MOHEGAN TRIBE - STATE OF CONNECTICUT

GAMING COMPACT

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of Approved Tribal-State Compact.

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

DATES: This action is effective December 16, 1994.

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

Dated: December 5, 1994.

Ada E. Deer,

Assistant Secretary-Indian Affairs.

[FR Doc. 94–30879 Filed 12–15–94; 8:45 am

BILLING CODE 4310–02–P

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TRIBAL-STATE COMPACT

Between the

MOHEGAN TRIBE

and the

STATE OF CONNECTICUT

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

WITNESSETH:

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

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

WHEREAS, the Congress of the United States has enacted into law the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. §2701, et seq., which provides in part that a tribal-state Compact

may be negotiated between a Tribe and a State to govern the conduct of certain gaming activities which constitute Class III gaming for purposes of the Act on the Indian lands of the Tribe within the State; and

WHEREAS, the Mohegan Tribe and the State of Connecticut have mutually agreed, within the parameters established by the Act, to the following provisions governing the conduct of Class III gaming activities on the lands of the Tribe designed to (a) protect the health, welfare and safety of the citizens of the Tribe and the State, and (b) develop and implement a means of regulation for the conduct of Class III gaming on Indian lands as that term is defined in the Act in order to attempt to insure the fair and honest operation of such gaming activities and to minimize the possibility of corruption or illegal practices in conjunction with such activities and (c) to attempt to maintain the integrity of all activities conducted in regard to Class III gaming;

NOW, THEREFORE, the MOHEGAN TRIBE and THE STATE OF CONNECTICUT do enter into a Tribal-State Compact as provided for herein.

SECTION 1. Title.

This document shall be cited as "The Mohegan Tribe - State of Connecticut Gaming Compact."

SECTION 2. Definitions.

For purposes of this Compact:

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

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

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

(d) "Compact" means this Mohegan Tribe - State of Connecticut Gaming Compact.

(e) "Complimentary services" means the provision to a patron of a gaming facility or such patron's guest, either free of charge or at a reduced price, of any goods or services, including transportation, lodging, and coupons or other representations of money for use in wagering.

(f) "Enterprise" means any individual, trust, corporation, partnership, or other legal entity of any kind other than a tribal enterprise wholly owned by the Mohegan Tribe; provided, however, that with respect to any corporation, the term "enterprise" shall include each other corporation or other legal entity which, directly or indirectly, controls a majority of the voting interests in such corporation; and further provided, that with respect to any partnership, trust, or other form of unincorporated business organization, the term "enterprise" shall include each

corporation or other legal entity which, directly or indirectly, controls a majority of the voting interests in such organization.

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

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

(i) "Gaming equipment" means any machine or device which is specially designed or manufactured for use in the operation of any Class III gaming activity including those devices described in standards of operation and management pursuant to section 7(c)(i)

of this Compact, video facsimile games, lottery tickets, lottery on-line computer equipment, lottery drawing equipment, and pari-mutuel electronic totalizator systems.

(j) "Gaming facility" means any room or rooms in which Class III Gaming as authorized by this Compact is conducted on the Reservation.

(k) "Gaming operation" means any enterprise operated by the Tribe or its Reservation for the conduct of any form of Class III gaming in any gaming facility.

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

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

(n) "Junket services" means any arrangement to facilitate the attendance at a gaming facility of patrons selected by reason of their propensity to gamble by providing to such patrons any consideration including cash or rebates or reduced charges for goods or services such as transportation, lodging, food, beverage, or entertainment; provided, however, that the term shall not

include enterprises which function solely to provide common transportation to a gaming facility to the public without limitation to selected patrons.

(o) "Lottery" means any game for which tickets are sold, the winning ticket or tickets being secretly predetermined or ultimately selected in a chance drawing, and in which the holders of winning tickets receive money or something of value.

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

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

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

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

(t) "Reservation" means the Indian lands of the Mohegan Tribe within the State of Connecticut as defined by Section 4(4) of the Act, 25 U.S.C. §2703(4), including all lands owned by the Tribe and all lands within the State of Connecticut title to which is either held in trust by the United States for the benefit of the Tribe or held by the Tribe subject to restriction by the United States against alienation; provided, that for the purposes of this Compact, the term "Reservation" shall include only those lands acquired by the United States in trust for the benefit of the Tribe in accordance with the Mohegan Land Claims Settlement Act, as the Tribe's Initial Indian Reservation.

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

(v) "State" means the State of Connecticut, its authorized officials, agents and representatives.

(w) "State gaming agency" means the Division of Special Revenue of the State or such other agency of the State as the State may from time to time designate by written notice to the Tribe as the single state agency responsible for oversight of Class III Gaming as authorized by this Compact.

(x) "State law enforcement agency" means the Connecticut State Police or such other law enforcement agency of the State as the State may from time to time designate by written notice to the Tribe as the law enforcement agency of the State which will have primary responsibility for law enforcement with respect to Class III Gaming activities on the Reservation.

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

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

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

(bb) "Tribe" means the Mohegan Tribe, its authorized officials, agents and representatives.

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

SECTION 3. Authorized Class III Gaming.

(a) Authorized games. The Tribe may conduct, only within the

Reservation, and subject to the terms and conditions of this Compact, any or all of the following:

(i) The following games of chance:

(A) Blackjack;

(B) Poker;

(C) Dice;

(D) Money-wheels;

(E) Roulette;

(F) Baccarat;

(G) Chuck-a-Luck;

(H) Pan game;

(I) Over and Under;

(J) Horse race game;

(K) Acey-ducey;

(L) Beat the dealer;

(M) Bouncing ball.

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

(iii) Any lottery game.

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

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

(vi) Pari-mutuel betting on jai alai games conducted on the Reservation.

(vii) Pari-mutuel betting on dog racing conducted on the Reservation.

(viii) Pari-mutuel betting on horse racing conducted on the Reservation, but only to the extent authorized in accordance with section 15 of this Compact.

(ix) Video facsimiles of any game of chance listed in sub-section 3(a)(i), but only to the extent authorized in accordance with section 15 of this Compact.

(x) Telephone betting on any lottery game, but only to the extent authorized in accordance with section 15 of this Compact.

(xi) Off-track pari-mutuel telephone betting on animal races, but only to the extent authorized in accordance with section 15 of this Compact.

