

National Indian Gaming Commission

IN THE MATTER OF:)

SEMINOLE NATION OF OKLAHOMA)

NOV/CO-00-06

NOV/CO-00-10

December 12, 2003

ORDER MODIFYING NOTICE OF DECISION AND ORDER OF MAY 7, 2002

The Seminole Nation of Oklahoma filed a "Petition for Modification of Closure Order" (Petition) that was received by the Commission on October 27, 2003. The Petition seeks "re-hearing, appeal, modification, and dissolution" of the Orders of Temporary Closure issued by the NIGC Chairman on May 30, 2000 (CO-00-06) and September 12, 2000 (CO-00-10). These Orders of Temporary Closure were made permanent by the Commission's Notice of Decision and Order of May 7, 2002 (Permanent Order). CO-00-06 required the Nation to cease and desist in the play of a particular gaming device named therein. CO-00-10 required the Nation to cease and desist from all gaming activity at all four of its gaming facilities. The Nation closed its gaming operations on June 14, 2003, in compliance with the Commission's Permanent Order. The Nation now asks for relief from these closure orders and seeks necessary NIGC authorization and approval to re-open and resume its gaming operations under the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. § 2501, et seq.

After the Nation closed its gaming operations, the Commission authorized a negotiation with the Nation about re-opening those operations. The result of the negotiation was a "Pre-opening Agreement" setting forth the terms and conditions that, if met, would lead to favorable consideration by the Commission of the Nation's request to re-open. Among the significant terms are provisions assuring regulatory oversight by the Nation of its gaming operations and an agreement by the Nation not to engage in Class III gaming in the absence of a Compact with the State of Oklahoma.

The Nation's Principal Chief has agreed to the specific terms and conditions of the "Pre-opening Agreement" on behalf of the Nation. The Commission accepts the terms and conditions of the "Pre-opening Agreement" negotiated by representatives of the Commission and the Nation, and authorizes the NIGC Chairman to sign the agreement and monitor its implementation. The "Pre-opening Agreement" agreed to by the parties is attached to and made part of this Order. This agreement resolves all issues concerning the Orders of Temporary Closure, the accompanying Notices of Violation, and the Commission's Permanent Order. Accordingly, the matters raised in the Petition are fully resolved by the Order and the attached agreement.

ORDERED:

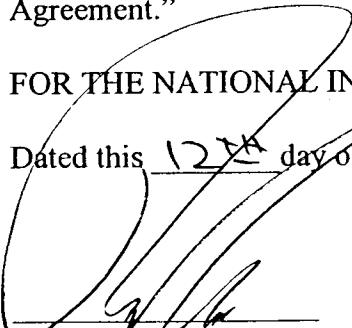
The Commission modifies its Final Decision and Order of May 7, 2002, as follows:

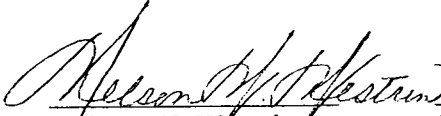
The Nation may resume gaming activity subject to the terms and conditions of the "Pre-opening Agreement" which is incorporated into this Order. Initially, the Nation may reopen its I-40 Travel Plaza gaming facility after it receives a letter from the NIGC Chairman or his authorized designee specifically authorizing the re-opening of that

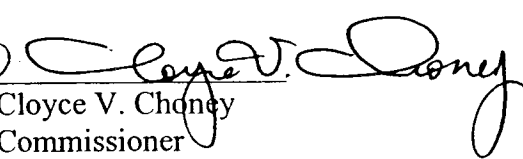
facility. This letter will indicate that the Nation has complied with the terms and conditions specified in the "Pre-opening Agreement" for re-opening the facility, and will be issued subject to review of the Nation's compliance efforts and a determination by the Chairman or his designee that the Nation has satisfactorily complied. The Nation may reopen other existing gaming facilities subject to the terms and conditions of the "Pre-opening Agreement" when it receives similar letters from the NIGC Chairman or his authorized designee specifically authorizing the re-opening of those facilities. The Nation may also open new gaming facilities subject to the terms and conditions of the "Pre-opening Agreement." Each reopening, or the opening of a new gaming facility, shall be on a probationary basis, as set forth in the "Pre-opening Agreement," for a period of 36 months following any such reopening or until March 12, 2007, as to any new facility. During the probationary period, the Commission may rescind this Order or modify this Order, and require the Nation to cease and desist from gaming activity in any or all of its gaming facilities, if it finds that the Nation's gaming facilities are not operated in a manner that demonstrates or assures compliance with the IGRA, NIGC regulations, the Nation's gaming ordinance, or the terms of the "Pre-opening Agreement."

