United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

JAN 24 2002

Honorable Charles Enyart
Chief
Eastern Shawnee Tribe of Oklahoma
P. O. Box 350
Seneca, Missouri 64865

Dear Chief Enyart:

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

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

Sincerely,

Neal A. McCaleb

Assistant Secretary - Indian Affairs

Enclosure

Similar Letter Sent to: Honorable Frank Keating
Governor of Oklahoma
State Capitol Room 212
Oklahoma City, Oklahoma 73105

March 2001

FILED
OCT 1 8 2001
OKLAHOMA SECRETARY
OF STATE

STATE OF OKLAHOMA

EASTERN SHAWNEE TRIBE OF OKLAHOMA

OFF-TRACK WAGERING COMPACT

RECEIVED
DEC 11 2001
BUREAU OF INDIAN AFFAIRS
OFFICE OF INDIAN GAMING MANAGEMENT

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TRIBAL STATE COMPACT

Between the

EASTERN SHAWNEE TRIBE OF OKLAHOMA

and the

STATE OF OKLAHOMA

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

RECITALS

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

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

SECTION 1. TITLE

The title of this document shall be referred to as the Eastern Shawnee Tribe of Oklahoma

SECTION 2. DECLARATIONS

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

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

(B) The State recognizes the positive impact that gaming may provide to the Tribe's citizens. The Tribe will utilize revenues generated by gaming to fund programs that provide important governmental services to the Tribe's citizens and to Indian Country residents. These programs include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, police, fire and judicial services, economic development, and any other purpose authorized under the Act.

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

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

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

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

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

SECTION 3. DURATION

a. Effective Date. After execution by the parties hereto, and approval by the State-Tribal Relations Committee of the Oklahoma Legislature and the Eastern Shawnee Tribe of Oklahoma Legislature, this Compact shall become effective when notice of approval by the Secretary of the United States Department of the Interior is published in the Federal Register as provided by the Act.

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

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

(1) The term expires pursuant to a notice of an intent to terminate;

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

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

(4) The State abolishes pari-mutual wagering;

(5) Pursuant to a final, non-appealable judgment by a court of competent jurisdiction determining that:

(a) this Compact is invalid; or

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

SECTION 4. DEFINITIONS

For the purposes of this Compact:

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

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

c. Commission means the National Indian Gaming Commission established pursuant to 25 U.S.C.A. §2704.

d. Compact means this document and any appendices attached hereto.

e. Federal Government means the United States of America.

f. Gaming Employee means any natural person employed in the operation or management of the gaming operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on-site or off-site services to the Tribe within or without the gaming facility.

g. Gaming Facility means any room or rooms where off-track bets authorized by this Compact are placed.

h. Gaming Operation means the gaming authorized by Tribe within Tribe's Indian Country by this compact.

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

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

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

l. OSF means the Oklahoma Office of State Finance.

m. State means the State of Oklahoma, its authorized officials, agents, and representatives.

n. Tribe means the Eastern Shawnee Tribe of Oklahoma, its authorized officials, agents and representatives.

o. Pari-Mutual System of Wagering means a form of wagering on the outcome of simulcast horse races in which those who wager, purchase tickets of various denominations on a horse or horses and all wagers for each race are pooled together and held by the gaming operation for distribution. The pari-mutual system of wagering uses an electric totalizer or similar equipment which

automatically registers the waters made on each horse and prints and issues a ticket representing each wager.

p. Simulcast Horse Racing means receiving and telecasting by telecommunication telecommunications horse racing contests for view by patrons at various facilities simultaneous with the happening of said racing event.

q. Eastern Shawnee Gaming Commissioner means the person appointed by the Tribe to be responsible for regulatory oversight of the Tribe's gaming.

SECTION 5. AUTHORIZED CLASS III GAMING

The Tribe may conduct off-track wagering consistent with this compact, the Act and the standards of operation and management for pari-mutual gaming described in Appendix A.

