United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MAR - 1 1996

Honorable Judy Knight-Frank
Chairman
Ute Mountain Ute Tribe
Towaoc, Colorado 81334

Dear Chairman Knight-Frank:

On January 18, 1996, we received the Compact between the Ute Mountain Ute Tribe (Tribe) and the State of Colorado (State), dated November 16, 1995. 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 my delegated authority and Section 11 of the 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.

If the Tribe enters into a management contract for the operation and management of the Tribe's gaming facility, the contract must likewise be submitted to, and approved by the Chairman of the NIGC pursuant to Section 11(d)(9) of the IGRA, 25 U.S.C. § 2710(d)(9) and the NIGC's regulations governing management contracts. The Tribe may want to contact the NIGC for information on submitting the ordinance and the management contract for approval by the NIGC.

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

Sincerely,

Ada E. Deer

Ada E. Deer
Assistant Secretary - Indian Affairs

Enclosures

Identical Letter Sent to: Honorable Roy Romer
Governor of Colorado
State Capitol
Denver, Colorado 80202

cc: Albuquerque Area Director w/copy of approved Compact
Supt., Ute Mountain Agency w/copy of approved Compact
National Indian Gaming Commission w/copy of approved Compact
Rocky Mtn. Regional Solicitor w/copy of approved Compact
United States Attorney w/copy of approved Compact

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THE UTE MOUNTAIN UTE TRIBE AND THE STATE OF COLORADO GAMING COMPACT

October 27, 1995

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THE UTE MOUNTAIN UTE TRIBE AND THE STATE OF COLORADO GAMING COMPACT

INTRODUCTION

THIS COMPACT is entered into pursuant to the Indian Gaming Regulatory Act, Pub. L. 100-497, codified at 25 U.S.C. §§ 2701-2721 (1988) and 18 U.S.C. §§ 1166-1168 (1988) (hereafter the "Act").

PARTIES

THIS TRIBAL-STATE COMPACT is made and entered into by and between the UTE MOUNTAIN UTE TRIBE, a federally-recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining; and the STATE OF COLORADO, a sovereign State of the United States, with all rights and powers thereto pertaining.

DECLARATION OF POLICY AND PURPOSE

The Act provides that the conduct of Class III gaming activities on Indian Lands is to be governed by a Tribal-State compact that is agreed upon through negotiations by the Parties. Each Party to this Compact has discussed with the other Party its respective public or Tribal policies relating to gaming. Although such policies are not fully set forth in this Compact, the purposes and objectives of the Parties in entering into this Compact include the following:

1. To provide for the regulation of Class III Gaming on Indian Lands consistent with the Act;

2. To fulfill the purpose and intent of the Act by providing for Tribal Gaming as a means of generating Tribal revenues, thereby promoting Tribal economic development, self-sufficiency, and strong Tribal government;

3. To provide revenues to fund Tribal government operations or programs, to provide for the general welfare of the Tribe and its members, and for other purposes allowed under the Act;

4. To provide for the effective regulation of Class III Gaming in which the Tribe shall have the sole proprietary interest and be the primary beneficiary;

5. To address the State's interest as reflected in the Act, including the establishment by the Tribe of regulations for ensuring that Class III Gaming is conducted fairly and honestly by the owners, operators, employees and patrons of any Class III Gaming Operation on Indian Lands.

6. To foster the continued development of an effective government-to-government relationship between the State and the Tribe; and

7. For the State, to ensure gaming is conducted in a manner consistent with the State's established policies, including but not limited to those set forth in the Colorado Constitution, C.R.S. § 12-47.2-103(2), and elsewhere.

SECTION 1. TITLE.

This document shall be known as and may be cited as "The Ute Mountain Ute Tribe and the State of Colorado Gaming Compact."

SECTION 2. DEFINITIONS.

For purposes of this Compact:

A. "Act" or "I.G.R.A." means the Indian Gaming Regulatory Act, Pub. L. 100-497, 25 U.S.C. § 2701 *et seq.*, and 18 U.S.C. § 1166-1168.

B. "Blackjack" means a banking card game commonly known as "21" or "blackjack" played by a maximum of seven players in which each player bets against the dealer. The object is to draw cards whose value will equal or approach twenty-one without exceeding that amount and win amounts bet, payable by the dealer, if the player holds cards more valuable than the dealer's cards.

C. "Class III Gaming" means all forms of gaming defined in the Act at 25 U.S.C. § 2703(8).

D. "Compact" means the Ute Mountain Ute Tribe and the State of Colorado Gaming Compact, as amended.

E. "Gaming Device" or "Gaming Equipment" means any equipment or mechanical, electromechanical, or electronic contrivance, component, or machine used remotely or directly in connection with gaming or any game. The term includes, but is not limited to, a slot machine, video gaming device, blackjack table, or the cards used to play blackjack.

F. "Gaming Employee" means any natural person employed in

the operation or management of the Gaming Operation, whether employed by the Tribe or by any enterprise providing onsite services to the Tribe within the Gaming Facility, including, but not limited to, Gaming Operation managers and assistant managers; accounting personnel; surveillance personnel; cashier supervisors; dealers; box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; and any other natural person whose employment duties require or authorize access to restricted areas of the Gaming Facility not otherwise open to the public.

G. "Gaming Facility or Facilities" means the room or rooms on Indian Lands in which Class III gaming as authorized by this Compact is conducted.

H. "Gaming Operation" means the enterprise operated by the Tribe on Indian Lands for the conduct of any form of Class III gaming in any Gaming Facility.

I. "Gaming Operator" means a person, organization, or entity that conducts the management of gaming at a Tribal gaming enterprise; including an entity entering into a management contract with the Tribe, the Tribe itself, or any subdivision thereof, or any person who receives income calculated as a percentage of Tribal gaming revenue.