FOR THE NATIONAL INDIAN GAMING COMMISSION

Dated this 12~~th~~ day of December, 2003


Philip N. Hogen
Chairman


Nelson W. Westrin
Vice Chairman


Cloyce V. Choney
Commissioner

PRE-OPENING AGREEMENT

This agreement is entered into by and between the Seminole Nation of Oklahoma (Nation), through its duly authorized representatives, and the National Indian Gaming Commission (NIGC or Commission) to resolve various matters between the Nation and the Commission regarding Notices of Violation Nos. NOV-00-06 and NOV-00-10, Closure Orders Nos. CO-00-06 and CO-00-10; the Commission's Final Decision and Order of May 7, 2002, regarding these Notices of Violation and Closure Orders; federal court litigation pending in the United States District Court for the Eastern District of Oklahoma, entitled Seminole Nation Development Authority v. NIGC, Docket No. CIV-02-442-S, filed by the Nation for judicial review of the Commission Decision; and Civil Fine Assessments Nos. CFA-00-06 and CFA-00-10. The agreement specifies various compliance measures the Nation will take as a condition to resuming gaming operations. The parties by their signatures below represent and agree that they have authority to execute this agreement and resolve pending issues according to the terms and provisions set out herein.

Recitals

1. The Seminole Nation of Oklahoma (Nation) is a federally recognized tribe of Indians with its headquarters located in Seminole County, Oklahoma. The Seminole Nation Development Authority (SNDA) is a duly created agency of the Nation that had been granted authority and responsibility by the General Council of the Nation to manage and operate the Nation's gaming activities under the provisions of the Indian Gaming

Regulatory Act (IGRA). The Seminole Nation Gaming Commission (SNGC) is a duly created agency of the Nation that has been granted authority and responsibility by the Tribal Council of the Nation to regulate the gaming activities conducted by the SNDA. For purposes of this agreement, whenever the term "Nation" is used, it shall refer to the Seminole Nation of Oklahoma, as a tribal entity, and/or to the SNDA and/or the SNGC, as appropriate. Agreement by the Nation to any provisions in this agreement shall also be considered as binding on the SNDA and/or the SNGC. The Nation, through the SNDA, has operated facilities at four locations where gaming activities occurred: the Seminole Nation I-40 Travel Plaza, Seminole Nation Bingo at Miccosukee, River Mist, and Seminole Nation Trading Post and Gaming Trailer in Wewoka.

2. On May 30, 2000, the NIGC Chairman issued Notice of Violation and Order of Temporary Closure NOV/CO-00-06 to the Nation for play of the Red Hot ReSpin game. The Chairman alleged that the game was a Class III gambling device requiring a Tribal-State compact and directed the Nation to cease and desist in the operation of the gaming machine, as the Nation does not have a compact with the State of Oklahoma that allows the Nation to operate Class III gaming devices. The Nation timely filed a notice of appeal with the NIGC and continued to operate the Red Hot ReSpin device and other similar gaming devices.

3. Based upon NOV/CO-00-06, on August 17, 2000, the NIGC Chairman issued proposed Civil Fine Assessment CFA-00-06, assessing an aggregate fine of \$400,000 beginning on March 14, 2000, through August 17, 2000, with an additional fine of \$2,000 per day for each day of play thereafter. Through January 17, 2003, this fine totaled \$2,146,000. The Nation timely appealed.

4. On August 30, 2000, an NIGC representative observed the continued play of the Red Hot ReSpin type machines and the Buffalo Nickels gambling devices and noted the installation of new Class III gambling machines: Rainbow Reels, Fantasy Fives, Pot-O-Gold, Triple Sevens, Gold Row Bonus, Spinball Bonus, ReSpin Sevens, Lucky Cherries, Pirate's Gold, Klondike, Funny Fruit, and Reel Fortune.

5. On September 12, 2000, the NIGC Chairman issued Notice of Violation and Order of Temporary Closure NOV/CO-00-10, alleging with specificity the unlawful operation of Class III games without a Tribal-State compact. The order required the Nation to cease and desist from all gaming activity in all four of its facilities. The Nation timely appealed this Order, did not cease and desist from play, but continued to add games to the machines and offered variations of the games described in NOV/CO-00-06 and NOV/CO-00-10.