SECTION 6. LOCATION

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

SECTION 7. SERVICE AGREEMENTS No

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

SECTION 8. CLAIMS

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

a. Procedure. In the event of an alleged personal injury or property damage suffered by a patron of the Gaming Facility, or in the event of a dispute between a patron and

the Gaming Facility regarding the payment of bet or distribution of winnings, the patron may make a claim against the Gaming Facility as follows:

(1) Making Claim. Any patron having a claim against the gaming facility shall present a claim for any appropriate relief including the award of money damages. Claims against the gaming enterprise are to be presented within ninety (90) days of the date the loss occurs. In the event a claim is not presented following ninety (90) days after the loss occurs, but within one (1) year after the loss occurs, any judgment in a lawsuit arising from the act which is the subject of the claim shall be reduced by ten (10) percent. A claim against the gaming enterprise shall be forever barred unless notice thereof is presented within one (1) year after the loss occurs. A claim against the gaming facility shall be in writing and filed with the Eastern Shawnee Gaming Commissioner at the address of the gaming facility. Notices explaining this procedure is the exclusive method of making a claim or registering a patron dispute about payment of a bet or a distribution of winnings. Such notices shall explain that upon denial of a claim, redress must be sought exclusively in Tribe's Courts.

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

(3) Denial. A claim is deemed denied if the gaming facility fails to approve the claim in its entirety within ninety (90) days of receipt, unless the interested parties have reached a settlement before the expiration of that period. A person may not initiate suit unless the claim has been denied in whole or in part. The claimant and the gaming facility may continue attempts to settle a claim; however, settlement negotiations do not extend the date of denial.

(4) Limitations. No action for any cause arising from personal injury, property damage, or patron gaming dispute shall be maintained unless valid notice has been given and the action is commenced in a Tribe's CFR court within 180 days after denial of the claim as set forth herein. Neither the claimant nor the gaming facility may extend the time to commence an action by continuing to attempt settlement of the claim.

b. Tort Claim. During the term of this compact, the Tribe shall maintain public liability insurance with limits of not less than $250,000 for any one person and $2,000,000 for any one occurrence for personal injury and $1,000,000 for any one occurrence for property damage. This insurance policy shall include an

endorsement providing that the insurer shall not invoke tribal sovereign immunity up to the limits of the policy set forth above and, to this extent, the Tribe explicitly waives its immunity from suit. In the event of an alleged personal injury or property damage suffered at a gaming facility arising from alleged negligence by the Eastern Shawnee Tribe of Oklahoma, the sole and exclusive remedy for an alleged tort claim is against this liability insurance policy and no asset of the Tribe may be levied against or executed upon by a claimant.

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

d. Posting. Notices explaining dispute resolution procedures for tort or wagering claims shall be posted in prominent locations in each gaming facility and the copies will be made available upon request to the Eastern Shawnee Gaming Commissioner.

SECTION 9. REGULATIONS

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

a. Logs. The Tribe shall maintain the following logs as written or computerized records available for inspection by the OSBI and/or the OSF in accordance with this Compact:

(1) pay-out logs from all off-track wagering; and

(2) maintenance logs in relation to all gaming equipment pertaining to off-track wagering.

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

c. Audit. The Tribe shall have prepared a complete audit of the gaming operation, not less than annually, by an independent certified public accountant. The results of the independent audit shall be available to the OSBI

and/or the OSF for their review.

d. Rule Display. Summaries of the house rules for off-track wagering shall be visibly displayed in each Gaming Facility. Complete rules shall be available in pamphlet form in each Gaming Facility.