J. "Indian Lands" means all lands within the limits of the Ute Mountain Ute Indian Reservation; and any lands title to which is either held in trust by the United States for the benefit of the Ute Mountain Ute Indian Tribe, or is held by the Ute Mountain Ute Indian Tribe subject to restriction by the United States

against alienation and over which the Ute Mountain Ute Indian Tribe exercises governmental power; and all other lands of the Ute Mountain Ute Indian Tribe acquired in trust by the United States after October 17, 1988, if any, which lands satisfy the conditions of 25 U.S.C. § 2719.

K. "Key employee" means any executive, employee, or agent of a gaming operation having the power to exercise a significant influence over decisions concerning any part of the Gaming Operation.

L. "Management Contract" means any contract, subcontract or collateral agreement between the Tribe and a contractor or between a contractor and a subcontractor if such contract or agreement provides for the management of all or part of a Gaming Operation, provided, however, that no employment contract between the Tribe and a Tribal employee shall be deemed a management contract for the purposes of this Compact.

M. "Minority interest" means an ownership interest of five percent or more in a Management Contract or in a Gaming Operator that has entered into a Management Contract with the Tribe for the operation of the Gaming Facility.

N. "Party" or "Parties" means the Ute Mountain Ute Indian Tribe or the State of Colorado.

O. "Principal" means with respect to any Gaming Operator that has entered into a Management Contract with the Tribe for the operation of the Gaming Facility:

(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 a minority interest; and

(v) each person other than a financial institution who has provided financing for the Gaming Operation constituting five percent or more of the total financing of the Gaming Operation.

P. "Slot machine" means any mechanical, electrical, video gaming device, electronic, or other device, contrivance or machine which, after insertion of a coin, token, or similar object, or upon payment of any required consideration whatsoever by a player, is available to be played or operated, and which, whether by reason of the skill of the player or application of the element of chance, or both, may deliver or entitle the player operating the machine to receive cash premiums, merchandise, tokens, or redeemable game credits, or any other thing of value other than unredeemable free games, whether the payoff is made automatically from the machines or in any other manner.

Q. "State" means the State of Colorado, its authorized officials, agents, and representatives.

R. "State Gaming Agency" means the Colorado Limited Gaming Control Commission or the Colorado Division of Gaming.

S. "Tribal Gaming Commission" means the Ute Mountain Ute 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 Gaming Agency as the single Tribal agency responsible for regulatory oversight of Class III gaming as authorized by this Compact.

T. "Tribal Gaming Regulations" means the regulations adopted by the Tribe, entitled the Ute Mountain Ute Tribe Gaming Rules and Regulations, to govern the operation and management of the Gaming Operation conducted under the authority of this Compact. The Tribal Gaming Regulations are designed to maintain the integrity of the Gaming Operation, to maintain the safety of the patrons, and to reduce the dangers of unfair or illegal practices in the conduct of Class III Gaming.

U. "Tribal Law Enforcement Agency" means the police force of the Bureau of Indian Affairs, Ute Mountain Ute Agency of the Department of the Interior, or a police force of the Ute Mountain Ute Tribe established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within its Indian Lands.

V. "Tribe" means the Ute Mountain Ute Tribe, its authorized officials, agents, and representatives.

SECTION 3. NATURE AND SCOPE OF CLASS III GAMING.

A. Authorized Class III Gaming Activities. The Tribal Gaming Operation may operate in its Gaming Facilities, subject to

the provisions of this Compact, any or all Class III gaming that is permitted within the State for any purpose by any person, organization, or entity, now or hereafter. Such games shall include the following:

I. Blackjack (21);

II. Slot Machines;

III. Racing including off-track betting and parimutuel wagering on horse racing and dog racing; and

IV. Lotteries or Keno games either conducted and operated by the Tribe, or pursuant to a license with the State, or in connection with an authorized network.

The Parties acknowledge that operation by the Tribe of any Class I and II game pursuant to the Act is not governed by this Compact.

B. Forms of Payment. All payment for wagers made in gaming conducted by the Tribe in its Gaming Operation shall be made by cash, chips or tokens. The Gaming Operation shall not extend credit. Chips or tokens may be purchased using cash, checks, or travelers checks.

C. Wagering Limitations. The maximum wager authorized for any play on a slot machine shall be five dollars. No blackjack wager shall exceed five dollars.

D. Future Litigation.

I. Included in the Colorado Limited Gaming Act of 1991 is § 12-47.2-103(2), C.R.S., which provides:

> It is the intent of the General Assembly that the restrictions set forth in Section 9 of

> Article XVIII of the State Constitution shall apply to limited gaming activities on tribal lands.

The Governor of the State of Colorado desires to apply these terms of the Colorado Constitution and law to this Compact.

II. The Tribe does not necessarily adopt this position taken by the State, and may wish to litigate the issues of wagering limitations and authorized Class III gaming activities. The Parties agree that proper venue for such litigation shall be exclusively within the United States District Court for the District of Colorado, unless otherwise required by federal law. The Tribe and the State agree that Tribal Gaming shall continue to be conducted pursuant to the terms of this Compact, notwithstanding any request for a judicial determination by either Party.

III. Resolution in Favor of the Tribe. In the event there is a non-appealable court determination that the above cited statute, or parts thereof, or its effect is either not applicable to this Compact, or not valid, then the Tribe and the State agree that the Parties will meet to further negotiate on the issues of bet limitations or games pursuant to 25 U.S.C. § 2710(d)(7)(B), consistent with the final judicial determination. Such negotiations shall be subject to the provisions set forth in Section 12(C) (Amendment) of this Compact.

E. Hours of Operation. The Tribe shall schedule hours to best comply with market conditions and may operate any day of the

week. Gaming operations may be permitted at any time, provided that the State Gaming Agency shall have the right to audit and inspect. While such audit and inspection activities may occur during Gaming Operations, they shall not unreasonably interfere with Gaming Operations. Prior to such audit and inspection, the State Gaming Agency shall provide notice to the Tribal Gaming Commission pursuant to Section 7(A) of this Compact.

F. Age Restrictions. No person under the age of twenty-one shall participate in any gaming activity or Gaming Operation authorized by this Compact, except that minors may be present in gaming areas and may be employed in food, beverage, and maintenance.