6. During the period August 2000 through March 2002, the Nation expanded its gaming facilities in violation of NOV/CO-00-06 and NOV/CO-00-10. In late August 2000, the Seminole Nation I-40 Travel Plaza's first expansion was completed. By spring of 2001, the second expansion was completed, and the size of the Travel Plaza was doubled, allowing approximately 250 electronic gaming machines to be placed for play in the facility. At Wewoka, the Nation replaced the singlewide trailer with a doublewide trailer, allowing space for approximately 50 additional gaming machines by October of 2000. In December 2000, renovations were undertaken for the Seminole Nation Bingo, permitting space for 50 to 75 additional gaming machines. During late 2001 and early 2002, a complete renovation of River Mist was conducted, doubling the space and

allowing for approximately 235 gaming machines, an increase from the approximately 75 to 100 gaming machines that were previously offered for play.

7. On May 7, 2002, the Commission issued its Notice of Decision and Order as to the Nation's appeals of NOV/CO-00-06 and NOV/CO-00-10, finding that the games described in both orders constituted Class III gaming activity. Because there was no Tribal-State gaming compact, the operation of these games constituted a violation of IGRA. The Commission ordered that the Nation cease and desist from all gaming activity in all four of its facilities and made permanent both Orders of Temporary Closure. On May 31, 2002, the Nation advised that it would stop play of the games specified in the Commission's Order of May 7, 2002, but stated that it would not cease and desist from all gaming activity in its four facilities as ordered.

8. The Nation discontinued use of some games, changed the names of other games specifically identified in NOV/CO-00-10, but continued to offer Class III games that functioned in a similar manner to those games specified in NOV/CO-00-10. Also, through January 17, 2003, the Nation offered other apparent Class III games for play that were functionally similar to the games listed in the Commission's Notice of Decision and Order.

9. The Nation offered the following numbers of Class III electronic gaming machines for play in its four gaming facilities on these dates:

1. On July 10, 2000; 42 machines
2. On January 18, 2001; 298 machines
3. On October 21 2002; 535 machines
4. On January 17, 2003; 587 machines

10. On August 13, 2002, the NIGC Chairman issued CFA-00-10, assessing a \$10,000 per day fine for the period from September 12, 2000 to May 7, 2002, the date of the Commission's Notice of Decision and Order, and a \$20,000 per day fine for the period beginning May 7, 2002. The Nation timely appealed the Chairman's proposed civil fine assessment to the Commission. Through October 9, 2002, thirty (30) days following the date the Nation appealed the proposed civil fine assessment specified in CFA-00-10, the total proposed civil fine assessment was \$9,130,000.

11. The Commission issued its Decision and Order as to the Nation's appeals of CFA-00-06 and CFA-00-10 on June 3, 2003, finding that the civil fine assessments were appropriately issued and ordering the Nation to pay an aggregate fine of \$11,276,000.

12. On August 16, 2002, the Nation filed suit in the United States District Court for the Eastern District of Oklahoma seeking judicial review of the Commission's May 7, 2002, final Decision and Order. The suit is pending in the Court.

13. On June 14, 2003, following changes in legal representation, the Nation closed its gaming facilities and thereafter began settlement discussions with the NIGC. On October 24, 2003, the Nation submitted a "Petition for Modification of Closure Order" to the Commission. The Petition was received on October 27, 2003.

Terms and Conditions

14. Based on the Nation's request for modification of the Closure Order and conditioned on full compliance by the Nation with the provisions of this agreement, the Commission agrees to issue an order modifying its Final Decision and Order of May 7, 2003, which made final the temporary order issued by the NIGC Chairman directing the Nation to cease and desist from all gaming activity, and allow the Nation to reopen its

I-40 Travel Plaza gaming facility on such date that it has satisfactorily met the terms and conditions set forth in this agreement, but no earlier than December 13, 2003. Thereafter, the Nation may reopen its other gaming facilities identified in Paragraph 1, individually, at thirty-day intervals, following the reopening of the I-40 Travel Plaza gaming facility, beginning no earlier than January 12, 2004, provided it has satisfactorily met the terms and conditions set forth in this agreement for the reopening of each facility. Evidence of the specific agreement by the NIGC to reopening of any gaming facility will be in the form of a letter issued by the NIGC Chairman or an authorized designee. The Nation may not presume agreement in the absence of such a letter. In no event will all of the Nation's gaming facilities at the locations described in Paragraph 1 be reopened before March 12, 2004.