(b) Authorized gaming facilities. (i) The Tribe may establish gaming facilities on the Reservation for the operation of any games of chance as authorized pursuant to sub-section (a)(i) of this section and, only to the extent authorized pursuant to section 15, games authorized pursuant to sub-section (a)(ix) of this section; (ii) The Tribe may conduct bazaar games in any location on the Reservation, whether separately from or together with other Class III gaming; (iii) the Tribe may operate lottery games, including only to the extent authorized pursuant to section 15, telephone betting on such games, on the Reservation; (iv) the Tribe may establish gaming facilities on the Reservation for the operation of any off-track pari-mutuel betting, including, only to the extent authorized pursuant to section 15, telephone betting, and simulcasting as authorized pursuant to sub-sections (a)(iv),

(a)(v) and a(xi) of this section; (v) the Tribe may establish gaming facilities on the Reservation for the operation of pari-mutuel betting on jai alai conducted at a fronton on the Reservation; (vi) the Tribe may establish gaming facilities on the Reservation for the operation of pari-mutuel betting on dog racing conducted at a racetrack on the Reservation; (vii) the Tribe may establish gaming facilities on the Reservation for the operation of pari-mutuel betting on horse racing conducted at a racetrack on the Reservation only to the extent authorized pursuant to section 15.

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

(d) Prohibited Class III Gaming. The Tribe may not conduct any form of Class III gaming which is not expressly enumerated in section 3(a) of this Compact unless this Compact is amended pursuant to section 17(c) of this Compact.

(e) Prohibition on attendance of minors. No person under the minimum age for purchase of alcoholic beverages under the laws of the State shall be admitted into any gaming facility other than facilities limited to the play of bazaar games, nor be permitted to place any wager, directly or indirectly, other than on bazaar games; provided, however, that minors may receive lottery tickets or chances as gifts; and further provided, however, that a person over the age of majority may be employed in the gaming facilities

provided that they are licensed in accordance with the provisions of section five and are not employed in the service of intoxicating liquors.

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

(g) Tort remedies for patrons. The Tribe shall establish, prior to the commencement of class III gaming, reasonable procedures for the disposition of tort claims arising from alleged injuries to patrons of its gaming facilities. The Tribe shall not be deemed to have waived its sovereign immunity from suit with respect to such claims by virtue of any provision of this Compact, but may adopt a remedial system analogous to that available for similar claims arising against the State or such other remedial system as may be appropriate following consultation with the State gaming agency.

(h) Organization of tribal operations. The Tribe shall disclose to the State gaming agency its program of instructional and on-the-job training and its system of internal organization for each of its gaming operations including a compendium of all positions involved in the operation of its gaming facilities, including staffing and supervisory positions involved in each table gaming activity conducted pursuant to section 3(a)(i), and

the persons designated to occupy each position from time to time, and shall promptly notify the State gaming agency of any change in such training programs or table of organization or in the persons designated for any position. The Tribal gaming agency shall ensure that any person designated to occupy a position in the gaming facilities is properly trained and qualified for such position.

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

(a) State criminal jurisdiction. The State of Connecticut shall have jurisdiction to enforce all criminal laws of the State which may prohibit any form of Class III Gaming on the Reservation against any person engaged in Class III Gaming on the Reservation unless such person is engaged in a form of Class III Gaming listed in section 3(a) of this Compact and conducted by the Tribe. The State of Connecticut shall also have jurisdiction to enforce all other criminal laws of the State which are consistent with the provisions of this Compact on the Reservation, including enforcement within the gaming facilities.

(b) Powers of State law enforcement officers. Law enforcement officers of the State of Connecticut shall be accorded free access to any gaming facilities for the purpose of maintaining public order and public safety and enforcing applicable criminal laws of the State as permitted hereunder, and personnel employed by the Tribal gaming operation shall for such purposes provide state law enforcement officers access to locked and secure areas of the gaming facilities in accordance with the standards of maintenance and operation promulgated pursuant to section 7, 8 and 9 of this

Compact. The State law enforcement agency may station a resident officer at the Reservation to coordinate law enforcement within the Reservation generally, including enforcement by officers of the Tribal law enforcement agency.

(c) Powers of Tribal law enforcement officers. Law enforcement officers of the Mohegan Tribe may exercise concurrent authority with that of law enforcement officers of the State of Connecticut to maintain public order and public safety and to enforce the applicable ordinances of the Tribe and to make arrests for violations of applicable criminal laws of the State; provided, that persons arrested by officers of the tribal law enforcement agency for violations of criminal laws of the State shall be transferred as promptly as may be feasible to the jurisdiction of State law enforcement officers and the tribal law enforcement agency shall comply with all reasonable requirements of State law enforcement officers and agencies in order to assist in the prosecution of such offenders.

SECTION 5. Licensing of Gaming Employees.

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

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

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

(c) Background investigation of applicants. The state gaming agency shall promptly upon receipt of an application for a gaming employee license cause both State and Federal criminal record checks to be done on the applicant to determine whether the applicant has any criminal history and shall so advise the State law enforcement agency. The State law enforcement agency may undertake such further investigation of the applicant and applicant's background as it deems appropriate and shall, as soon as is practicable after receipt of the completed license application, report to the State gaming agency and the Tribal

gaming agency (to the extent permitted by law) on the results of such investigation.

(d) Temporary licensing. Unless the State criminal record check undertaken by the State gaming agency within ten days of the receipt of a completed application discloses that the applicant has a criminal history, or unless other grounds sufficient to disqualify the applicant pursuant to subsection (e) are apparent on the face of the application, the State gaming agency shall upon request of the Tribal Operation issue a temporary gaming employee license to the applicant, within ten days of the receipt of a completed application, which shall expire and become void and of no effect upon the determination by the State gaming agency of the applicant's suitability for a gaming employee license.

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

(i) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods, and activities in the conduct of the gaming activities permitted hereunder; provided, however, that the State shall not apply standards for approval of licenses

pursuant to this section more rigorously than those actually applied in the approval of employee licenses in gaming enterprises operated or regulated exclusively by the State; or

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

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

(g) Revocation or suspension of license. The State gaming agency or the State law enforcement agency may investigate any

person who holds a gaming employee license at any time and the State gaming agency may suspend or revoke any gaming employee license issued hereunder if new information concerning facts arising either prior to or since the issuance of the original license, or any renewal thereof, comes to the attention of the State gaming agency which information would justify denial of such original license, or any renewal thereof, pursuant to sub-section (e) of this section; provided, however, that no license shall be revoked or suspended except after such notice and hearing as is generally required for similar administrative actions under the administrative procedures applicable to agencies of the state.

(h) Badges. All licensed gaming employees actively employed by the Tribe and having access to the gaming facilities shall upon the commencement of such employment be provided with identification badges as may be required by the State gaming agency which shall be displayed or carried within the gaming facilities as the applicable Standard of Operation may require and the Tribe shall employ its best efforts to recover such badges from an employee upon the termination of employment at a gaming facility.