G. Operation As Part Of A Network. At the option of the Tribe and upon notice to the State, Tribal gaming may be conducted as part of a network with the Southern Ute Indian Tribe, with State licensed gaming facilities within the State of Colorado, or with any other Tribal Gaming Facility owned and operated by the Tribe on Indian Lands, with an aggregate prize or prizes; provided that:

I. The network operates by the use of an electronic game of chance capable of bi-directional communication with external associated equipment which utilizes communication protocol which insures that erroneous data or signals will not adversely affect the operation of the game; and

II. The State Gaming Agency assures adequate testing and verification of any said network pursuant to mutually

agreed upon standards to be set forth in State law and Tribal law; and

III. If the network includes participation by the Tribal Gaming Facility with a State licensed gaming facility, the Tribe shall secure an agreement with the State licensed gaming network provider for participation with state licensed gaming facilities; and

IV. If the network includes participation by the Tribal Gaming Facility located on Indian Lands in another state, the Tribe's compact for gaming in that state will authorize the Tribe's participation in that network, and the Tribe must assure minimum compliance with Colorado networking criteria, as provided herein. This network authorization is limited to Indian Lands only, and shall not be construed to authorize any Tribal Gaming Facility located in Colorado to participate in, connect with, or offer any game or network conducted outside either Indian Lands or the State of Colorado.

H. Prohibition on Firearms. The possession of firearms within the Gaming Facility is prohibited, except by Federal, State, local, Bureau of Indian Affairs or Tribal law enforcement officials, and at the discretion of the Tribe, both casino security officers providing security at a Gaming Facility, and armored car service personnel.

I. Authorized Gaming Facilities and Devices. The Tribe may establish one or more Gaming Facilities on Indian Lands

within the state of Colorado. The size of Gaming Facilities, and the number of gaming devices in each Gaming Facility, shall be determined by the Tribe, in its sole discretion. Nothing in this subsection is intended to modify or affect compliance with 25 U.S.C. § 2719, in the establishment of Gaming Facilities.

SECTION 4. LICENSING.

A. Licensing Authority. The Tribe shall have the exclusive licensing authority with respect to Tribal gaming.

B. Tribal Licensing.

I. Subject to section 5(L) (Temporary Licensing) of this Compact, the following shall be licensed by the Tribe prior to commencement of operations or employment, or prior to the conduct of business:

a. Each Gaming Operation and Gaming Facility;

b. Every gaming employee;

c. Any Gaming Operator, including its principals and minority interest holders, which has entered into a Management Contract with the Tribe to assist in the management or operation of a Gaming Operation or Gaming Facility;

d. Each manufacturer or supplier of gaming services;

e. Any other person required to be licensed pursuant to the Act or State law governing gaming.

II. Said licenses shall be valid for a period to be

determined by the Tribe, but not to exceed that provided for comparable State licenses, and licensees must apply for renewal licensure in due course thereafter;

III. Provided, however, the Tribe, wholly owned enterprises of the Tribe, and members of the Tribe are hereby expressly excluded from the operation of this section and section 5 of this Compact, and shall be licensed as set forth by Tribal law.

C. Licensing Requirements.

I. The Tribe shall not issue or renew a Tribal gaming license, other than a support license, unless:

a. The Tribe has received a report from the State Gaming Agency stating that the applicant would be qualified to receive a similar license from the State, or

b. The applicant currently holds a valid State license that is similar to the type of license being applied for from the Tribe, or

c. There is substantial evidence that the reasons for an adverse report from the State are erroneous.

II. If the Tribe has received a report from the State Gaming Agency stating that the applicant would be qualified to receive a license from the State had the application been for a gaming license for the same or similar activity within the jurisdiction of the State, but for a conflict of

interest or other operation of law which, in the State's judgment, may not affect Tribal Gaming Operations, and therefore, the State Gaming Agency would recommend neither approval nor denial of a Tribal License to the applicant, the Tribe may issue or renew said Tribal Gaming license at its discretion.

III. The Tribe has adopted requirements, in addition to those provided in this Compact, concerning eligibility for Tribal Gaming licenses and licensing procedures, which requirements have been incorporated into the Tribal Gaming Ordinance. The Tribe shall provide any amendments to these licensing requirements to the State upon their implementation.

SECTION 5. LICENSING PROCEDURES.

A. Procedures for Tribal Support License Applications. Each applicant for a Tribal Support license shall submit a completed application to the Tribal Gaming Commission. The application shall be in a form that is similar to that used by the State in licensing applicants for a support license within its jurisdiction.

B. Background Investigations of Support License Applicants by the Tribe. The Tribal Gaming Commission will complete a background investigation of support license applicants following the procedures outlined in the Tribal Gaming Ordinance following receipt of the completed application and fee. The background

investigation conducted by the Tribe will meet or exceed the State's requirements for background investigations of applicants for State support licenses. The State shall provide a copy of any such requirements to the Tribal Gaming Agency.

I. The Tribal Gaming Commission will generate an investigative report detailing the steps of the investigation, the results of each step, and any other pertinent information concerning the applicant. The Tribal Gaming Commission will forward a copy of the report and investigations to the State Gaming Agency upon written request of the director of the State Gaming Agency. Such written request may be either general or specific in nature, may be amended in writing and may operate as a continuing request.

II. If the State Gaming Agency has not notified the Tribal Gaming Commission of an objection to licensing the applicant within 30 days of receipt of the report and investigations, the Tribal Gaming Commission may issue a Tribal support license to the applicant.

III. If the State Gaming Agency notifies the Tribal Gaming Commission that it objects to the licensing of an applicant, the State Gaming Agency shall issue a report stating that the applicant would not be qualified for a similar State license and shall include a detailed statement of the reasons therefor. Upon receipt of the State report, the Tribal Gaming Commission would not license the applicant

unless there was substantial evidence that the reasons contained in the adverse report from the State were erroneous.

C. Procedures for Applications Other than for Support Licenses. Each applicant for a Tribal Gaming license, other than a support license, shall submit a completed application to the Tribal Gaming Commission.