15. It is understood and agreed that reopening of the Nation's gaming facilities is to be on a probationary basis. The NIGC and the Nation will review the Nation's operation and regulation of its gaming facilities at periodic intervals for a period of 36 months following the reopening of each facility, or the opening of any new facility. The Nation shall be given a reasonable opportunity to correct deficiencies in the operation and regulation of its gaming facilities noted during any such review. This period shall be fourteen days following the date the NIGC representative provides notice of a deficiency unless otherwise agreed or unless the violation is a "substantial violation" as that term is used in 25 C.F.R. § 573.6, in which case NIGC Chairman or his designee may establish a shorter period. Following the review and a period to correct deficiencies, if the NIGC Chairman determines that the Nation's gaming facilities are not then operated in a manner that demonstrates or assures compliance with the IGRA, NIGC regulations, the

Nation's gaming ordinance, and/or the terms and conditions of this agreement, the Chairman may provide a written proposal to the full Commission that it rescind its modification to the Closure Order described herein. The Chairman will serve a copy of the proposal on the Principal Chief of the Nation and on the SNGC. The Nation shall have fourteen days to respond in writing to the Chairman's written proposal. Following its consideration of the Chairman's proposal and the Nation's response, the Commission may vote to rescind the Closure Order modification that allows reopening of the Nation's gaming facilities and thereby require re-closure of one or more of the facilities. The Nation agrees to close its gaming facility or facilities within 72 hours following receipt of such an order from the Commission. The parties intend, and the Nation agrees, that the Commission will decide the matter based on written submissions and that this expedited process will not extend to consideration of the matter in a hearing before a presiding official under 25 C.F.R. Part 577 and/or recommended decision by that presiding official. This provision is not intended by the parties to permit further judicial review of the Commission's Decision and Order of May 7, 2002, which this agreement otherwise resolves, as provided in Paragraph 31. However, the Nation may seek judicial review of a Commission Order rescinding a modification to the Commission's Final Decision and Order of May 7, 2002, under which the Nation operates its gaming facilities in the probationary status described herein, if such rescission requires the Nation to again close its gaming facilities. The Nation agrees that it will close its gaming facilities and will keep its facilities closed during any such period involving judicial review following the Commission's order. Nothing in this provision prevents the NIGC Chairman from

issuing a separate notice of violation, order of temporary closure, and/or proposed civil fine assessment to the Nation under the provisions of 25 C.F.R. Parts 573 and 575.

16. No other new gaming facility will be developed or opened by the Nation, in addition to the facilities listed in Paragraph 1, unless the development and opening of such facility has been discussed with the NIGC and the NIGC determines the proposed facility meets the requirements of IGRA. To begin such discussions, the Nation will provide 120 days notice to the NIGC of its intent to open or operate any gaming facility in addition to the gaming facilities identified in Paragraph 1. The Nation will include specific site information and a description of the gaming to be offered in the proposed facility in the notice. The Nation agrees not to open any proposed new gaming facility if the NIGC Chairman or his designee informs the Nation within 90 days of the date the NIGC received notice of the Nation's intent that the proposed gaming facility does not appear to be located on Indian lands over which the Nation exercises jurisdiction, as the term "Indian lands" is defined in IGRA and Commission regulations, or if the gaming to be offered does not meet the requirements of IGRA. Other pre-opening provisions of this agreement will apply through March 12, 2007, to any new facility to be opened and operated by the Nation.

17. The Nation acknowledges that prior to June 14, 2003, in connection with its operation of the gaming facilities listed in Paragraph 1, it was in violation of those provisions of IGRA, NIGC regulations, and its own tribal gaming ordinance that require a background investigation, suitability determination, and gaming license for all primary management officials and key employees, as those terms are defined in NIGC regulations and the Nation's gaming ordinance and agrees to correct the violation. See 25 C.F.R.