SECTION 10. ENFORCEMENT

a. Eastern Shawnee Gaming Commissioner. The Eastern Shawnee Gaming Commissioner shall assure or have responsibility for:

(1) enforcement of all laws pertaining to the gaming operation, within the facility;

(2) the physical safety of gaming employees and of patrons in the gaming facility;

(3) safeguard the assets transported to and from the gaming facility;

(4) provide for the detention of persons who may be involved in illegal acts and notify the Tribe, and/or other law enforcement authorities;

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

(a) Assigned number;
(b) Date;
(c) Time;
(d) Nature of incident;
(e) Person involved in the incident.

b. Investigation and Sanctions. Pursuant to the Tribe's laws and regulations, the Eastern Shawnee Gaming Commissioner shall investigate any reported violation of the Compact provisions and shall require the gaming operation to correct the violation upon such terms and conditions as the Eastern Shawnee Gaming Commissioner determines are necessary.

c. Reporting. The Eastern Shawnee Gaming Commissioner shall forward copies of all investigation reports and final dispositions to the Tribe's Governor and to the State.

d. Meetings. In order to develop and foster a positive and effective relationship in the enforcement of the provisions of this Compact the Eastern Shawnee Gaming Commissioner and the OSBI and/or the OSF shall meet, not less than on an annual 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 Eastern Shawnee Gaming Commissioner. The OSBI and/or the OSF prior to or during such meetings, shall disclose to the Eastern Shawnee Gaming commissioner any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact, by any person, organization or entity, if the disclosure will not compromise the interest sought to be protected.

SECTION 11. MONITORING

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

a. Access to Records. Agents of the OSBI and/or the OSF shall have authority to review and copy during normal business hours all records maintained by the off-track betting operation, provided no original records shall leave the custody of the Tribe and provided further that such records are held in confidence and not released to the public under any circumstances.

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

SECTION 12. CRIMINAL JURISDICTION

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

SECTION 13. EMPLOYEES

a. Applications. Prior to hiring a prospective gaming employee for the gaming facility, the Tribe shall obtain sufficient information and identification from the applicant to permit a thorough background investigation. The information shall include:

(1) Full name, including any aliases by which applicant has ever been known;

(2) Social Security number;

(3) Date and place of birth;

(4) Residential addresses for the past ten (10) years;

(5) Employment history for the past ten (10) years;

(6) Driver's license number;

(7) All licenses issued and disciplinary actions taken in regard to any gaming license;

(8) All criminal arrests and proceedings, except for minor traffic offenses, to which the applicant has been a party;

(9) A set of fingerprints;

(10) A current photograph;

(11) Military service history; and

(12) Any other information necessary to conduct a thorough background investigation.

(13) The name and address of any licensing or regulatory agency with which the person has filed an application for a license, permit, or security clearance whether or not the same was granted;

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

c. Disqualification. The Tribe shall not employ as a gaming employee in the off-track betting facility and shall terminate any probationary gaming employee, if the report on the applicant's background investigation finds that the applicant:

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

(2) Has knowingly and wilfully provided materially important false statements or information on this employment application; or

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

d. Background Investigations. The Tribe shall conduct background investigations on all gaming employees. The same may be conducted before, during, and/or at any time during the term of employment conduct additional investigations. Any gaming employee who does not meet the minimum employment criteria shall be promptly dismissed.

e. Identification cards. The Eastern Shawnee Gaming Commissioner shall require all gaming employees to wear in plain view identification cards that include photo, first name and an identification number unique to the individual, and a date issued.

SECTION 14. PUBLIC HEALTH AND SAFETY

a. Compliance. The construction, maintenance and operation of any gaming facility shall comply with all federal and Tribe standards for the same.

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

c. Minors. No person under 18 years of age shall be admitted into a gaming facility for off-track betting nor be permitted to place any wager directly or indirectly.

d. Alcohol. No person under 21 years of age shall be admitted into an area of the gaming facility where alcoholic beverages are served. Any alcoholic beverages sold or otherwise permitted in the gaming facility shall be sold in accordance with applicable tribal and federal law.