I. The application shall be in a form that is similar to that used by the State in licensing applicants for a non-support license within its jurisdiction. Each completed Tribal license application shall be accompanied by the applicant's fingerprint card(s), two current photographs, and the fee required by the Tribal Gaming Commission.

II. Upon receipt of a completed application and the required fee for Tribal licensing, the Tribal Gaming Commission shall forward a copy of the application and the required State fee to the State Gaming Agency for the performance of a background investigation and criminal records check.

III. Upon receipt of a completed application and the required fee, the State Gaming Agency shall conduct a background investigation and criminal records check on the applicant. At any time, the State may require such further information from the applicant as the State deems necessary to complete the background investigation.

IV. The State Gaming Agency shall furnish a

preliminary report on the applicant to the Tribal Gaming Commission within sixty (60) days following receipt of the application and fee, or a final report if feasible within this time frame. The final report shall contain a statement that:

a. the applicant would be qualified to receive a license from the State had the application been for a gaming license for the same or similar activity within the jurisdiction of the State and, therefore, the State Gaming Agency would recommend that the Tribe should consider granting applicant a Tribal license; or

b. the applicant would be qualified to receive a license from the State had the application been for a gaming license for the same or similar activity within the jurisdiction of the State but for a conflict of interest or other operation of law which, in the State's judgment, may not affect Tribal Gaming Operations, and therefore, the State Gaming Agency would recommend neither approval nor denial of a Tribal license to the applicant; or

c. the applicant would not be qualified to receive a license from the State had the application been for a gaming license for the same or similar activity within the jurisdiction of the State and, therefore, the State Gaming Agency would recommend the Tribe should not grant the applicant a Tribal license.

Any report containing a statement that the applicant would not be qualified for a similar State license shall include a detailed statement of the reasons therefor, and the Tribal Gaming Agency shall consider the recommendation pursuant to Section 4(C).

V. Upon completion of the necessary background investigation and criminal records check, the Tribal Gaming Commission shall either issue a Tribal Gaming License to the applicant, or deny the application. If the application for license is denied, the Tribal Gaming Commission shall send the applicant a statement setting forth the grounds for denial, with a copy sent to the State Gaming Agency.

D. Grounds for Revocation, Suspension, or Denial of Tribal License. The Tribal Gaming Commission may revoke, suspend or deny a Tribal Gaming license for any reason or reasons it deems to be in the public interest, in accordance with applicable Tribal law.

E. Right to Hearing for Revocation, Suspension, or Denial of Tribal Licensing.

I. Any licensee or applicant for a Tribal Gaming license shall be entitled to a full hearing on any action by the Tribal Gaming Commission which may result in the revocation, suspension or denial of a Tribal Gaming license. The hearing will be conducted in accordance with the Tribal Gaming Ordinance and other applicable Tribal law.

II. Upon timely written request by the Tribal Gaming

Agency, the State Gaming Agency will make available its agents and employees as witnesses in any such hearing. The Tribal Gaming Agency shall reimburse the State Gaming Agency for its necessary travel expenses to attend such hearing.

F. Denial, Suspension, or Revocation of Tribal Licenses. The denial, suspension or revocation of any Tribal Gaming license shall be in accordance with the Tribal Gaming Ordinance and other applicable Tribal law.

G. Duration and Renewal of Tribal Licenses and State Recommendations. Any Tribal gaming license with regard to a management company, key, or support employee shall be valid for a period to be determined by the Tribe, but not to exceed that provided for comparable State licenses.

I. Applicants for renewal of licenses shall provide updated material as requested on the appropriate renewal forms, but shall not be required to resubmit historical data already provided or otherwise available to the Tribal Gaming Commission or the State Gaming Agency.

II. Upon receipt of a completed key license application and the required fee for renewal, the Tribal Gaming Commission shall forward a copy of the key license application and the required state fee to the State Gaming Agency for the performance of an updated key license background investigation and criminal records check. The renewal fee shall not exceed the customary fee for similar State licenses. The State Gaming Agency shall furnish a

report to the Tribal Gaming Commission which contains a statement that the key licensee applicant would be qualified or would not be qualified for license renewal by the State, as provided in section 5(C)(IV) of this Compact.

III. The Tribal Gaming Commission shall perform updated support license background investigation and criminal records checks for all Tribal support license renewal applications, following procedures outlined in the Tribal Gaming Ordinance. The renewal background investigation conducted by the Tribe will meet or exceed the State's requirements for background investigations for renewal applicants for State support licenses. The State shall provide a copy of such requirements to the Tribal Gaming Agency. The Tribal Gaming Commission shall process the renewal background investigations in accordance with section 5(B) of this Compact.

IV. An applicant for renewal who has submitted the required application and any other information required by the Tribal Gaming Commission at least sixty days prior to the expiration of his license may continue to be employed under the expired Tribal license until final action is taken on the renewal application by the Tribal Gaming Commission.

H. Identification Cards. The Tribal Gaming Commission shall require all gaming employees to wear identification cards issued by the Tribal Gaming Commission which shall include the employee's photograph, first name, employee number, Tribal seal

or signature and a date of expiration.

I. State Fees for Background Investigations. The fees for State background investigations, for deposits for background investigations and for renewal background investigations shall be the same as those fees assessed applicants for similar State licensure pursuant to rules promulgated by the State Gaming Agency under Colorado's "Limited Gaming Act of 1991." Should the State be required to adjust these fees because of increased or decreased costs, the State Gaming Agency shall notify the Tribe sixty (60) days in advance of such adjustment. Should actual costs incurred by the State Gaming Agency for a background investigation exceed the amount deposited, those costs will be assessed to the applicant during the investigation process, provided that in such cases the State shall submit a detailed billing of such costs and an explanation as to why such excess costs were incurred. If the actual cost of any background investigation is less than the amount of the deposit, the State shall refund such surplus to the applicant. Payment in full of any required fee will be required prior to the issuance of the results of the State background investigation.

J. Fees for Tribal Licenses. The fees for all Tribal gaming licenses including the cost of Tribal background investigations shall be set by the Tribal Gaming Commission. The Tribal Gaming Commission may set special reduced rates for Tribal members.