Parts 556 and 558. The Nation will not reopen any gaming facility or open any new gaming facility until the following conditions are met: (1) background investigation requirements are met on all key employees and primary management officials; (2) all primary management officials and key employees of the gaming facility are duly licensed by the SNGC; and (3) the Nation provides its guarantee that no person previously associated in a management or key position with any non-tribal entity (of the Seminole Nation) performing management duties or functions for the Nation's gaming operations, in any manner, has or will receive a license for employment at any gaming operation operated by the Nation. These conditions will be verified by an NIGC representative prior to the reopening of any particular gaming facility or to the opening of any proposed new gaming facility not listed in Paragraph 1. The Nation must submit for NIGC review the background investigations and suitability determinations for all of the primary management officials and key employees it intends to employ. Prior to reopening, primary management officials and key employees whose employment is proposed for a reopened facility, must each have an occupational license issued by the Nation following a required background investigation and a suitability determination by the SNGC and further review by the NIGC of the suitability determination and supporting materials pursuant to 25 C.F.R. § 558.3. All other employees will have at least a temporary 90-day license. No primary management official or key employee previously employed in the Nation's gaming facilities will be employed upon reopening who has not received a full occupational license. After reopening, any newly-hired primary management official or key employee, not previously employed in the Nation's gaming facilities, must have qualified for and received a license within 90 days of employment or may no longer be

employed in the Nation's gaming facilities, until such time that they are determined suitable and issued a license by the SNGC in accordance with 25 C.F.R. § 558.3. The Nation further agrees and acknowledges that Board of Trustee Members of the Seminole Nation Development Authority (SNDA) and principal management officials of the SNDA, including the Executive Director and Comptroller, will be subject to all the background, investigative, suitability, and licensing requirements of 25 C.F.R. Parts 556 and 558.

18. The Nation acknowledges that prior to June 14, 2003, in connection with its operation of the gaming facilities listed in Paragraph 1, it was in violation of those provisions of IGRA, NIGC regulations, and its own tribal gaming ordinance requiring a records retention program and will promptly correct the violation. Prior to reopening any facility listed in Paragraph 1, or opening any new gaming facilities or operations, the Nation will establish a records retention policy for all gaming related license applications, background investigations, suitability determinations, and issued, denied, suspended, or revoked licenses that complies with the requirements of 25 C.F.R. §§ 556.5(a) and 558.1(c). The Nation will provide a copy of its records retention policy to NIGC for review, and a NIGC field representative will examine the Nation's available records prior to reopening to assure compliance with the Nation's policy. The Nation agrees it will not reopen any gaming facility until the NIGC Chairman or his designee agrees that the records retention policy is in accord with the regulatory requirement. An NIGC field representative will again examine records 30 days after reopening and 90 days after reopening to assure compliance with the policy.

19. The Nation will also establish and maintain a financial records system as required by 25 C.F.R. § 571.7(a). Prior to reopening, the Nation will obtain the assistance of a qualified auditing firm and establish a system for maintaining permanent books and records, including inventory of gaming machines, equipment, and supplies, and other gaming related expenditures and/or disbursements sufficient to establish the amount of gross and net income, deductions and expense, receipts and disbursements, and other information required in any financial statement, report, or other accounting prepared pursuant to the IGRA and Commission regulations. The Nation will provide a description of its financial records system and its policy to the NIGC for review, and an NIGC auditor will examine all available, relevant purchasing, inventory, and other financial records prior to reopening to assure compliance with the Nation's policy. The Nation agrees that it will not reopen any of the gaming facilities listed in Paragraph 1 or any new gaming facility until the NIGC auditor's review is complete and the determination is made by the NIGC Chairman or his designee that the Nation has established an acceptable financial records system as required by 25 C.F.R. 571.7(a). An NIGC auditor will thereafter re-examine the Nation's gaming related financial records 30 days after reopening and again 90 days after reopening to assure continued compliance with the policy.

20. The Nation acknowledges that it was in violation of those provisions of IGRA, NIGC regulations, and its own tribal gaming ordinance which require the completion of an annual outside audit and the timely submission of that annual audit to NIGC. See 25 C.F.R. §§ 571.12 and 13. The Nation will correct this violation in future years by submitting complete and timely audits. Prior to reopening the gaming facilities listed in

Paragraph one or any new gaming facility, the Nation will provide to the NIGC Chairman an executed letter of engagement with the accounting firm it has retained to conduct future audits and outline the steps it will take to ensure that the audit report is submitted in a timely manner.