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

the State for judicial review of administrative actions affecting similar rights.

(j) Investigation of non-gaming employees. The State law enforcement agency may investigate misconduct of employees of the Tribe who are not gaming employees but who are employed in ancillary facilities located within the same building as any gaming facility, and such employees shall be dismissed by the Tribe from such employment upon notification by the State law enforcement agency that their conduct in the course of their employment in such ancillary facilities poses a threat to the effective regulation of gaming or creates or enhances the dangers of unfair or illegal practices, methods and activities in the conduct of gaming, subject to the same rights of appeal as are provided in sub-section (i) above.

SECTION 6. Registration of Gaming Service Enterprises.

(a) Requirement for registration. No enterprise may provide gaming services or gaming equipment to the Tribe unless it is the holder of a valid current gaming services registration issued by the State gaming agency in accordance with the provisions of this section; provided, however, that so long as the Tribe discloses the identity of such enterprise together with the value and nature of services or equipment provided by the enterprise to the State gaming agency, such enterprise need not register pursuant to this section if either:

(i) the enterprise has a current valid license to provide gaming equipment or gaming services from the State gaming

agency under regulations of the State applicable to gaming operated or licensed by the State; or

(ii) the enterprise has a current valid registration as a gaming services enterprise from the gaming regulatory agencies of the State of New Jersey and provides its consent for the disclosure to the State gaming agency of all information regarding such enterprise held by the gaming regulatory agencies of the State of New Jersey, and the State gaming agency is able to secure disclosure of such information; provided further, however, that the rights conferred pursuant to either sub-section (i) or (ii) of this sub-section may be revoked or suspended by the State gaming agency in the same manner and for the same reasons as provided in sub-section (g) of this section.

(b) Procedure for registration. Each applicant for a gaming service registration shall submit a completed registration application to the State gaming agency, with a copy thereof to the Tribal gaming agency, on forms required and provided by the State gaming agency. The Tribe shall certify on said application that submission of the application has been approved. Such gaming service registration application shall contain such information, documentation and assurances as may be required by the State gaming agency which shall identify all of said applicant's principals and which shall concern the applicant's and each such principal's personal and family history, personal and business references, criminal conviction record, business activities,

financial affairs, prior gaming industry experience and general education background; all of the foregoing as may be applicable to such applicant or such principal. Each completed gaming service registration application submitted to the State gaming agency pursuant to the provisions hereof shall be accompanied by the fingerprint card(s) and photograph(s) of each principal of the applicant in form as required by the State gaming agency. Promptly upon receipt of a completed registration application, the State gaming agency shall forward a copy thereof to the State law enforcement agency.

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

(d) Temporary registration. During the twelve-month period immediately following the effective date of this Compact as provided herein, any applicant for a gaming service registration who may file a copy of a current valid gaming service industry

registration issued by the State of New Jersey together with its completed application shall be immediately issued a temporary gaming service registration by the State gaming agency pending determination of such applicant's suitability or eligibility for a gaming service registration pursuant to subsection (e) of this section.

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

(i) is a person or entity whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods, and activities in the conduct of the gaming activities permitted hereunder; provided, however, that the State shall not apply standards for approval of registrations pursuant to this section more rigorously than those actually applied in the approval of similar licenses in gaming enterprises operated or regulated exclusively by the State; or

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

untrue or misleading in connection with such application.

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

(g) Revocation or suspension of registration. The State gaming agency or the State law enforcement agency may investigate any enterprise or principal of such enterprise which holds a gaming services registration license at any time and the State gaming agency may suspend or revoke any gaming services registration issued hereunder if new information concerning facts arising either prior to or since the issuance of the original registration, or any renewal thereof, comes to the attention of the State gaming agency which information would justify denial of such original license, or any renewal thereof, pursuant to sub-

section (e) of this section; provided, however, that no registration shall be revoked or suspended except after such notice and hearing as is ordinarily required for similar administrative actions under the administrative procedures applicable to agencies of the State; and further provided, that the enterprise shall be entitled to any payment due for services provided or goods delivered prior to the effective date of suspension or revocation of its registration.

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

(i) Fee for registration. Any enterprise filing an application for a gaming services registration pursuant to this section shall pay to the State gaming agency a fee sufficient to compensate the State gaming agency for the costs of review of the registration applications; provided, however, that such fee shall not be increased above one thousand five hundred dollars for each applicant without prior approval of the Tribal gaming agency, but any balance of such costs not recovered as a result of such limitation on fees shall be included in the assessment of costs pursuant to section 11 of this Compact.

(j) Investigation of non-gaming enterprises. Any enterprise which provides goods or services to a Tribal gaming operation other than gaming services or gaming equipment in a total amount exceeding the sum of $50,000.00 in a single twelve month period, and any labor organization seeking to represent employees of a Tribal gaming operation, shall be identified by the Tribe to the State gaming agency and shall agree to cooperate with the State gaming agency and the State law enforcement agency in any investigation deemed necessary by either such agency relative to the fitness of such enterprise or labor organization to engage in business with a gaming operation, or relative to the conduct of such enterprise or labor organization in connection with such activity. The State gaming agency may bar such enterprise from providing goods or services to the Tribal gaming operation or such labor organization from receiving dues from licensed employees of the Tribal gaming operation, or may bar the principal of any such labor organization from representing such employees, upon a determination that such enterprise or labor organization or a principal thereof is a person or entity whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the dangers of unfair or illegal practices, methods and activities in the conduct of gaming; provided, however, that such enterprise or labor organization may appeal such determination in the manner provided pursuant to sub-section (h).

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

(a) Adoption of standards of operation and management. The Tribal gaming agency shall adopt standards of operation and management to govern all gaming operations utilizing the authority of the Tribe to operate games of chance as defined in section 3(a)(i) of this Compact. Such standards shall protect the public interest in the integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming. The initial standards of operation and management shall be those set forth in Appendix A until different standards are adopted by the Tribal gaming agency. The Tribal gaming agency shall notify the State gaming agency of any revision of the standards of operation and management and shall either (i) certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations and reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming; or (ii) request the approval of the State gaming agency for such revised standards, which approval shall be deemed granted unless disapproved within sixty days of submission of the revised standards; the State gaming agency shall approve the revised standards upon request unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operations, and shall disapprove only such portions of any proposed revised standards which are determined to have a

material adverse impact on such public interest, setting forth with specificity the reasons for such disapproval; any disapproval of revised standards by the State gaming agency shall be subject to review in the manner provided by the laws of the State for review of administrative decisions which are subject to judicial review.