K. Exchange of Licensing Information. In an effort to

ensure a qualified work force in all areas of gaming, upon completion of any administrative action against a Tribal licensee or State licensee, the final disposition shall be maintained as part of both agencies' permanent licensing records, and shall be provided to either Party upon written request made therefor. Such written request may be either general or specific in nature, may be amended in writing, and may operate as a continuing request.

L. Temporary Licensing.

I. The Tribe may in its sole discretion issue a temporary license, for up to ninety (90) days, to any applicant, provided that the Tribal Gaming Commission has conducted a preliminary background investigation equivalent to that required for the issuance of a State support license.

II. A temporary license may only be issued where the Tribe is satisfied that the investigation of the applicant conducted thus far, and the application in its entirety, indicate that:

a. The applicant meets all the requirements of section 4(C) (Licensing Requirements) of this Compact;

b. The applicant meets all the additional requirements adopted by the Tribe concerning eligibility for Tribal Gaming licenses;

c. The applicant does not present any danger to the public or to the reputation of Tribal gaming;

d. Further investigation most likely will not uncover any derogatory information about the applicant; and

e. Issuance of a temporary license is of economic necessity and is just under the circumstances.

III. Any applicant who has a similar current valid license issued by the State Gaming Agency may be immediately issued a temporary Tribal gaming license by the Tribal Gaming Commission pending completion of the necessary background investigation.

IV. The Tribal Gaming Commission shall notify the State upon issuance of a temporary license and shall forward the Tribal investigative report to the State Gaming Agency.

V. The temporary Tribal gaming license shall become void and be of no effect upon either the issuance of a Tribal gaming license or upon notice of application denial, in accordance with the provisions of this Compact.

M. Summary Suspension of Tribal License. The Tribal Gaming Commission, pursuant to the laws of the Tribe, may summarily suspend any Tribal gaming license if the continued licensing of a licensee constitutes a threat to the public health, safety or welfare.

SECTION 6. TRIBAL CONTROL OF GAMING ACTIVITIES.

A. Tribe and Tribal Gaming Commission. The Tribe shall have primary responsibility for the onsite regulation, control,

and security of the Gaming Operation authorized by this Compact, and for the enforcement of this Compact within the Indian Lands of the Tribe. The State Gaming Agency may participate in the daily regulatory oversight of the Gaming Operation and may work closely with the Tribal Gaming Commission. However such State assistance shall not include traditional security and law enforcement functions. The Tribe shall assure:

I. The enforcement of all relevant laws;

II. The physical safety of patrons in the establishment;

III. The physical safety of personnel employed by the establishment;

IV. The physical safeguarding of assets transported to and from the Gaming Facility and cashier's cage department;

V. The protection of the property of the patrons and the establishment from illegal activity;

VI. The detention of persons who may be involved in illegal acts for the purpose of notifying law enforcement authorities; and

VII. The recording of any and all unusual occurrences within the Gaming Facility for which the assignment of a security department employee is made.

B. Rules of the Games. The Tribal Gaming Commission shall notify the State Gaming Agency of the rules of each Class III game 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. Betting limits applicable to any gaming station shall be displayed at such gaming station. Rules for games identified in Sections 3(A) and 12(D) of this compact or changes to such rules 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 as the Tribal Gaming Commission may approve. Rules for games identified in Section 3(A) of this Compact or changes to such rules of this Compact shall be submitted for approval to the State Gaming Agency, which approval shall be granted within ten (10) days if they are consistent with the nature of such games as are then permitted in this Compact. The Tribe will provide the State Gaming Agency with ten (10) days advance notice of the rules of each game and any modification thereof, and will provide adequate notice to patrons of the Gaming Facility to advise them of the applicable rules in effect. State Gaming agency approval shall be deemed granted unless written disapproval is delivered to the Tribal Gaming Commission within ten (10) days of submission of the rules of the games, or changes to the rules of the games, to the State Gaming Agency.

C. Regulatory Standards. The Tribe has adopted Tribal Gaming Regulations. The Tribe shall notify the State Gaming Agency of any intent to revise the standards set forth in the Tribal Gaming Regulations and shall provide the State Gaming

Agency a copy of such revisions for review and comment. The Tribe shall give due consideration to the State's comments and shall respond to said comments in writing. Should the State want to contest the Tribe's revisions on the grounds that they would have a material adverse impact on the public interest in the integrity of the Gaming Operation, the State Gaming Agency shall set forth with specificity the reasons for such concerns. Upon a notice of concern, the State and Tribe shall meet, and in good faith try to resolve the differences. If unsuccessful, the State may invoke the arbitration provisions set forth in Section 9 herein.

D. Tribal Investigators. The Tribal Gaming Commission shall employ qualified investigators under its authority. Said investigators shall be independent of the Tribal Gaming Operation, and shall be supervised by and accountable to only the Tribal Gaming Commission.

E. Reporting of Violations. During all hours of gaming operation, the Tribal Gaming Commission shall insure that its systems of internal control are in full force and effect. Any violation of the provisions of this Compact, or of Tribal ordinances by the Tribal Gaming Operation, a gaming employee, or any person associated with the Tribal Gaming Operation shall be reported immediately to the Tribal Gaming Commission, and notice of said violation shall be forwarded by the Tribal Gaming Commission to the State Gaming Agency within seventy-two (72) hours of the time any violation is confirmed.

F. Investigation and Sanctions. The Tribe shall assure any reported violation of the provisions of this Compact shall be investigated and corrected, as necessary. The Tribal Gaming Commission shall be empowered by Tribal ordinance to investigate and to impose reasonable sanctions upon the Tribal Gaming Operation, gaming employees, the management company, or any other person directly or indirectly involved in, or benefiting from the Gaming Operation, for a material violation of the Tribal Gaming Ordinance or Tribal Gaming Regulations, and shall require the Tribal Gaming Operation to correct any gaming violation upon such terms and conditions as the Tribal Gaming Commission determines are reasonable and necessary.

