



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240



Honorable Albert Garcia
Chairman, Pascua Yaqui Tribal Council
7474 S. Camino De Oeste
Tucson, Arizona 85746

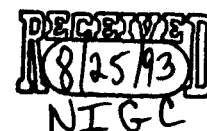
Dear Chairman Garcia:

On June 29, 1993, we received the Compact between the Pascua Yaqui Tribal Council (Tribe) and the State of Arizona (State), dated June 24, 1993.

This Compact has a unique history. In Yavapai-Prescott v. Arizona, No. 91-1696 (D. Az.), several Arizona tribes sued the State of Arizona for failing to negotiate, in good faith, Class III tribal-state gaming compacts. Thereafter, four tribes negotiated compacts with the State. Three tribes, the Tohono O'odham, White Mountain Apache and Pascua Yaqui, were unable to reach agreement with the State. As a result, the three tribes and the state were required to submit their last, best compact offers to a court-appointed mediator under 25 U.S.C. § 2710 (d)(7) of the Indian Gaming Regulatory Act (IGRA). The mediator was required to choose the compacts which best comported with the terms of the IGRA. In all three instances, the mediator chose the tribes' compacts. The State, however, declined to consent to the proposed compacts.

Upon the expiration of the time period in which the State could accept the compacts, the mediator submitted the compacts to the Secretary to prescribe gaming procedures. Although the compacts chosen by the mediator were submitted to the Secretary, the three tribes and the Governor had agreed to continue their compact negotiations to resolve differences and to settle the pending lawsuit. The parties were able to reach agreements which resulted in negotiated compacts. The compacts were then submitted to the Department for approval in lieu of Secretarial procedures. We find nothing in the IGRA which precludes the State and Tribe from concluding a compact and substituting it for the development of procedures.

We have completed our review of your tribe's Compact and conclude that it does not violate the 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)(8)(D), is published in the FEDERAL REGISTER.



Notwithstanding our approval of the Compact, be advised that Section 11 (d)(1) of the IGRA, 25 U.S.C. § 2710(b)(1)(B), requires that gaming cannot be conducted without a tribal gaming ordinance approved by the Chairman of the National Indian Gaming Commission (NIGC). On July 8, 1992, the NIGC published in the FEDERAL REGISTER proposed regulations to govern the approval of Class II and Class III gaming ordinances. The final regulations were published in the FEDERAL REGISTER on January 22, 1993 (58 Fed. Reg. 5802), and became effective on February 22, 1993. Pursuant to the IGRA and the regulations, even previously existing gaming ordinances must be submitted to the NIGC for approval when requested by the Chairman.

In addition, if the Tribe intends to enter into a management contract for the operation and management of its 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 at (202) 632-7003 for further information on submitting the ordinance and the management contract for approval by the NIGC.

Furthermore, we note that the Compact includes a reference to the sale of alcoholic beverages. The possession or sale of liquor in Indian Country is a violation of Federal criminal laws (18 U.S.C. § 1154) unless it is done in accordance with an ordinance certified by the Secretary and published in the FEDERAL REGISTER (18 U.S.C. § 1161). The Pascua Yaqui Tribal Council does not have a certified liquor ordinance. Secretarial certification of such an ordinance must be obtained and published prior to the selling of liquor in Indian Country. The Tribe may want to contact the Phoenix Area Office for assistance and information on the requirements for certification of the ordinance.

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

Sincerely,


Assistant Secretary - Indian Affairs

Enclosures

Identical Letter Sent to: Honorable Fife Symington
Governor of Arizona
State Capitol
Phoenix, Arizona 85007

cc: Phoenix Area Director w/copy of approved Compact
Supt. Salt River Agency w/copy of approved Compact
~~National Indian Gaming Commission w/copy of approved Compact~~
Phoenix Area Field Solicitor w/copy of approved Compact
Phoenix United States Attorney w/copy of approved Compact

PASCUA YAQUI TRIBE OF ARIZONA

AND

STATE OF ARIZONA

GAMING COMPACT

1993

PASCUA YAQUI TRIBE OF ARIZONA-STATE OF ARIZONA GAMING COMPACT

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**THE PASCUA YAQUI TRIBE OF ARIZONA-STATE OF ARIZONA GAMING
COMPACT**

This Compact is entered into by and between the Pascua Yaqui Tribe of Arizona ("Tribe") and the State of Arizona ("State"), in accordance with the Indian Gaming Regulatory Act of 1988 for the purposes of governing Class III Gaming Activities conducted within the territorial jurisdiction of the Tribe.