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

(i) the Tribe shall maintain the following logs as written or computerized records which shall be available for inspection by the State gaming agency in accordance with section 13(b) of this Compact: a surveillance log recording all surveillance activities in the monitoring room of the gaming facility; a security log recording all unusual occurrences for which the assignment of a security department employee is made; a cashier's cage log recording all exchanges of gaming chips for cash by persons who cannot reasonably be thought to have been gaming; a credit log recording all counter checks exchanged and all checks received for redemption, consolidation or substitution; a machine entry log recording all occasions on which a video facsimile machine is opened by any mechanic or attendant, except to the extent that such entries may be automatically recorded by a computer system activated by each entry; and a machine location log, recording the location and each

movement of any video facsimile machine within the gaming facility.

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

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

(iv) The Tribal gaming agency shall notify the State gaming agency of the rules of each game of chance which will be operated by the Tribe and of any change in such rules. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the gaming facility, and betting limits applicable to any gaming table shall be displayed at such gaming table. Rules of each game shall assure that the game will be operated in a manner which is honest, fair to patrons and amenable to regulatory oversight.

Rules for games identified in sections 3(a)(i)(A), (B), (C), (D), (E), (F), (G), (J) and (K) shall be based upon such games as commonly practiced in other gaming jurisdictions in the United States with such variations in the manner of wagering or play as do not fundamentally alter the nature of the game and as the Tribal gaming agency may approve. Rules for games identified in sections 3(a)(i)(H), (I), (L), and (M) shall be submitted for approval to the State gaming agency, which approval shall be granted if they are consistent with the nature of such games as permitted at Las Vegas nights operated under the laws of the State and if they assure that such games will be operated in a manner which is honest, fair to patrons and amenable to regulatory oversight. The Tribe will provide the State gaming agency with ten days' advance notice of the rules of each game and any modification thereof, and will provide adequate notice to patrons of the gaming facilities to advise them of the applicable rules in effect.

(v) The Tribe shall maintain a record of all complimentary services provided to patrons of its gaming facilities or their guests, including either the full retail price of such service or item if the same service or item is normally offered for sale to patrons in the ordinary course of business at the gaming facility, or the cost of the service or item to the Tribe if not offered for sale to patrons in the ordinary course of business. If the complimentary service or item is provided to a patron by a

third party on behalf of the Tribe, such service or item shall be recorded at the actual cost to the Tribe of having the third party provide such service or item. A log recording all such complimentary services shall be available for inspection by the State gaming agency in accordance with section 13(b) of this Compact.

(vi) no person shall be permitted to bear firearms of any kind into such gaming facilities except for members of the State law enforcement agency and the Tribal law enforcement agency;

-- -----al operation shall maintain a closed circuit television system in accordance with the standards set forth in sections 6(2) and 6(3) of Appendix A, and shall not modify such standards without the agreement of the State gaming agency. The Tribal gaming operation shall provide the State gaming agency with copies of its floor plan and closed circuit television system and any modifications thereof for review by the State gaming agency. If the floor plan or closed circuit television system do not provide unobstructed camera views in accordance with such standards, the Tribal operation shall modify such floor plan or closed circuit television system in order to remedy such deficiency.

(viii) the Tribal operation shall maintain a cashier's cage in accordance with the standards set forth in section 7(3) of Appendix A, and shall not modify such standards without the agreement of the State gaming agency. The State gaming agency may review cashier's cage security. If the

cashier's cage does not comply with the security standards set forth in said Appendix, the Tribal operation shall modify its cashier's cage to remedy such deficiency.

(ix) the Tribal operation shall provide the State gaming agency with a description of its minimum requirements for supervisory staffing for each table gaming pit operated in its gaming facilities, and in the event that the State gaming agency regards such supervisory staffing as inadequate to protect the integrity of the table games, the Tribal operation and State gaming agency shall promptly confer in good faith in an effort to reach agreement on supervisory staffing requirements; upon written notice to the Tribal operation by the State gaming agency that agreement cannot be reached between the State gaming agency and the Tribal operation, the dispute shall be submitted to binding arbitration in accordance with the rules and procedures of the American Arbitration Association; both the Tribal operation and the State gaming agency shall submit their positions to the arbitrator within twenty days of receipt of such written notice, and the arbitrator shall render a binding decision within sixty days following the written notice of a dispute.

(c) Technical standards for video facsimile games. Notwithstanding the provisions of section 7(a) of this Compact or section 31 of Appendix A, when any video facsimile of a game of chance identified in section 3(a)(i) has been approved by the gaming regulatory agencies of the State of New Jersey, then any

substantially similar version of such game must be approved by the gaming regulatory agencies of the State of New Jersey in accordance with regulations in effect under the gaming regulatory laws of New Jersey, and the Tribe may operate (subject to the provisions of section 15(a)) any video facsimile of such game which has been approved by the gaming regulatory agencies of the State of New Jersey. When no substantially similar version of a video facsimile game has been approved by the gaming regulatory agencies of the State of New Jersey, then such new game may be approved either in accordance with regulations in effect under the gaming regulatory laws of New Jersey or in accordance with section __ of Appendix A. Notwithstanding the provisions of sub-section (a) of this section, the Tribal gaming agency shall not revise the standards of operation relating to technical standards for video facsimile games and set out as section 31 of Appendix A without the prior approval of the State gaming agency. Said standards may be revised by written agreement between the State gaming agency and the Tribal gaming agency following the written recommendation and detailed explanation of the proposed amendment to such standards by the gaming test laboratory designated in accordance with such standards.

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

(a) Adoption of standards of operation and management. The Tribal gaming agency shall adopt standards of operation and management to govern all gaming operations utilizing the authority

of the Tribe to operate pari-mutuel betting on racing and jai alai, including off-track betting, simulcasting and telephone betting, as set forth in sections 3(a)(iv), 3(a)(v), 3(a)(vi) and 3(a)(vii) of this Compact. Such standards shall protect the public interest in the integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming. The initial standards of operation and management shall be those set forth in Appendix B until different standards are adopted by the Tribal gaming agency. The Tribal gaming agency shall notify the State gaming agency of any revision of the standards of operation and management and shall either (i) certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations and reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming; or (ii) request the approval of the State gaming agency for such revised standards, which approval shall be deemed granted unless disapproved within sixty days of submission of the revised standards; the State gaming agency shall approve the revised standards upon request unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operations, and shall disapprove only such portions of any proposed revised standards which are determined to have a material adverse impact on such public interest, setting forth with specificity the reasons for such disapproval; any disapproval of revised standards by the State

gaming agency shall be subject to review in the manner provided by the laws of the State for review of administrative decisions which are subject to judicial review.

