ivan Makil, President

ATTEST:

Lonita Jim, Secretary

SALT RIVER PIMA-MARICOPA
INDIAN COMMUNITY
10,005 East Osborn Road
Scottsdale, Arizona 85256

ORDINANCE NUMBER: SRO-239-98

Amendments to the ordinance to govern, regulate and control gaming on the Salt River Pima-Maricopa Indian Community Reservation.

BE IT ENACTED BY THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY:

The Community's ordinance SRO-219-96 is hereby amended as follows:

(A) Section 2(r) being the definition for "Gaming employee," is deleted in its entirety and inserted in lieu thereof is the following:

> (r) "Gaming Employee" means any key employee, any primary management official or any other person employed by the Enterprise who performs gaming related activities, including those persons whose employment duties require or authorize access to restricted gaming related areas of the gaming facility.

(B) Added as (y) to Section 2 being the Definitions, is a new definition for the term "Gaming-related activities," as follows:

> "Gaming-related activities" means any type of activity that falls within the definition of (p) "Gaming" and includes administrative and financial activities for the revenue generated from gaming activities.

(C) Added as (bb) to Section 2 being the Definitions, is a new definition for the term "Gaming Support Employee," as follows:

> "Gaming Support Employee" means any employee or persons employed by the Enterprise who perform employment duties that are not gaming related and do not meet the definition of "Gaming Employee" and includes employees having access to non-public areas but not restricted gaming related areas of the gaming facility.

(D) The alphabetical designations for the terms of definition in Section 2 shall be, because of the newly added definitions, re-designated as follows:

(1)	"Gaming related activities" shall be designated	2(y);
(2)	"Gaming services" shall be re-designated	2(z);
(3)	"Gaming services license" shall be re-designated	2(aa);
(4)	"Gaming Support Employee" shall be designated	2(bb);
(5)	"Institutional investor" shall be re-designated	2(cc);
(6)	"Key employee" shall be re-designated	2(dd);
(7)	"Management contract" shall be re-designated	2(ee);
(8)	"Management contractor" shall be re-designated	2(ff);

(9)	"Manufacturer" shall be re-designated	2(gg);
(10)	"National Indian Gaming Commission" shall be re-designated	2(hh);
(11)	"Net revenues" shall be re-designated	2(ii);
(12)	"Ordinance" shall be re-designated	2(jj);
(13)	"Person" shall be re-designated	2(kk);
~~(14)~~	"Principal" shall be re-designated	2(ll);
(15)	"Primary management official" shall be re-designated	2(mm);
(16)	"Reservation" shall be re-designated	2(nn);
(17)	"Revocation hearing" shall be re-designated	2(oo);
(18)	"State" shall be re-designated	2(pp); and
(19)	"State gaming agency" shall be re-designated	2(qq).

(E) Section 9(b) is hereby amended by deleting the following words in sentence two thereof:

> and in any event shall be completed within thirty days from the time of commencement.

(F) Section 9(c)(iii) is hereby amended by adding to the existing language, after the word "offense," the following:

> If applicable under the eligibility standards adopted by the Regulatory Agency.

(G) Section 9(f) is hereby amended by deleting in its entirety the second sentence therein and inserting in lieu thereof the following:

> The Enterprise shall not employ, and if already employed, shall terminate any person who has had his or her gaming license denied or revoked by the Community Regulatory Agency.

(H) Section 10(b) is hereby amended by deleting the following words in sentence two thereof:

> and in any event shall be completed within sixty days from the time of commencement.

(I) Section 10(b) is hereby amended by deleting the following words in sentence three thereof:

> shall take fingerprints pursuant to 25 C.F.R. §522.2(h), and

(J) Section 10(c)(iii) is hereby amended by adding to the existing language, after the word "offense," the following:

> if applicable under the eligibility standards adopted by the Regulatory Agency.

(K) Section 13(c)(iii) is hereby amended by adding to the existing language, after the word "offense," the following:

if applicable under the eligibility standards adopted by the Regulatory Agency.

(L) Section 18(k) is hereby amended by deleting in line one the words "Possess or discharge any firearm," and inserting in lieu thereof the following:

Possess a weapon or discharge a firearm

C_E_R_T_I_F_I_C_A_T_I_O_N

Pursuant to authority contained in Article VII, Section 1(c) of the Constitution of the Salt River Pima-Maricopa Indian Community ratified by the Tribe, February 28, 1990, and approved by the Secretary of the Interior, March 19, 1990, the foregoing ordinance was adopted this 6th day of May, 1998, in a duly called meeting held by the Community Council in Salt River, Arizona at which a quorum of 8 members were present by a vote of 7 for; 0 opposed; 1 abstaining; 1 excused.