21. The Nation will also establish a valid and sound system of internal controls. Prior to reopening, the Nation will obtain the assistance of a qualified accountant to establish an adequate system of internal control standards that provide a level of control that equals or exceeds the requirements of 25 C.F.R. Part 542, Minimum Internal Control Standards (MICS). These standards should follow the CPA MICS Compliance Reporting Guidelines, referenced in section 542.3(f)(2) (June 2002). The Nation will provide a copy of the procedures implementing these internal control standards to the NIGC at least fourteen (14) days before the planned opening of any gaming facility. The auditing firm will develop an audit checklist for each gaming function and provide it to NIGC for review at least fourteen (14) days prior to reopening. The Nation agrees that it will not reopen any gaming facility until the NIGC auditor's review is complete and the determination is made that the MICS procedures are adequate and acceptable. An auditor from the Nation's accounting firm will audit each gaming facility's internal control standards within seven (7) days of the reopening of each gaming function and as MICS audit requirements thereafter come due. The auditor will notify the Nation and the Regional Director of NIGC Region V, Tulsa, Oklahoma, within twenty-four (24) hours of any deficiencies identified in control standards found pursuant to an internal audit. The Nation will diligently strive to correct any such deficiencies as it is made aware of them and notify the NIGC of such corrections at the time they are made. The auditor will

perform a full MICS audit at least 60 days after any reopening or new opening and provide the compliance report to casino management, the Nation, and the Regional Director of the NIGC Region V, Tulsa, Oklahoma. Casino management will provide copies of all responses from the Nation, SNDA, and SNGC to the compliance reports to the Regional Director of NIGC Region V, Tulsa, Oklahoma. A determination by the NIGC Chairman that any gaming operation of the Nation is not in substantial compliance with the MICS may be the basis for additional NIGC enforcement action. The Nation further agrees that all gaming facility employees will have completed a training program concerning the internal controls and procedures it has adopted or will adopt for operation of its gaming facilities, in particular those internal controls and procedures it has adopted or will adopt for handling of cash and the operation of any gaming activity including electronic gaming devices and related manual accounting systems. The SNGC will review the training program for the Nation and must be satisfied that gaming facility employees have been satisfactorily trained concerning the internal controls and gaming related operational procedures before any gaming facility is allowed to be reopened. The SNGC will report its determination to the Regional Director of NIGC Region V, Tulsa, Oklahoma, prior to the reopening of any gaming facility listed in Paragraph 1 or the opening of any new gaming facility or operation by the Nation.

22. The Nation affirms that all Class III games and devices have been removed from all of the Nation's gaming facilities. The Nation agrees not to undertake Class III gaming or install Class III gaming devices except as permitted by a Tribal-State Compact. In reopening its Class II gaming facilities, or in opening any new gaming facility, with the exception noted below, the Nation agrees that the only games or gaming devices to be

utilized are those games or specific gaming devices determined by the Commission or a federal court to be Class II games or Class II technologic aids to the play of bingo, to the play of games similar to bingo, or to the play of pull tabs.¹ The Nation proposes to offer for play the Sierra Design Group Mystery Bingo games and device and the Diamond Games Enterprise Lucky Tab II Millennium Series pull tab game and device.² The Commission agrees to the play of these specific games and devices in the Nation's gaming facilities subject to the condition that, in the event the Commission, its Chairman, its General Counsel, or a federal court determines that the play of either device is Class III gaming, the Nation will immediately discontinue play of the game and remove the devices. For a period of thirty-six months after any reopening, or in the case of a new facility, through March 12, 2007, the Nation will provide written notice to the Regional Director of NIGC Region V, Tulsa, Oklahoma, of its intent to offer other games or gaming devices for play in that gaming facility. The Nation agrees to provide such notice at least twenty-one (21) days before it proposes to offer any such game or device. The Nation agrees it will not play any game or gaming device in its Class II gaming operation that has not been authorized by the NIGC Chairman or his designee under this provision. In the event the Nation and the State of Oklahoma enter into a Tribal-State Compact for Class III gaming, the Nation may offer for play any games or gaming devices authorized under such Compact.

¹ The term "technologic aid" is defined in NIGC regulations. See 25 C.F.R. § 502.7.

² The Nation will play the version of Mystery Bingo approved by the NIGC in its advisory classification letter of September 26, 2003, as soon as the game becomes commercially available and will discontinue play of any other version. The Diamond Games Enterprise Lucky Tab II has been found to be a Class II game and Class II technologic aid by federal courts, but the Millennium Series was not the exact device considered by these courts. The NIGC has not made a specific finding that the Millennium Series is a Class II game. Allowing the play of these games and devices is not, in itself, an endorsement of either product or acceptance of either device as a Class II technologic aid to the play of Class II game.