(b) Calculation of required takeout. The Tribal operation conducting any form of pari-mutuel betting pursuant to this section shall distribute all sums deposited in any pari-mutuel program to the holders of winning tickets therein, less the takeout percentage which shall be the required takeout percentage as determined in accordance with this sub-section plus one half of the breakage to the dime of the amount so retained. The required takeout percentage shall be:

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

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

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

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

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

(d) Special Pari-mutuel wagers. The Tribal gaming operations may, only with the approval of the State gaming agency, conduct special forms of pari-mutuel wagering at its off-track betting operations and at any race track or jai alai fronton located on the Reservation, in addition to those types of wagers described in sections 6, 7, and 58 through 62 of Appendix B. The State may test any computer hardware or software required for the operation of such special wagering and shall grant its approval so long as the special wager will be conducted in a manner which is honest, fair to the patrons, and amenable to regulatory oversight.

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

(f) Computer recording of wagering information. The totalisator equipment selected for use at each of the Tribe's pari-mutuel wagering operations shall be capable of generating a computer log of wagering activities in a form approved by the

State gaming agency to enable the State gaming agency to provide computer verification of the accuracy and integrity of wagering activities.

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

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

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

(a) Adoption of standards of operation and management. The Tribal gaming agency shall adopt standards of operation and management to govern all gaming operations utilizing the authority of the Tribe to conduct lottery gaming, as set forth in section 3(a)(iii) of this Compact. Such standards shall protect the public interest in the integrity of the gaming operations and shall reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming. The initial standards of operation and management shall be those set

forth in Appendix C until different standards are adopted by the Tribal gaming agency. The Tribal gaming agency shall notify the State gaming agency of any revision of the standards of operation and management and shall either (i) certify that the revisions to the standards will have no material effect on the manner in which the standards protect the public interest in the integrity of the gaming operations and reduce the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming; or (ii) request the approval of the State gaming agency for such revised standards, which approval shall be deemed granted unless disapproved within sixty days of submission of the revised standards; the State gaming agency shall approve the revised standards upon request unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operations, and shall disapprove only such portions of any proposed revised standards which are determined to have a material adverse impact on such public interest, setting forth with specificity the reasons for such disapproval; any disapproval of revised standards by the State gaming agency shall be subject to review in the manner provided by the laws of the State for review of administrative decisions which are subject to judicial review.

(b) Testing of certain lottery equipment. The Tribe shall engage an independent testing laboratory registered in accordance with this Compact to test tickets used in a Tribal lottery and shall provide copies of each report of such testing laboratory to the State gaming agency. The State gaming agency may perform such

tests on any on-line computer system, drawing equipment, or tickets employed in the conduct of a Tribal lottery as it may reasonably require to verify the integrity and accuracy of such systems.

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

(d) Approval of annuity providers. The State gaming agency shall review the qualifications of any annuity provider selected by the Tribe in connection with the payment of any lottery prize in order to determine the financial responsibility of such provider and the Tribe shall not employ such provider unless the State gaming agency determines that the provider meets standards of financial responsibility corresponding to those imposed by the State for similar purposes.

(e) Approval of lottery games. The Tribal gaming operation shall submit to the State gaming agency for its review each proposed new lottery game to be operated by the Tribe which is not substantially identical to corresponding games operated by the State and shall approve such game so long as the rules of the game and any software or hardware computer equipment, drawing equipment and lottery tickets required for operation of such game make it

possible to operate such game in a manner which is honest, fair to patrons and amenable to regulatory oversight.

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

(a) Default authority of Tribal gaming agency. In the event that the State gaming agency declines to exercise all or any portion of the authority vested in the State gaming agency pursuant to Sections 5, 6, 7(a), 7(b), 8(a), 8(c), 8(d), 8(e), 8(f), 9(a), 9(b), 9(c), 9(d), 9(e) or 13(b) of this Compact, or in any standards of operation and maintenance adopted in accordance with sections 7, 8 or 9 of this Compact, then the Tribal gaming agency shall exercise such authority and carry out the responsibilities set forth therein including, without limitation, licensing of employees and registration of gaming service enterprises, until and unless the State gaming agency advises the Tribe in writing that it is prepared to exercise such authority.

(b) Default authority of Tribal law enforcement agency. In the event that the State law enforcement agency declines to exercise the responsibilities vested in it pursuant to sections 5 and 6 of this Compact, then the Tribal law enforcement agency shall carry out such responsibilities at the request of the State gaming agency or the Tribal gaming agency, as the case may be, until and unless the State law enforcement agency agrees to exercise such responsibility.

(c) Default provisions for appeal of State administrative actions. Whenever in this Compact it is provided that decisions

of State administrative actions may be appealed to the Superior Court of Connecticut in the manner provided for appeal of agency actions subject to judicial review, in the event that such Court lacks jurisdiction to entertain such appeal, then the action shall be subject to appeal to an arbitrator designated in accordance with the procedures of the American Arbitration Association. The procedures for such arbitration shall be governed by the rules of the American Arbitration Association. The arbitration shall be decided in accordance with the provisions of this Compact and, to the extent consistent with such provisions, in accordance with the principles generally applicable under Connecticut law to review of final administrative decisions subject to judicial review.

SECTION 11. State assessment for costs of oversight.

(a) Imposition of assessment for State regulatory expenditures. The State shall annually make an assessment sufficient to compensate the State for the reasonable and necessary costs of regulating gaming operations and conducting law enforcement investigations pursuant to this compact. Such assessment shall include any costs of fringe benefits for personnel due and owing to the State Comptroller and shall be net of fees received with respect to the submission of gaming service enterprise registrations pursuant to section 6 of this compact.

(b) Procedure for assessments. On or before August first, annually, the State shall render to the Tribe a statement of the total cost of regulation and law enforcement for the preceding fiscal year ending June thirtieth, together with proposed

assessments for the forthcoming fiscal year based on the preceding fiscal year cost, except that in the first year of this Compact the assessment shall be prospective and based upon a prorata allocation of costs if this Compact becomes operative in the coarse of a fiscal year, and shall be established following consultation with the Tribe. On September first annually, the State, after receiving any objections to the proposed assessments and making such changes or adjustments as may be indicated, shall assess the Tribe for the costs of regulation and law enforcement. The Tribe shall thereafter make a payment representing one-third of the assessment within a twenty day period, and thereafter payments on January 1 and April 1 annually. Such payments shall be deposited with the State treasurer. The moneys so deposited shall be credited to the general fund of the state and shall be accounted for as the State may deem appropriate.