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY COUNCIL

Ivan Makil, President

ATTEST:

Lonita Jim, Secretary

APPENDIX C

TRIBAL/STATE COMPACT BETWEEN

SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY

AND

THE STATE OF ARIZONA

SECURITY AND SURVEILLANCE REQUIREMENTS

APPENDIX "C"

STATE OF ARIZONA GAMING COMPACT

SECURITY AND SURVEILLANCE REQUIREMENTS

(A) Closed Circuit Television. The Gaming Facility operator shall install, maintain and operate a closed circuit television system according to the specifications set forth in this Appendix. The Tribal Gaming Agency and the State Gaming Agency shall have access to the system or its signal at all times.

(B) Required Equipment. The closed circuit television system shall include, but shall not be limited to, the following equipment:

(1) Cameras. Pan, tilt, zoom, commonly referred to as P.T.Z. cameras, that are light sensitive and capable of being placed behind a dome or one-way mirror which conceals the P.T.Z. cameras from view. Each camera shall have the capability to distinguish a clear, unobstructed view of the areas where Gaming Devices are operated as part of a network.

(2) Video printers. Video printers shall be capable of adjustment and shall possess the capability to generate instantaneously upon command a clear, still copy of the image depicted on a videotape recording with a minimum of 128 shades of gray.

(3) Video screens. Video monitor screens must be at least 12 inches measured diagonally and all controls must be front mounted. Solids state circuitry is required.

(4) Date and time generators. Date and time generators shall be capable of recording both time and date of the recorded events without obstructing the recorded view. Recordings must be in military time (i.e., 24-hour format).

(5) Universal power supply. The system and its equipment must be directly and securely wired in a manner designed to prevent tampering with the system.

(6) Camera domes. Camera domes shall be of sufficient quality and size to accommodate P.T.Z. cameras and shall be capable of providing clear, unobstructed views.

(7) Video switchers. Video switchers shall be capable of both manual and automatic sequential switching for the entire surveillance system.

(8) Videotape recorders. Videotape recorders shall be capable of producing high quality, first generation pictures with a horizontal resolution of a minimum of 300 lines nonconsumer, professional grade, and recording standard 1/2 inch, VHS tape with high-speed scanning and flickerless playback capability in real time. In addition, recorders shall have time and date insertion capabilities for taping that which is being viewed by any camera in the system. A minimum of one video recorder for every eight video cameras is required.

(C) Required surveillance. The Gaming Facility shall conduct and record surveillance which allows clear, unobstructed views in the following areas of the Gaming Facility:

(1) Overall views of the Gaming Device area where Gaming Devices operated as part of a network are in operation. Each Gaming Device operated as part of a network shall have the capability of being viewed by no less than two cameras and each camera shall have the resolution capability to determine the denomination of bills, coins and/or tokens being used in such Gaming Devices;

(2) Views of patrons, spectators and inspectors, with sufficient clarity to permit identification thereof in the area in which Gaming Devices operated as part of a network are in operation;

(D) Equipment in Gaming Facility Surveillance Offices. Gaming Facilities shall be equipped with a minimum of two 12-inch monochrome video monitors with control capability of any video source in the surveillance system. The following shall be additional mandatory equipment for the surveillance office:

(1) Video printer;

(2) Video recorders;

(3) Audio pickup of soft count room;

(4) Time and date generators, if not in the master surveillance system;

(5) Total override surveillance system capabilities.

(6) All closed circuit cameras shall be equipped with lenses of sufficient quality to allow clarity of the value of gaming tokens and currency or coins. These cameras shall be capable of black and white recording and viewing.

(E) Lighting. Adequate lighting shall be present in all areas of gaming device area and count rooms to enable clear video reproduction.

(F) Surveillance room. There shall be provided in each Gaming Facility a room or rooms specifically utilized to monitor and record activities as required under this Appendix. These rooms shall have a trained surveillance person present during Gaming Facility operating hours. The surveillance room shall be equipped with an audio pickup system. In addition to the mandatory equipment requirements set forth in Paragraph (D) of this Appendix, the following are requirements for the operation of equipment in the surveillance rooms:

(1) Surveillance equipment. All equipment that may be utilized to monitor or record views obtained by a gaming device area surveillance system must remain located in the room used exclusively for surveillance security purposes, except for equipment which is being repaired or replaced. The entrance to the surveillance room shall be locked or secured at all times except during ingress and egress by authorized personnel.