G. Reporting to State Gaming Agency. The Tribal Gaming Commission shall provide to the State Gaming Agency a copy of all completed investigative reports and final dispositions upon written request of the Director of the State Gaming Agency. Such written request may be either general or specific in nature, may be amended in writing, and may operate as a continuing request.

H. Investigative Assistance. If requested, the Tribal Gaming Commission, or the State Gaming Agency may assist the other in any investigation, and may provide other requested services to ensure proper compliance with the provisions of this Compact and proper regulation of gaming. To the extent that either Party declines a request for assistance, it shall communicate its reasons for declination in writing to the other Party.

I. Semi-annual Meetings.

In an attempt to develop and foster a partnership in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency, the Tribe, and the Tribal Gaming Commission shall meet semi-annually to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a mutually agreeable location, and may be held more frequently on an as needed basis upon the request of either Party. The Parties may discuss the implementation of the terms of this Compact and any possible necessary or mutually beneficial changes to such provisions, without invoking a request for renegotiation of the terms of this Compact.

SECTION 7. STATE REVIEW OF GAMING OPERATIONS.

A. Monitoring. The State Gaming Agency may monitor the Tribal Gaming Operation to help ensure that the operation is conducted in compliance with the provisions of this Compact. Agents of the State Gaming Agency shall have unrestricted access to all areas, books, records, gaming devices, or gaming equipment related to the operation of the Gaming Facility during all operating hours upon prior notice to the Tribal Gaming Commission. One copy of such books and records shall be maintained at the Gaming Facility, or in a facility in reasonable proximity thereto.

B. Access to Records. Agents of the State Gaming Agency

shall have authority to review and copy, during normal business hours, all records maintained by the Tribal Gaming Operation. Each record of the Tribal Gaming Operation shall be deemed confidential and proprietary financial information of the Tribe and shall be protected from public disclosure except with the prior express written consent of the Tribe, or in connection with a judicial or administrative proceeding, or pursuant to court order.

C. Investigations. The State Gaming Agency may conduct such investigations, and may employ all authority, including subpoena powers it deems appropriate to investigate suspected violations of this Compact.

D. Tribal Gaming Commission Notification. At the completion of any inspection or investigation conducted by the State Gaming Agency, the State Gaming Agency shall forward copies of the investigative report to the Tribal Gaming Commission. If requested by the Tribal Gaming Commission, the State Gaming Agency shall meet with the Tribal Gaming Commission to discuss State and Tribal enforcement options with respect to such investigations.

E. Tribal access to State records. The State agrees to seek from the Colorado Limited Gaming Control Commission a regulatory exception to the provisions of C.R.S. § 12-47.1-527 (1991, and as amended), to allow the Tribal Gaming Agency to obtain and use, for official purposes, including public hearings, records maintained by the State Gaming Agency concerning the

Tribe's Gaming Operation. Agents of the Tribe shall have the authority as provided by such rule to review and copy, during normal business hours, any such records maintained by the State Gaming Agency concerning the Tribe's Gaming Operation.

SECTION 8. ENFORCEMENT OF CRIMINAL GAMING LAWS.

A. Law Enforcement Personnel. The Montezuma County Sheriff's Department shall provide law enforcement personnel to deal with gaming related offenses by non-Indians and related law enforcement for the Gaming Facility during all operating hours. Such personnel shall be in addition to any Tribal law enforcement or security personnel provided by the Tribe or a management company. The Tribe and the Montezuma County Sheriff shall annually agree on the level of services required to provide adequate law enforcement, which shall at a minimum provide that the Sheriff's department will be available to respond to a call at the casino within a reasonable time period during all operating hours. The pro-rata cost of providing such additional law enforcement services to the Gaming Facility shall be borne by the Tribe. The Tribe shall have the right to inspect and audit the financial records and accounts of local law enforcement agencies with regard to all matters related to Tribal Gaming or Tribal funds provided to the Montezuma County Sheriff.

B. Indians. The Tribe shall enforce criminal gaming laws against Indians.

C. Non-Indians.

I. Applicable Laws. All State criminal laws and such laws as hereafter amended pertaining to the licensing, regulation, or prohibition of gaming and gambling which are not inconsistent with this Compact including the sanctions associated with such laws are adopted and incorporated herein by reference. Any references in such laws to Teller or Gilpin Counties shall be deemed to apply to counties adjacent to the Indian Lands of the Tribe. A violation of such State laws shall be punishable both as a State offense or as a Federal offense to the extent permitted by Federal law. A suspect charged with violation of such laws may be tried in either State or Federal court. If tried in Federal court and convicted, such suspect shall be guilty of a like offense and subject to a like punishment as if tried in State court. Such laws shall apply on Indian Lands in the same manner and to the same extent with respect to non-Indians as such laws apply elsewhere in the State. Non-Indians who are guilty of any act or omission that would constitute a violation of such State laws shall be guilty of a like offense and subject to a like punishment.

II. Concurrent Jurisdiction. Pursuant to 18 U.S.C. § 1166 the Tribe consents to the transfer to the State of Federal criminal jurisdiction over non-Indians with respect to gambling on Indian Lands. The United States and the State shall have concurrent jurisdiction to the extent

permitted by Federal law over such criminal prosecutions of non-Indians. For the purposes of Federal prosecution, non-Indians who are guilty of any act or omission that would constitute a violation of such State laws shall be deemed to have been engaged in "gambling" rather than "Class III gaming" pursuant to 18 U.S.C. § 1166.

III. Incarceration and Prosecution. Non-Indian suspects shall be transported to the Montezuma County jail. Reimbursable costs of incarceration, if any, of non-Indian suspects shall be negotiated as part of the agreement between the Tribe and the Montezuma County Sheriff pursuant to Section 8(A) of this Compact.

IV. Disposition of Suspects. When Tribal law enforcement personnel have detained a non-Indian suspect, custody of such suspect shall be transferred to the appropriate Federal, State, or local authorities as soon as reasonably possible. When local law enforcement personnel have detained an Indian suspect, custody of such suspect shall be transferred to Tribal authorities as soon as reasonably possible.