SECTION 15. DISPUTE RESOLUTION

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

a. Voluntary Resolution. The party asserting non-compliance 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 non-compliance or the Compact provision for which interpretation is sought. With thirty (30) days of receipt of notice, State and the Tribe shall meet in an effort to resolve the dispute.

b. Non-binding Arbitration. If a dispute arises among the parties that is not resolved within sixty (60) days of receipt of notice, either party may refer it to non-binding arbitration. If referred to arbitration, each party shall name the arbitrator. The two named arbitrators will name a third arbitrator. If the two named arbitrators cannot agree on a third arbitrator, the third arbitrator will be

named by the American Arbitration Association. The expenses of arbitration shall be borne equally by the parties. A party asserting non-compliance or seeking an interpretation under this section shall be deemed to have certified to the best of his knowledge, information and belief formed after reasonable inquiry that the averment is warranted and made in good faith and is not made for any improper purpose, such as to harass or to cause unnecessary delay or needlessly increase the cost of resolving the dispute.

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

SECTION 16. RESERVATION OF RIGHTS.

a. Additional Compacts. By entering this Compact, the Tribe shall not be deemed to have waived the right to initiate and pursue the procedures provided by the Act should State refuse to enter into a Compact after the Tribe has made a written request with respect to other forms of Class III gaming, and neither State not the Tribe shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure.

b. Status of Class II Gaming. Nothing herein shall be deemed to affect the operation by the Tribe of any Class II gaming as defined in the Act, whether conducted within or without the gaming facilities or to confer upon State any jurisdiction over such Class II gaming conducted in Tribe's Indian County, nor Class III gaming inconsistent with this Compact.

c. Taxation. Neither State nor any of its political subdivisions shall impose any tax, fee, charge or other assessment upon the admission to any gaming facility of the Tribe or upon the conducting of or engaging in any gaming activity

conducted at a facility authorized by this compact. To the extent the Tribe gaming operation is responsible for filling out IRS Form W-2G on persons who receive proceeds of a wagering transaction governed by the Compact, a copy of said form shall also be provided to the Oklahoma Tax Commission.

d. Preservation of Tribe Self-Government. Nothing in this Compact shall be deemed to authorize State to regulate in any manner the government of the Tribe, including the Eastern Shawnee Gaming commissioner, or to interfere in any manner with the Tribe's selection of its governmental officers or employees.

SECTION 17. REIMBURSEMENT FOR EXPENSES INCURRED BY OKLAHOMA.

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

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

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

c. Disputes. Should the Tribe dispute the reasonableness or necessity of any charges, such dispute shall be resolved as herein above set forth in Section 15.

SECTION 18. SEVERABILITY.

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

SECTION 19. AMENDMENTS.

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

SECTION 20. AUTHORITY TO EXECUTE.

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

SECTION 21. NOTICES.

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

OKLAHOMA:

Governor of Oklahoma
State Capitol, Room 212
Oklahoma City, OK 73105

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

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

Oklahoma State Bureau of Investigation
ATTN: Commissioner
6600 N. Harvey, Suite 300
Oklahoma City, OK 73116

EASTERN SHAWNEE TRIBE OF OKLAHOMA:

Eastern Shawnee Tribe of Oklahoma
Chief Charles Enyart
P.O. Box 350
Seneca, MO 64865

Eastern Shawnee Tribe of Oklahoma
Gaming Commissioner
ATTN: Rick Grellner
P.O. Box 1181
Stillwater, OK 74076-1181

Jess Green, Attorney at Law
for the Eastern Shawnee Tribe of Oklahoma
301 East Main
Ada, Oklahoma 74820

SECTION 22. SUCCESSORS AND ASSIGNS.

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

SECTION 23. GOVERNING LAW

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

:

EASTERN SHAWNEE TRIBE OF OKLAHOMA

Charles Enyart Chief [Seal]
Chief Charles Enyart

Date: 4-4-01

STATE OF OKLAHOMA:

[Seal]
Governor
Date: 10/12/01

ATTEST:

Secretary of State

OKLAHOMA LEGISLATIVE APPROVAL:

Approved by a quorum of the Joint Committee on Tribal-State Relation the 15 day of October, 2001.

Chairman

FEDERAL APPROVAL:

Consistent with 25 U.S.C.A. § 2710(d)(8) this compact is approved on this 24th day of January, 2002, by the Assistant Secretary - Indian Affairs of the United States Department of the Interior.