(c) Procedure for appeal of assessments. If the Tribe is aggrieved because of any assessment levied pursuant to this Compact, it may, within one month from the time provided for the payment of such assessment, appeal therefrom to the superior court for the judicial district of Hartford-New Britain, which appeal shall be accompanied by a citation to the Executive Director of the Division of Special Revenue to appear before said court. Such citation shall be signed by the same authority, and such appeal shall be returnable at the same time and served and returned in the same manner, as is required in case of a summons in a civil action. Proceedings in such matter shall be conducted in the same manner as provided for proceedings pursuant to section 38-54 of

the Connecticut General Laws or such successor statute as may be enacted by the State.

(d) Adjustment of excess assessments. In the event that the total assessment paid by the Tribe during any fiscal year of the State exceeds the reasonable and necessary costs of regulating gaming operations and conducting law enforcement investigations pursuant to this Compact during such fiscal year, then the State shall adjust the assessment for the succeeding fiscal year in the amount necessary to offset such excess assessment. If the Tribe is aggrieved because of any failure by the State to make such an adjustment, any claim for such adjustment shall be presented in the appeal of the assessment as provided in sub-section (c).

(e) Adjustment for termination of regulatory oversight. If the State ends regulatory oversight during the course of a fiscal year in accordance with the terms of this compact, than there shall be a prorata adjustment to the assessment made by the State in accordance with the provisions of subsections (a) and (b).

SECTION 12. Approval of management contracts.

In accordance with Section 11(d)(9) of the Act, 25 U.S.C. §2710(d)(9), the Chairman of the National Indian Gaming Commission shall be responsible for the review and approval of any management contract for management of Tribal gaming operations conducted on the Reservation pursuant to this Compact in accordance with the provisions of subsections (b), (c), (d), (f), (g) and (h) of Section 12 of the Act, 25 U.S.C. §2711.. The Tribe shall not enter into any management contract for the management of Tribal

gaming operations on the Reservation without the approval of the Chairman in accordance with the terms of the Act. The Tribe shall provide the State gaming agency with notice of any management contract submitted to the National Indian Gaming Commission in accordance with this section and the Tribe agrees that the State should be deemed to have standing to submit its views regarding approval of such contract to the National Indian Gaming Commission.

SECTION 13. Enforcement of Compact provisions.

(a) Tribal gaming commission supervision. The Tribal gaming agency shall have primary responsibility for oversight of tribal gaming operations and shall, for that purpose, employ non-uniformed inspectors who shall be present in all gaming facilities during all hours of operation and who shall be under the supervision of personnel accountable solely to the Tribal gaming agency and not to any management employees of the Tribal gaming operations. Such inspectors shall have unfettered access to all areas of the gaming facilities at all times, and personnel employed by the Tribal gaming operation shall for such purposes provide such inspectors access to locked and secure areas of the gaming facilities in accordance with the standards of maintenance and operation promulgated pursuant to section 7 of this Compact. Such inspectors shall report to the Tribal gaming agency regarding any failure by the Tribal gaming operation to comply with any of the provisions of this Compact or the applicable laws and ordinances of the Tribe. Inspectors assigned by the Tribal gaming

agency shall also receive consumer complaints within the gaming facilities and shall assist in seeking voluntary resolution of such complaints. The Tribal gaming agency may investigate any report of a failure to comply with the provisions of this Compact or the applicable laws and ordinances of the Tribe and may require the Tribal gaming operation to correct such failure upon such terms and conditions as the Tribal gaming agency may determine necessary. Notwithstanding the provisions of section 17(h), inspectors employed by the Tribal gaming agency for the purposes set forth in this section shall be required to obtain gaming employee licenses pursuant to section 5 of this Compact. The Tribe will prepare a plan for the protection of public safety and the physical security of patrons in each of its gaming facilities, following consultation and agreement with the State law enforcement agency, setting forth the respective responsibilities of the Tribal law enforcement agency, the security departments of the Tribal gaming operations, and the State law enforcement agency. The Tribe will also provide the State Gaming agency with copies of its floor plans and surveillance systems for each gaming facility and confer with the State gaming agency regarding the adequacy of such plans and systems. The Tribal gaming agency shall be empowered by Tribal ordinance to impose fines and other appropriate sanctions within the jurisdiction of the Tribe upon any person who violates provisions of this Compact or the applicable Standards of Operation and Management adopted by the Tribal gaming agency.

(b) State review authority. The State gaming agency shall have the authority to review the tribal gaming operations in order to determine whether such operations are conducted in compliance with the provisions of this Compact, and for that purpose personnel employed by the State gaming agency shall have access to all areas of the gaming facilities without prior notice for the purpose of audits of the Tribal gaming operations, and personnel employed by the Tribal gaming operation shall for such purposes provide such State personnel auditors access to locked and secure areas of the gaming facilities in accordance with the standards of maintenance and operation promulgated pursuant to this Compact. Such State personnel shall report to the State gaming agency regarding any failure by the Tribal gaming operation to comply with any of the provisions of this Compact. Each Tribal gaming operation shall provide the State law enforcement agency and State gaming agency with access to reasonable office space for the use of their personnel for the purposes of such review activities. Personnel employed by the State gaming agency may attend the regular count conducted by the Tribal gaming operation in accordance with the standards of operation and maintenance adopted pursuant to section 7 of this Compact. Personnel employed by the State gaming agency shall not interfere with the conduct of the Tribal gaming operations except as may be required to perform such review functions. Auditors employed by the State gaming agency shall have unfettered access during ordinary hours of operation to inspect and copy all records, including computer log tapes, of the Tribal gaming agency and the Tribal gaming operations; provided,

however, that all records of the Tribal gaming operations and Tribal gaming agency which are obtained by the State gaming agency shall be deemed confidential and proprietary financial information belonging to the Tribe and shall be protected from public disclosure by the State without the express written consent of the Tribe. The State gaming agency may conduct such investigations and may employ subpoena powers with which it may be vested under the laws of the State as it deems appropriate to investigate violations of this Compact with respect to the Tribal gaming operations. The Tribal gaming agency shall require that all security incidents and patron complaints reported by or to the Tribal security department or to the Tribal gaming agency be reported on a daily basis to the State gaming agency. The Tribe shall cause each of its Class III gaming operations to be subjected to an annual audit by an independent certified public accountant in accordance with procedures adopted by the independent auditor following consultation with the State gaming agency. Such audit shall include any additional procedures required by the State gaming agency and not otherwise required by the independent auditor, which additional procedures shall be performed at the sole expense of the State gaming agency. The State gaming agency shall be provided with an opportunity to review the audit findings with the independent auditor prior to issuance of the audit report and shall receive copies of the audit report, engagement letter, management's representation letter, lawyer's contingency letter and such other workpapers as the State gaming agency deems necessary.