V. Procedures for Processing Suspects. The Tribe shall consult and cooperate with representatives from local, State, and Federal agencies in order to develop guidelines concerning the procedures to be used for such matters as the detention, arrest, transfer of custody, incarceration, and prosecution of non-Indian suspects.

D. Effect of Compact on Subsequent Agreements. The provisions of this Compact shall control over any present or future agreement between the Tribe and local law enforcement or other local officials that may be inconsistent with the provisions of this Compact.

E. Jurisdiction. Except as expressly provided herein, the Tribe reserves all jurisdiction over Tribal gaming. The provisions of this Section 8 of this Compact shall not alter the jurisdiction of the Tribe, the United States, the State, or local law enforcement agencies, except as such jurisdiction pertains to violations or suspected violations of criminal gaming laws and except as necessary to implement the provisions of this Section 8 of this Compact. Local law enforcement officials shall have access to the Gaming Facility for the purpose of carrying out their responsibilities pursuant to this Section 8.

F. Amendment to Jurisdictional Provisions. No renegotiation of this Compact shall be deemed to affect any ongoing criminal prosecution.

G. Other Federal Criminal Law. Nothing contained in this Section 8 or elsewhere in this Compact shall alter or in any way diminish the authority of the United States to act pursuant to the provisions of 18 U.S.C. §§ 1166, 1167, or 1168, or any other law.

H. Transfer of Responsibility. Before any transfer of law enforcement responsibilities from the Bureau of Indian Affairs to the Tribe takes place, the Tribe shall give the State and the

Sheriff of Montezuma County at least 60 days notice, or as much notice as is reasonably possible should the Tribe have less than 60 days notice from the Bureau of Indian Affairs of such a transfer. The Tribe shall cooperate in the negotiation of any new or amended law enforcement agreement necessary to adjust to this transfer, but no such new or amended agreement shall be deemed required.

SECTION 9. REMEDY FOR BREACH OF COMPACT PROVISIONS-ARBITRATION.

In addition to any remedies provided in the Act or otherwise available under federal law, the Tribe and the State shall have the following remedy.

A. If either Party believes that the other is acting in a manner contrary to any of the provisions of this Compact, the complaining Party shall notify the responding Party in writing, specifying in detail the conduct complained of. The Parties shall have twenty (20) days from the date of such notice to informally resolve the dispute.

B. If the dispute is not resolved as provided in subsection (A) of this Section, the complaining Party may invoke arbitration in accordance with the following procedures. Once a Party has invoked arbitration the matter in controversy may not be litigated in court proceedings.

I. The Parties shall attempt to agree upon one arbitrator with expertise in matters of Indian gaming law;

II. If the Parties are unable to agree on a single

arbitrator, each Party shall designate an arbitrator, and those two arbitrators shall then designate a third arbitrator possessing special expertise in matters of Indian gaming law, in accordance with Rule 15, Appointment of Neutral Arbitrator by Party-Appointed Arbitrators or Parties, of the commercial arbitration rules of the American Arbitration Association. Each arbitrator shall be subject to the operation of rule 19, Disclosure and Challenge Procedure, of the commercial arbitration rules of the American Arbitration Association.

III. The arbitrator(s) shall confer with the Parties immediately after appointment to determine an arbitration schedule, including whether and to what extent discovery is required. The arbitration shall be conducted in accordance with the commercial arbitration rules of the American Arbitration Association.

IV. By a majority vote, the arbitration panel shall declare the Parties' rights under the terms of this Compact and grant relief permitted by law. The panel shall issue a written statement explaining the rationale of its decision. The Party-appointed arbitrators shall bill their fees to the respective Parties, and all other fees shall be shared equally.

V. The tribe and the state agree to be bound by the arbitration panel's decision.

SECTION 10. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE GAMING AGENCY.

A. The Tribe shall reimburse the State Gaming Agency for expenses incurred by the State Gaming Agency in carrying out its responsibilities under the provisions of this Compact, including reimbursement for the reasonable cost of any training of personnel designated by the Tribe, reasonable background investigation costs, reasonable travel and travel-related expenses, reasonable monitoring and investigative costs, and reasonable processing costs.

B. The State shall submit a detailed statement on a monthly basis to the Tribal Gaming Commission. The Tribe shall reimburse the State Gaming Agency within forty five (45) days after the receipt of the statement of expenses. The State shall not impose any tax, fee, charge or other assessment upon the tribe or its Gaming Facility, operations, revenues, and, property, except as provided in Section 5 of this Compact. Nothing in this section shall alter or diminish the pre-existing rights of the Parties with respect to the power to tax.

C. If the Tribe believes that it has been assessed a charge for services that are not related to the Tribe's gaming, it shall notify the director of the State's Division of Gaming that it objects to the charge. If the Parties are not able to resolve such a dispute, they may resort to arbitration as provided in Section 9 of this Compact and the arbitrator may allow or disallow the disputed charge.

SECTION 11. PUBLIC HEALTH AND SAFETY

A. Standards. The Tribe shall adopt public health and fire, property, and life safety standards for the Tribal Gaming Operation that are comparable to the Uniform Building Code of 1988, and public health standards for food handling for the Tribal Gaming Operation that are no less stringent than those requirements of the Indian Health Service in effect as of the date of this Compact.

B. Emergency Service Accessibility. The Tribe shall make provisions for adequate emergency service accessibility.

SECTION 12. EFFECTIVE DATE, TERMINATION AND AMENDMENT

A. Effective Date. This Compact shall be effective after ratification by the Ute Mountain Ute Tribe and the State of Colorado and upon publication of notice of approval in the Federal Register in accordance with 25 U.S.C. § 2710(d)(3)(B). Gaming operations shall commence after all requirements of the Act have been met.

B. Voluntary Termination. This Compact shall be in effect until terminated by the written agreement of both Parties. Should the Tribe wish to cease Class III gaming, the Tribe may unilaterally terminate this Compact by submitting written notice prior to the date of termination to the Governor of the State of Colorado and to the State Gaming Agency. However, any State or local investigation shall continue until the completion of any pending investigation and enforcement action, if applicable.