23. The Nation agrees it will provide a gaming machine inventory containing the manufacturer's name, the unique serial number, the name and description, and floor location for each game and gaming device to be placed in operation prior to reopening of any gaming facility listed in Paragraph 1, or the opening of any new gaming facility, to the Regional Director of NIGC Region V, Tulsa, Oklahoma. The Nation agrees to provide a floor plan showing location of all gaming devices prior to the opening or reopening of any gaming facility. The Nation agrees to keep the floor plan current and provide a copy of such floor plan to an NIGC representative upon request. The Nation agrees that it will require the vendors offering any electronic gaming system, including the devices set forth above, to certify to the SNGC prior to play of the devices in the any of the Nation's gaming facility that the components of the system are communicating effectively, are correctly recording all cash and/or cashless transactions involved in game play, and otherwise comply with the requirements of the Minimum Internal Control Standards established by the Commission in 25 C.F.R. Part 542. The SNGC will confirm this certification report and provide a copy of the report to the Region Director of NIGC Region V, Tulsa, Oklahoma.

24. The Nation will not offer any card games or table games except as may be authorized for play in a Tribal-State Compact between the Nation and the State of Oklahoma. The Nation may play traditional paper bingo in its gaming facilities and sell paper pull-tabs in locations where the game of bingo is played. The Nation will begin the play of paper bingo and/or the sale of paper pull tables only after it establishes sound and adequate internal control standards for these games that provide a level of control that equals or exceeds the requirements of 25 C.F.R. Part 542, Minimum Internal Control

Standards (MICS). The Nation will submit its internal control procedures and accompanying checklists for these games for review by an NIGC auditor, as described in paragraph 21.

25. The Nation agrees to establish and maintain a vendor-licensing program. Prior to reopening the Nation will adopt an ordinance or resolution establishing a program to license a vendor doing business with the gaming operation if the value of goods or services provided by the vendor is estimated to exceed \$25,000 per year. This program will be audited under the provisions of 25 C.F.R. §522.4(b)(4). The program shall establish suitability and licensing standards and require an adequate background investigation to evaluate and determine the suitability of each vendor requiring a license. The Nation will provide the program to the Region Director of NIGC Region V, Tulsa, Oklahoma, for review, and an NIGC field investigator will monitor compliance with the program. As part of such monitoring, the Nation will submit copies of vendor contracts estimated to exceed \$25,000 per year to the NIGC.

Additional Covenants

26. The Nation will fully cooperate in any investigation conducted by the NIGC, the Office of Inspector General of the Department of the Interior, or other governmental agencies concerning its operations and/or possible financial irregularities at the Nation's gaming operations and agrees to produce all relevant records requested during those investigations.

27. The Nation agrees to adopt amendments to its Gaming Code as necessary to provide assurance that its use of gaming revenues will be in a manner consistent with the requirements of IGRA.

28. The Nation will ensure that the SNGC has sufficient authority and ability to act independently of the Nation's General Council and the gaming operation in the regulation of tribal gaming. The Nation will provide written explanation about the SNGC's independent role to the NIGC. The Nation will establish a budget for the SNGC sufficient to carry out its responsibilities and provide a written explanation to the NIGC on how the amount budgeted will allow the tribal gaming commission to carry out its responsibilities.

29. The Nation agrees to payment of Civil Fine Assessments Nos. CFA-00-06 and CFA-00-10 that are the subject of the Commission's Decision and Order of June 3, 2003, subject to the conditions and in the manner described below. For its part, the NIGC Chairman agrees not to pursue an additional civil fine assessment against the Nation based on operation of Class III gaming devices in its gaming facilities during the period October 10, 2002, through June 14, 2003.³ Pending any modification to the Civil Fine Assessment made final by the Commission's Final Decision and Order of June 3, 2003, or any subsequent settlement agreement, the Nation agrees to begin payment of the Civil Fine Assessment by setting aside 20% of the net revenues from its gaming operations⁴

³ The parties acknowledge that this provision shall not apply to any civil fine assessment that may be levied against any individual or non-tribal entity found to be operating any of the Nation's gaming facilities during any period (1) under a management contract, or agreement(s) tantamount to management contract, that was not approved by the NIGC Chairman; or (2) as a joint venture, partnership, or in any other business relationship with the Nation by which such individual or non-tribal entity held a proprietary interest in a gaming facility or a gaming operation.