DECLARATION OF POLICY AND PURPOSE

WHEREAS, the Tribe and the State are separate sovereigns, and each recognizes and respects the laws and authority of the other sovereign; and

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

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

WHEREAS, the Tribe is a federally recognized Indian Tribe and exercises governmental power over Indian Lands which are located within the exterior boundaries of the State, and within which the Gaming Activities regulated

hereunder shall take place; and

WHEREAS, the Tribe and the State have negotiated the terms and conditions of this Compact to provide a regulatory framework for the operation of certain Class III Gaming which is intended to (a) ensure the fair and honest operation of such Gaming Activities; (b) maintain the integrity of all activities conducted in regard to such Gaming Activities; and (c) protect the public health, welfare and safety.

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

SECTION 1. TITLE

This document shall be referred to as "The Pascua Yaqui Tribe of Arizona - State of Arizona Gaming Compact."

SECTION 2. DEFINITIONS

For purposes of this Compact:

(a) "Act" means the Indian Gaming Regulatory Act, Public Law 100-497, 25 U.S.C. §§ 2701-2721 and 18 U.S.C. §§ 1166-1168.

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

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

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

(e) "Class II Gaming" means all forms of gaming defined as Class II in section 4(7) of the Act, 25 U.S.C. §2703(7).

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

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

(h) "Compact" means The Pascua Yaqui Tribe of Arizona--State of Arizona Gaming Compact.

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

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

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

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

- (1) Video facsimile; or
- (2) Mechanical rotating reels whereby the software of the device

predetermines the stop positions and the presence, or lack thereof, of a winning combination and pay out, if any.

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

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

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

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

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

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

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

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

(u) "Keno" means a house banking game in which a player selects from

one to twenty numbers on a card that contains the numbers one through eighty; the house randomly draws twenty numbers; players win if the numbers they selected correspond to the numbers drawn by the house, and the house pays all winners, if any, and collects from all losers.

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

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

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

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

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

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

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

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

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

(cc) "Person" includes a corporation, company, partnership, firm, association or society, as well as a natural person. When "person" is used to designate the

violator or offender of any law, it includes a corporation, partnership or any association of persons.

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

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

- (1) Each of its officers and directors;
- (2) Each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer or general manager;
- (3) Each of its owners or partners, if an unincorporated business;

- (4) Each of its shareholders who own more than ten (10) percent of the shares of the corporation, if a corporation;
- (5) Each person other than a banking institution who has provided financing for the entity constituting more than ten (10) percent of the total financing of the entity; and
- (6) Each of the beneficiaries, or trustees of a trust.

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

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

(hh) "State Certification" means the process utilized by the State Gaming Agency to ensure that all persons required to be certified are qualified to hold such certification in accordance with the provisions of this Compact.

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

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

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

(ll) "Tribe" means The Pascua Yaqui Tribe of Arizona, and its authorized officials, agents and representatives.

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

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

wagering , (5) pari-mutuel wagering on horse racing, and (6) pari-mutuel wagering on dog racing.

(b) **Appendices Governing Gaming.**

(1) The State and the Tribe agree that the Tribe shall only offer for play by the public at the Gaming Facilities Gaming Devices which comply with the technical standards as set forth in Appendix A.

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

(3) The State and the Tribe further agree that prior to the Tribe conducting any Gaming Activities authorized in this Compact or any amendments thereto, other than Gaming Devices, the parties shall append to this Compact a mutually agreed-upon appendix setting forth the operational standards, specifications and regulations governing such gaming. In addition, any

disputes regarding the contents of such appendices shall be resolved in the manner set forth in Section 15 of this Compact. A change in or the addition of an appendix shall not be considered an amendment to the Compact.