C. Amendment. The terms and conditions of this Compact may be amended by written agreement of both Parties, and upon obtaining the required federal approvals. The State or the Tribe may, by notice to the other, request negotiations to amend this Compact. In the event of a request for amendment, this Compact shall remain in effect until amended. If such a request is made by either Party, it shall be treated as a request to negotiate pursuant to the Act, except that both Parties shall be charged with the obligation to negotiate in good faith, and the burden of proving that the opposing Party has failed to negotiate in good faith shall be on the Party alleging such failure. The State and the Tribe shall have 180 days to negotiate such an amendment, and all further procedures and remedies available under the Act shall thereafter apply. The Parties may agree to extend the 180 day period without prejudice to the rights of either Party under this Section 12 of this Compact.

If the State and the Tribe fail to reach an agreement within the 180-day period, and neither the State nor the Tribe elects to pursue other remedies, then the Tribe and the State shall each submit to a mediator, appointed jointly by the Tribal chairman and the Governor of the State or their respective designees, a proposed amendment that represents the Party's last best offer for an amendment or a proposal that no amendment should be made. Taking into account the particularities of the disputed issues, the mediator shall select from the two proposals the one which best comports with the terms of the Act, and any other applicable

Federal statutory law. The mediator shall advise the State and the Tribe which proposal has been selected. If the State and the Tribe consent to a proposal during the 45-day period beginning on the date on which the mediator advised the State and the Tribe of which proposal was selected, the proposal shall become effective upon approval by the Secretary. If the State and the Tribe do not consent to a proposal during the 45-day period described above, the mediator shall notify the Secretary and the Secretary shall prescribe, in consultation with the Tribe, procedures:

I. which are consistent with the proposal selected by the mediator, any relevant provisions of the laws of the State, and the provisions of the Act; and

II. under which Class III gaming may be conducted on the Reservation.

D. State Authorization of Additional Class III Gaming Activities. In the event the State authorizes Class III gaming activities in addition to those described in Section 3 of this Compact, such authorization shall extend to the Tribe without amendment of this Compact.

SECTION 13. ECONOMIC AND SOCIAL IMPACT.

Upon entering into this Compact, the Parties recognized and acknowledged that Tribal gaming activity might have a substantial economic and social impact or effect on the cities, towns, and counties surrounding or near the site of such activity. At the time this Compact was negotiated it was impossible to forecast,

assess or quantify such impact or effect. Accordingly, the Parties agreed to negotiate appropriate resolutions or remedies to address such impacts or effects within 18 months of the commencement of Tribal gaming.

Given the growth and change of the gaming industry in the state of Colorado since the inception of gaming, the Parties have been unable to quantify to their mutual satisfaction the extent of the positive and negative social and economic impacts directly resulting from the Tribal Gaming Operation. In order to facilitate this assessment in an unbiased manner, the Parties hereto agree to jointly, with the participation of Montezuma County, finance a comprehensive study of the positive and negative economic and social impacts of the Tribal Gaming Operation on the surrounding communities and areas. Using as a baseline the conclusions, methodology, and information set forth in the Fox Study of March, 1994, the Tribe, the State, and the County shall mutually agree upon the methodology of the study, and selection of the contractor or contractors to conduct the study. The methodology shall provide a model which allows for periodic updating of the results of the study, based upon current available data. Each party shall bear a portion of the cost of the study in a fair and reasonable manner.

The Parties agree to assess the impacts directly resulting from the Tribal Gaming Operation, as disclosed by the study. The Parties further agree to negotiate pursuant to Section 12(C) (Amendment) of this Compact appropriate resolutions or remedies

based upon identified impacts. Notwithstanding the limitations on State taxation contained in Section 10 of this Compact, the Tribe agrees to assist the State in correcting impact problems. In determining the Tribe's contribution, if any, the Parties agree to take into account the increase in wealth of the non-Indian community, the increased revenues received by the State and local governments, if any, which result from the Tribal gaming activity, changes in the Tribe's financial situation resulting from changes in federal law or funding, and other payments which the Tribe makes to the local governments and to the State.

SECTION 14. NOTICES

Unless otherwise indicated by this Compact, all notices required or authorized to be served shall be served by first class mail at the following addresses:

Tribal Chairman
Ute Mountain Ute Indian Tribe
Towaoc, Colorado 81334

Governor
State of Colorado
State Capitol
Denver, Colorado 80202

A copy of any notice to the Governor shall be sent simultaneously to the State Gaming Agency and a copy of any notice to the Tribal Chairman shall be sent simultaneously to the Office of the General Counsel, Ute Mountain Ute Tribe, P.O. Box GG, Towaoc Colorado, 81334. All notices served pursuant to this section shall be effective upon receipt.

SECTION 15. SEVERABILITY

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

SECTION 16. STATUTORY REFERENCES.

All references in this compact to federal, Tribal and State statutes and regulations shall mean those statutes and regulations currently in effect and as hereafter amended.

SECTION 17. LIMITED WAIVER OF IMMUNITY.

The State and the Tribe expressly waive their respective immunities from suit and submit to the jurisdiction of a federal court of competent personal and subject matter jurisdiction for the limited purpose of enforcing the terms of this Compact. Nothing in this section shall be construed as constituting a waiver of immunity by either Party for any other purpose whatsoever.

SECTION 18. TRIBAL LAW.

Nothing in this Compact precludes the Tribe from adopting

Tribal Codes, regulations or requirements which are more stringent than the requirements set forth herein.

UTE MOUNTAIN UTE TRIBE

STATE OF COLORADO

DATE: Oct. 27, 1995

DATE: 11/16/95

Consistent with 25 U.S.C.A. Sec 2710 (d)(8), the Ute Mountain Ute Tribe and the State of Colorado Gaming Compact is approved on the 1st day of March, 1996, by the Assistant Secretary - Indian Affairs, United StatesDepartment of the Interior.

Ada E. Deer
Assistant Secretary - Indian Affairs