⁴ For purposes of this agreement, the term "Net Revenues" is defined in 25 C.F.R. § 502.16. Accounting for Net Revenues will be performed in accordance with generally accepted accounting principles. Net

and applying that amount against the Civil Fine Assessment. The Nation shall account for its net revenue on a quarterly basis beginning January 1, 2004. The first such accounting will reflect all net revenue from gaming operations in the period between the date the I-40 Travel Plaza gaming facility reopens through January 1, 2004. Thereafter, the Nation will account for its net revenue each quarter of each year, as of the first day of January, April, July, and October. The Nation will provide an accounting of these quarterly net revenues and the appropriate quarterly payment to NIGC by the first day of February, May, August, and November, of each and every year, until the Civil Fine Assessment is paid in full, unless the Civil Fine Assessment amount is reduced by subsequent agreement or unless the Commission's Final Decision and Order of June 3, 2003 is set aside. The quarterly payment will be made by check payable to the Treasurer of the United States and sent to: Administrative Officer, National Indian Gaming Commission, 1441 L Street NW, Suite 9100, Washington, DC, 20005.

30. The Nation agrees to forego judicial review of the Commission's Decision and Order of June 3, 2003, concerning the civil fine assessments, for a period of 180 days following the effective date of this agreement, which shall be the date the agreement is signed by representatives of both the Nation and the Commission. Approximately 90 days following the effective date of this agreement, the Nation may request the Commission to reconsider and reduce the Civil Fine Assessment that is the subject of the Commission's Final Decision and Order of June 3, 2003. The Nation may support its request with a legal brief, statements regarding its financial condition, and evidence demonstrating that its operation of gaming facilities is in compliance with the IGRA,

revenues from the sale of food and beverages or from the sale of souvenir items is not intended to be included in the Net Revenues from gaming operations as used herein. Expenses will include only direct gaming related expenses and will not include depreciation.

NIGC regulations, the Nation's gaming ordinance, and this agreement. The Commission agrees to review the matters offered by the Nation and consider whether reduction of the Civil Fine is appropriate. Within 90 days following receipt of the Nation's request, the Commission will inform the Nation concerning its request for a possible reduction of the Civil Fine Assessment. The Nation acknowledges that the terms of this agreement or the Commission's willingness to consider the Nation's request for reduction of the Civil Fine Assessment do not create any right to, or expectation of, an additional hearing or other consideration of the matter by a presiding official under the provisions of 25 C.F.R. Part 577, or any other appeal rights or judicial review.

31. The Nation will obtain dismissal with prejudice of the federal court litigation pending in the United States District Court for the Eastern District of Oklahoma, entitled Seminole Nation Development Authority v. NIGC, Docket No. CIV-02-442-S. This agreement is intended to resolve all matters in dispute concerning the NIGC determinations that the Nation was conducting Class III gaming during the period alleged, in violation of the requirement that it conduct such gaming under a Tribal-State Compact, and the Closure Orders made final by the Commission's decision of May 7, 2002. The Nation agrees in obtaining such dismissal, it will not attempt to vacate or set aside the decision of the United States Court of Appeals for the Tenth Circuit in the case entitled U.S. v. Seminole Nation of Oklahoma, No 01-7108, as reported at 321 F.3d 939 (10th Cir. 2002). The parties to this agreement intend that the appellate decision will stand and not be affected by the dismissal of the case in the District Court.

32. The terms and conditions of this agreement shall not apply to or restrict a Tribal-State Compact, in the event the Nation enters into such a compact with the State of

Oklahoma, provided further that the “net revenues” from Class III gaming conducted under such a compact shall be applied in the calculation of the payment of the Civil Fine Assessment set forth in Paragraph 29 above.

33. This agreement may be executed in one or more counterparts and each shall constitute an original. A signature produced by facsimile shall be deemed to be an original signature and shall be effective and binding for purposes of this agreement.

For the Seminole Nation of Oklahoma For the National Indian Gaming Commission

/s/ Kenneth Chambers

/s/ Philip N. Hogen

Kenneth Chambers, Principal Chief

Philip N. Hogen, Chairman

Date: 12/05/03

Date: 12/12/03