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

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

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

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

- (2) For purposes of determining the number of Gaming Devices for the Tribe, enrollment shall be based upon the Tribe's official tribal enrollment figures submitted to the Bureau of Indian Affairs.
- (3) If during the term of this Compact any tribe in the State of Arizona is authorized to operate Gaming Devices in excess of the number of Gaming Devices provided for in Section 3 (c) (1) or is authorized to operate more than 500 Gaming Devices per Gaming Facility location for any reason other than the allowance of additional Gaming Devices pursuant to Section 3(e)(2)(b) then the Tribe, regardless of the number of Enrolled Tribal Members, shall be entitled to operate Gaming Devices without regard to the limitations on the number of Gaming Devices or the number of Gaming Devices per location without

the need to amend this Compact.

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

(e) **Additional Games.**

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

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

law, shall be authorized to either:

- (A) Operate a maximum of twelve (12) table games per Gaming Facility location, without the need to amend this Compact, subject to the provisions of Section 3(b), or
- (B) As an alternative to paragraph (A) above, the Tribe may notify the State of its intent to negotiate for gaming devices in excess of the number of devices set forth in this Section as is appropriate to the change in state law. If the State and the Tribe fail to agree within one hundred eighty (180) days of the receipt of such notice, the dispute shall be resolved pursuant to Section 15(d).

The Tribe shall select either paragraph (A) or paragraph (B) above, but not both.

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

to twelve (12) blackjack or twelve (12) dice games or any combination of the two types of games per Gaming Facility location.

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

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

(h) **Wagering Limitations.** The maximum wager authorized for any single

play of a Gaming Device is eight dollars (\$8.00).

(i) **Hours of Operation.** The Tribe may establish by ordinance or regulation the permissible hours and days of operation of Gaming Activities; provided, however, that the Tribe shall comply with all applicable State liquor laws at all Gaming Facilities.

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

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

(l) **Restriction on Minors.** No person under 18 years of age shall be permitted to place any wager, directly or indirectly, in any Gaming Activity. No person under 18 years of age shall be employed by a Gaming Facility Operator or by

the Tribal Gaming Office. No person under 21 years of age shall be employed in the service of alcoholic beverages at any Gaming Facility, unless otherwise permitted under State law.

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

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

(o) **Record-Keeping.** The Gaming Facility Operator shall maintain as written or computerized records which shall be available for inspection by the State Gaming Agency in accordance with Section 7(b) of this Compact, a surveillance log recording all material surveillance activities in the monitoring room of the Gaming Facilities and a security log recording all unusual occurrences investigated by the

Tribal Gaming Office. Videotape recordings, made in accordance with Appendix C, shall be retained by the Gaming Facility Operator for at least seven (7) days from the date of original recording.

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

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

SECTION 4. TRIBAL-STATE LICENSING AND CERTIFICATION

REQUIREMENTS

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

(b) **Gaming Employees.** Every Gaming Employee shall be licensed by the

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

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

(d) Manufacturers and Suppliers of Gaming Devices and Gaming Services. Each Manufacturer and supplier of Gaming Devices, and each person providing Gaming Services, within or without the Gaming Facility, shall be licensed by the Tribal Gaming Office and shall be certified by the State Gaming Agency prior to the sale or lease of any Gaming Devices or Gaming Services. The Tribe shall provide to the State Gaming Agency a list of the names and addresses of all vendors providing Gaming Services on a periodic basis at the time of the meetings required pursuant to Section 6(h) of this Compact.

**SECTION 5. PROCEDURES FOR TRIBAL LICENSING AND STATE
CERTIFICATION**

(a) **Procedures for Tribal License Applications and State Certification.**

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

(b) **Background Investigation of Applicants.**

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

Tribal Gaming Office to the extent allowed by law.

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

- (3) The Tribal Gaming Office and the State Gaming Agency shall retain the right to conduct additional background investigations of any person required to be licensed or certified

at any time, while the license or certification remains valid.