(2) Override capability. At the option of the Tribal Gaming Agency, any surveillance equipment utilized by the Tribal Gaming Agency must have total override capability over any other satellite monitoring equipment in other Gaming Facility offices.

(3) Agency access. Authorized Employees of the Tribal Gaming Agency and the State Gaming Agency shall at all times be provided immediate access to the surveillance room and other surveillance areas. Also, all authorized Tribal Gaming Agency and State Gaming Agency employees shall have access to all records and areas of such rooms.

(4) Surveillance logs. Entry in a permanent surveillance log shall be required when requested by the Tribal Gaming Agency or the State Gaming Agency whenever surveillance is conducted or anyone, or whenever any activity that appears unusual, irregular, illegal or in violation of applicable rules is observed. Also, all telephone calls to the surveillance room shall be logged.

(5) Floorplan. A copy of the configuration of the gaming device area floor shall be posted in the surveillance room at the Gaming Facility and

updated immediately upon any change. Also included shall be the location of any change, and the location of surveillance cameras and Gaming Devices by assigned numbers. Copies of such floorplan shall also be made available to authorized personnel in the Gaming Facility surveillance room.

(6) Storage and retrieval. Surveillance personnel will be required to label and file all videotape recordings. The date, time, and signature of the person making the recording shall be recorded. All videotape recordings shall be retained for at least seven (7) days after recording unless a longer period is required by the Tribal Gaming Agency, the State Gaming Agency, or a court order. Original audio tapes and original video tapes shall be released to the Tribal Gaming Agency or State Gaming Agency upon demand.

(7) Malfunctions. Each malfunction of surveillance equipment must be repaired within 24 hours of the malfunction. If, after 24 hours, activity in the affected area cannot be monitored, the gaming device shall be closed to play until such coverage can be provided. A record of all malfunctions shall be kept and reported to the Tribal Gaming Agency on a daily basis.

(8) Security. Entry to the surveillance room is limited to persons approved by the Tribal Gaming Agency or State Gaming Agency. A log of personnel entering and exiting the surveillance room shall be maintained and submitted to the Tribal Gaming Agency every 30 days.

(G) Playback station. An area is required to be provided within the gaming facility offices that will include, but is not limited to, a video monitor and a video recorder with the capability of producing first generation videotape copies.

(H) Additional requirements.

(1) Audio and videotape monitoring. Audio and videotape monitoring will be continuous in the surveillance room. When someone is being detained in the security detention areas, audio and videotape recording shall be continuous. These recordings shall be retained for thirty (30) days after the recorded event, unless directed otherwise by the Tribal Gaming Agency, State Gaming Agency or a court order.

(2) Agency access. The Tribal Gaming Agency and the State Gaming Agency and their respective authorized employees shall at all times be provided immediate access to the surveillance room and all areas, public and non-public, of the Gaming Facility in accordance with Section 7(a) of this Compact.

(3) Written plans and alterations. The Gaming Facility operator

shall submit to the Tribal Gaming Agency and the State Gaming Agency for approval a written surveillance system plan no later than five (5) days prior to the start of gaming operations. With respect to Gaming Facilities already in operation at the time this Compact is approved, the Gaming Facility operator shall submit such written surveillance plan within thirty (30) days after the Compact is approved.

(4) Surveillance system plan. The surveillance system plan must include a gaming device area floor plan that shows the placement of all surveillance equipment in relation to the locations required to be covered and a detailed description of the surveillance system and its equipment.

(I) Changes in gaming locations. The Gaming Facility operator may change the location of Gaming Devices within the facility. The surveillance system must also be adjusted, if necessary, to provide the coverage required by this Appendix. The Tribal Gaming Agency must approve the change in the surveillance system coverage before the relocated Gaming Devices may be placed in operation. The Gaming Facility operator must submit any change to the surveillance system and related security and surveillance equipment within seven (7) days in advance of the proposed changes to the Tribal Gaming Agency and the State Gaming Agency.

(J) Surveillance during nongaming hours. Security surveillance will be required during nongaming hours as follows:

(1) Cleanup and removal time. At any time cleanup operations or money removal is being conducted in the Gaming Device operating area, the security surveillance room shall be staffed with a minimum of one trained surveillance person.

(2) Locked down mode. Any time the Gaming Facility is closed and in a locked down mode, sufficient surveillance coverage shall be conducted to monitor and record the facility area in general, so that security integrity is maintained. During this period it is not required that a trained security surveillance person be present.