(c) Enforcement authority of the State gaming agency. If the State gaming agency determines that the Tribal gaming operation is not in compliance with the provisions of this Compact the State gaming agency shall deliver a notice of non-compliance to the Tribal gaming agency and the Tribal gaming operation setting forth the nature of such non-compliance and the action required to remedy such non-compliance. In the event that the Tribal gaming operation fails to comply with any provision of this Compact following receipt of a valid notice from the State gaming agency requesting correction of such non-compliance, the United States District Courts shall have jurisdiction pursuant to 25 U.S.C. §2710(d)(7)(A)(iii) over any cause of action initiated by the State gaming agency to enjoin a class III gaming activity located on the Reservation and conducted in violation of this Compact. The Tribe hereby waives any defense which it may have by virtue of its sovereign immunity from suit with respect to any such action in the United States District Courts to enforce the provisions of this Compact, and consents to the exercise of jurisdiction over such action and over the Tribe by the United States District Courts with respect to such actions to enforce the provisions of this Compact. In addition to the remedies provided hereunder, the State may exercise its right pursuant to sub-section (d) of this section to petition the National Indian Gaming Commission to impose penalties including civil fines and temporary or permanent closure of gamins facilities for violation of the ordinances of the Tribe including the provisions of this Compact incorporated in such ordinances.

(d) Enforcement authority of the National Indian Gaming Commission. The Tribe shall enact as part of its tribal ordinances governing Class III gaming activities on the Reservation and submitted to the National Indian Gaming Commission for approval pursuant to Section 11(d)(2) of the Act, 25 U.S.C. §2710(d)(2), all of the provisions of this Compact. In accordance with Section 14 of the Act, 25 U.S.C. §2713, the National Indian Gaming Commission may enforce the provisions of the ordinances of the Tribe governing the conduct of Class III gaming activities on the Reservation, including the provisions of this Compact as incorporated into such ordinances pursuant to this section. The State Gaming Agency may petition the National Indian Gaming Commission to impose any penalty of civil fine or temporary or permanent closure of gaming facilities, as authorized by the Act, for violation of the provisions of this Compact as incorporated in the approved ordinances of the Tribe.

SECTION 14. Application of State regulatory standards.

(a) Health and safety standards. Tribal ordinances and regulations governing health and safety standards applicable to the gaming facilities shall be no less rigorous than standards generally imposed by the laws and regulations of the State relating to public facilities with regard to building, sanitary, and health standards and fire safety. The State gaming agency may require the Tribe to cooperate with any State agency generally responsible for enforcement of such health and safety standards in order to assure compliance with such standards. Tribal ordinances

and regulations governing water discharges from the gaming facilities shall be no less rigorous than standards generally imposed by the laws and regulations of the State relating to public facilities; provided, however, that to the extent that federal water discharge standards specifically applicable to the Reservation would preempt such State standards, then such federal standards shall govern.

(b) Regulation of alcoholic beverages. Service of alcoholic beverages within any gaming facility shall be subject to the laws and regulations of the State applicable to sale or distribution of alcoholic beverages. The Tribal gaming operation shall be entitled to a hotel permit for the sale of liquor for gaming facilities which are contained in the same building as any hotel, or a cafe permit for the sale of liquor for gaming facilities which are not contained in the same building as any hotel, or such equivalent permits as may from time to time be available to similar enterprises operated pursuant to the laws of the State, and the price of any alcoholic beverage sold to a gaming customer in partial consideration for amounts wagered need not be billed by separate charge to the individual customer; provided, however, that the price of each such alcoholic beverage deemed sold to a gaming customer in partial consideration for amounts wagered shall be no less than the price required for such sales pursuant to the laws of the State and shall be separately accounted for by the Tribal operation, any tax due under the laws of the State for the retail sale of such beverages shall be paid with respect to such sales, and daily and monthly records shall be maintained with

respect thereto and shall be available for inspection by the State gaming agency and by the State Department of Liquor Control or any successor State agency.

(c) Traffic Standards. The Tribe shall provide access from any gaming facilities located on the Reservation onto public highways of the State of Connecticut which are adequate to meet standards of the State Traffic Commission or shall enter into agreements with the State Traffic Commission for the provision of such access by the State, including provisions for compensation by the Tribe of the costs incurred by the State in constructing such improvements to the public highways, including traffic control signals, as may be necessary. The State will cooperate with the Tribe in providing at the Tribe's expense such signage as is reasonable and appropriate in order to permit members of the traveling public to locate the Reservation from the major road approaches.

SECTION 15. Moratorium on certain Class III gaming.

(a) Moratorium on Class III video facsimile gaming. Notwithstanding the provisions of section 3(a)(ix), the Tribe shall have no authority under this Compact to conduct Class III video facsimile games as defined pursuant to section 3(a)(ix) unless and until either: (a) it is determined by agreement between the Tribe and the State, or by a court of competent jurisdiction, that by virtue of the existing laws and regulations of the State the operation of video facsimiles of games of chance would not be unlawful on the ground that the Tribe is not located in a State

that permits such gaming for any purpose by any person, organization, or entity within the meaning of 25 U.S.C. §2710(d)(1)(B) (it being understood and agreed that there is a present controversy between the Tribe and the State in which the Tribe takes the position that such gaming is permitted under the existing laws of the State and the State takes the position that such gaming is not permitted under the existing laws of the State); or (ii) the existing laws or regulations of the State are amended to expressly authorize the operation of any video games of chance for any purpose by any person, organization or entity. Upon such determination the operation by the Tribe of video facsimiles of games of chance shall be subject to the applicable provisions of the Standards of Operation and Maintenance for Games of Chance adopted pursuant to section 7 of this Compact.

(b) Moratorium on telephone lottery betting. Notwithstanding the provisions of section 3(a)(x), the Tribe shall have no authority under this Compact to conduct telephone betting on lottery games unless and until either: (a) it is determined by agreement between the Tribe and the State, or by a court of competent jurisdiction, that by virtue of the existing laws and regulations of the State the operation of telephone betting on lottery games would not be unlawful on the ground that the Tribe is not located in a State that permits such gaming for any purpose by any person, organization, or entity within the meaning of 25 U.S.C. §2710(d)(1)(B) (it being understood and agreed that there is a present controversy between the Tribe and the State in which the Tribe takes the position that such gaming is permitted under

the existing laws of the State and the State takes the position that such gaming is not permitted under the existing laws of the State); or (ii) the existing laws or regulations of the State are amended to expressly authorize the operation of any telephone betting on any lottery game for any purpose by any person, organization or entity. Upon such determination the operation by the Tribe of telephone betting on lottery games shall be subject to the applicable provisions of the Standards of Operation and Maintenance for Lottery Gaming adopted pursuant to section 9 of this Compact.