Neal A. McCaleb
Assistant Secretary - Indian Affairs
Department of the Interior

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APPENDIX A

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PARI-MUTUAL STANDARDS

A. DEFINITIONS:

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

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

GROSS REVENGE - the total commission on off-track pari-mutual wagers, less the amount paid to track for the right to e part of the interstate common pari-mutual pool (retrack fee)

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

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

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

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

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

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

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

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

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

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

B. GENERAL CONTROLS:

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

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

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

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

C. COMPUTER SYSTEM:

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

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

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

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

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

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

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

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

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

D. OPENING/CLOSING PROCEDURES:

1. Opening Procedure

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

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

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

2. Closing Procedures

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

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

E. BETTING/TICKET ISSUANCE AND CONTROLS:

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

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

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

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

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

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

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

F. SCREEN ACTIVATED MACHINE

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

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

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

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

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

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

G. PAYMENT OF WINNING WAGERS:

Upon presentation of a winning ticket by a customer, the writer/cashier will insert the ticket in to the bar code reader for verification and payment authorization the system

will brand the ticket with the payout amount, writer/cashier's station number and date. Information on all winning tickets paid will be retained by the system.

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

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

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

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

H. POSTING OF RULES:

1. Posting of rules

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

2. Refunds

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

3. Refusal to accept bets

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

reason.

4. Cancellation of track pool

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

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

6. Error in calculation of payments

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

I. UNPAID WINNERS:

unpaid winners remain on the computer system for a minimum of (120) one-hundred and twenty days after the conclusion of a racing meet. Following the 120 day period, the unpaid winners are brought back into revenue by the source location.

J. LOST TICKETS:

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

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

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

a. Name, address and telephone number of patron

b. Data/time the ticket was purchased

c. Amount/type of wager

d. Horse/greyhound betting

e. Ticket number (if known by patron)

f. Signature of patron

g. Signature of report preparer

h. Signature of Gaming Facility Manager/Supervisor

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

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

b. If an unpaid ticket that matches the information on the lost ticket report, the unpaid ticket will be locked in the computer system to prevent payment to other than the claimant for the holding period of one-hundred twenty(120) days after the conclusion of the racing meet on which the wager was placed.

4. After the ticket is held for this one-hundred and twenty (120) day period, the patron may be paid. The controller reviews all the lost ticket claim support paperwork prior to signing the check to be mailed to the customer.

5. If the ticket is presented for payment within this one hundred-twenty (120) day period by other than the patron represented on the lost thicket report; or if a dispute arises from the foregoing procedures, it will be the Gaming Facilities responsibility to resolve such disputes.

K. MAIL PAYMENTS:

Only original wagered tickets are acceptable for mail payments.

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

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

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

L. REPORT DESCRIPTIONS:

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

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

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

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

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

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

Session Sales Summary - This report will summarize sales activity of each type of wager placed, of each race run, and or each track opened. Additionally, total sales will be

provided. Specific information included will be sales, cancels, sales from previous sessions, refunds, and net sales.

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

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

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

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

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

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

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

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

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

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

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

APPENDIX B

EASTERN SHAWNEE TRIBE OF OKLAHOMA INDIAN COUNTRY OFF-TRACK WAGERING SITES

APPENDIX B

GAMING FACILITY LOCATIONS

Herein are the lands reference in the compact between the Tribe and the State, defined under 25 U.S.C. 2703(7)(a):

1. Lots 1 and 2, section 9, Township 27 North, Range 25 East of the Indian Meridian.

Based on the future change, this list of Tribal Trust Properties could be expanded.

The determination has been made that the above tribal trust properties fall within exception of the Indian Gaming Regulation Act as found in 25 U.S.C. 2719 (1) whereby such lands are located in State and are within the boundaries of the Indian Tribe's reservation, as defined by the Secretary of the United States Department Of Interior and/or contiguous to the other land held in trust by the United States for the Tribe