(c) Moratorium on horse racing. Notwithstanding the provisions of section 3(a)(viii), the Tribe shall have no authority under this Compact to conduct pari-mutuel betting on horse races conducted on the Reservation unless and until either: (a) it is determined by agreement between the Tribe and the State, or by a court of competent jurisdiction, that by virtue of the existing laws and regulations of the State the operation of pari-mutuel betting on horse races conducted on the Reservation would not be unlawful on the ground that the Tribe is not located in a State that permits such gaming for any purpose by any person, organization, or entity within the meaning of 25 U.S.C. §2710(d)(1)(B) (it being understood and agreed that there is a present controversy between the Tribe and the State in which the Tribe takes the position that such gaming is permitted under the existing laws of the State and the State takes the position that such gaming is not permitted under the existing laws of the State); or (ii) the existing laws or regulations of the State are

amended to expressly authorize the operation of any pari-mutuel betting on horse races conducted in the State for any purpose by any person, organization or entity. Upon such determination the operation by the Tribe of pari-mutuel betting on horse races conducted on the Reservation shall be subject to the applicable provisions of Standards of Operation and Maintenance for Horse Racing which shall be adopted by the Tribal gaming agency and submitted to the State gaming agency for approval, which approval will not be unreasonably withheld so long as such Standards are substantially equivalent to the Standards applicable to pari-mutuel betting on greyhound races as contained in Appendix B of this Compact.

(d) Moratorium on off-track pari-mutuel telephone betting. Notwithstanding the provisions of section 3(a)(xi), the Tribe shall have no authority under this Compact to conduct off-track pari-mutuel telephone betting unless and until it is determined by agreement between the Tribe and the State, or by a court of competent jurisdiction, that such gaming would not violate the Indian Gaming Regulatory Act on the ground that such gaming does not constitute Class III gaming activities on Indian lands within the meaning of 25 U.S.C. §2710(d)(1) (it being understood and agreed that there is a present controversy between the Tribe and the State in which the Tribe takes the position that such gaming is gaming on Indian lands within the meaning of the Act and the State takes the position that such gaming is not gaming on Indian lands within the meaning of the Act). Upon such determination the operation by the Tribe of off-track pari-mutuel telephone betting

shall be subject to the applicable provisions of the Standards of Operation and Maintenance for Pari-Mutuel Gaming adopted pursuant to section 8 of this Compact.

(e) Moratorium on games of chance. Notwithstanding the provisions of section 3(a)(i) or 3(a)(ix) or 15(a), the Tribe shall have no authority under this Compact to conduct games of chance or video facsimiles of games of chance as defined in sections 3(a)(i) and 3(a)(ix) unless and until the date ninety days following the date on which the Tribe gives written notice to the State setting forth its intention to conduct such games of chance, together with a description of the facility in which such games will be conducted and the approximate number of gaming employees who will be required to be licensed pursuant to this Compact with respect to such facility.

SECTION 16. Application of net revenues of Class III Gaming.

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

(a) to fund tribal government operations or programs;

(b) to provide for the general welfare of the Indian tribe and its members;

(c) to promote tribal economic development;

(d) to donate to charitable organizations; or

(e) to help fund operations of local government agencies of the State and its political subdivisions.

SECTION 17. Effective Date and Duration; Amendments.

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

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

(c) Amendment and modification. The terms and conditions of this Compact shall not be modified, amended or otherwise altered except by written agreement of both parties and enactment as set forth in sub-section (a).

(d) Subsequent negotiations. Nothing in this Compact shall be deemed to waive the right of the Tribe to request negotiations for a tribal-state compact with respect to a Class III gaming activity which is to be conducted on the Reservation but is not permitted under the provisions of this Compact, including forms of Class III gaming which were not permitted by the State for any purpose by any person, organization, or entity at the time when this compact was negotiated but are subsequently so permitted by the State, in accordance with 25 U.S.C. §2710(d)(3)(A); provided, however, that this sub-section shall not be deemed to authorize the Tribe to initiate a new request for negotiations regarding the terms of this Compact applicable to forms of gaming authorized by section 3(a) of this Compact, except to the extent that existing

state law relating to such forms of gaming are changed or to the extent that the State voluntarily consents to such negotiations.

(e) Status of Class II gaming. Nothing in this Compact shall be deemed to affect the operation by the Tribe of any Class II Gaming as defined in the Act, whether conducted within or without the gaming facilities, or to confer upon the State any jurisdiction over such Class II Gaming conducted by the Tribe on its Reservation.

(f) Prohibition on taxation by the State. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe or any Tribal gaming operation except for charges expressly authorized pursuant to section 11 of this Compact.

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

(h) Preservation of Tribal self-government. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, including the Tribal gaming agency, or to interfere in any manner with the Tribe's selection of its governmental officers including members of the Tribal gaming agency. No licensing or registration requirement contemplated by this Compact shall be applicable to such officers with respect to their capacity as officers of the Tribe.

(i) Consultation upon revision of State regulations. Whenever the State adopts or revises any rule or regulation which corresponds to any provision of the Tribe's Standards of Operations and Management relating to the same type of gaming, the State gaming agency may notify the Tribal gaming agency that it requests analogous changes in such Standards and the Tribal gaming agency will promptly confer with the State gaming agency in good faith concerning the appropriateness and applicability of such changes.

SECTION 18. Notices.

All notices required or authorized to be served shall be served by first class mail at the following addresses:

Chief	Governor
Mohegan Tribe	State of Connecticut
27 Church Lane	State Capitol
Uncasville, CT 06382	Hartford, CT 06106

SECTION 19. Severability.

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

DONE AND EXECUTED as of the first date written below.

STATE OF CONNECTICUT

LOWELL P. WEICKER, JR.
GOVERNOR

5/17/94
(DATE)

MOHEGAN TRIBE OF INDIANS
OF CONNECTICUT

Ralph W Sturges

RALPH W. STURGES
CHIEF G'TINE'MONG

MAY 17, 1994
(DATE)

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

Ada E. Deer

ADA E. DEER
ASSISTANT SECRETARY - INDIAN AFFAIRS