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

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

- (1) has been convicted of any felony or gaming offense;
- (2) has knowingly and willfully provided materially important false statements or information or omitted materially important information on his or her employment Application for employment at the Gaming Facility or background questionnaire; or
- (3) is determined to be a person whose prior activities, criminal

record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, and methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

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

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

- (1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any

provision of this Compact or any provision of any State Gaming Agency rule, or when any such violation has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control;

- (2) Knowingly causes, aids, abets, or conspires with another to cause any person or entity to violate any of the laws of this State or the rules of the State or Tribal Gaming Office, or the provisions of this Compact;
- (3) Has obtained a State Certification or tribal license by fraud, misrepresentation, concealment or through inadvertence or mistake;
- (4) Has been convicted of, or forfeited bond upon a charge of, or pleaded guilty to, forgery, larceny, extortion, conspiracy to defraud, willful failure to make required payment or reports to any tribal, state or United States governmental agency at any level, or filing false reports therewith, or of any similar offense or offenses, or of bribing or otherwise unlawfully influencing a public official or employee of a tribe, any state of the United States, or of any crime, whether a felony or misdemeanor,

involving any gaming activity or physical harm to individuals or moral turpitude;

- (5) Makes a misrepresentation of, or fails to disclose a material fact to the State Gaming Agency or the Tribal Gaming Office;
- (6) Fails to prove, by clear and convincing evidence, that he, she or it is qualified in accordance with the provisions of this Section;
- (7) Is subject to current prosecution or pending charges, or a conviction which is under appeal, for any of the offenses included under subsection (4) of this Section; provided, that at the request of an Applicant for an original certification, the State Gaming Agency may defer decision upon the Application during the pendency of such prosecution or appeal;
- (8) Has had a gaming license issued by any state or tribe in the United States revoked or denied;
- (9) Has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdiction, including suspension, revocation, denial of Application or forfeiture of

license;

- (10) Has pursued or is pursuing economic gain in an occupational manner or context which is in violation of the criminal laws of any state if such pursuit creates probable cause to believe that the participation of such person in gaming or related activities would be detrimental to the proper operation of an authorized gaming or related activity in this State. For the purposes of this paragraph, occupational manner or context shall be defined as the systematic planning, administration, management or execution of an activity for financial gain;
- (11) Is a career offender or a member of a career offender organization or an associate of a career offender or career offender organization in such a manner which creates probable cause to believe that the association is of such a nature as to be detrimental to the proper operation of the authorized gaming or related activities in this State. For the purposes of this paragraph, career offender shall be defined as any person whose behavior is pursued in an occupational manner or context for the purposes of economic gain utilizing such methods as are deemed criminal violations of Tribal law, federal law or the

laws and the public policy of this State. A career offender organization shall be defined as any group of persons who operate together as career offenders;

(12) Is a person whose prior activities, criminal record, if any, reputation, habits and associations pose a threat to the public interest of the Tribe or the State or to the effective regulation and control of Class III Gaming, or creates or enhances the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of Class III Gaming, or the carrying on of the business and financial arrangements incidental thereto; or

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

(g) **Right to Hearing for Revocation, Suspension or Denial of State Certification.** Any Applicant for State Certification, or holder of a State Certification shall be entitled to a full hearing on any action by the State Gaming Agency which may result in the revocation, suspension, or denial of State Certification. The hearing shall be conducted in accordance with the procedures contained in the applicable provisions of the Arizona Administrative Procedures Act, Title 41,

Chapter 6, Arizona Revised Statutes or the State Gaming Agency administrative rules; provided, the State, after consultation with the Tribal Gaming Office, may defer such actions to the Tribal Gaming Office. Nothing herein shall prevent the Tribal Gaming Office from invoking its disciplinary procedures.

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

(i) **Duration and Renewal of Tribal Licenses and State Certifications.** Any Tribal license or State Certification shall be effective for one (1) year from the date of issuance; provided, that a licensed or certified employee or person that has applied for renewal may continue to be employed or engaged under the expired license or State Certification until action is taken on the renewal Application by the Tribal Gaming Office or the State Gaming Agency. Applicants for renewal of a license or certification shall provide updated material as requested, on the appropriate renewal forms; but shall not be required to resubmit historical data already available to the

Tribal Gaming Office or the State Gaming Agency. Additional background investigations shall not be required of Applicants for renewal unless new information concerning the Applicant's continuing eligibility for a license or a State Certification is discovered by either the Tribal Gaming Office or the State Gaming Agency.

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

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

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

(1)	Gaming Employee and provider of Gaming Services	
	Initial Certification	\$ 150
	Renewal	\$ 75
(2)	Management Contractors and/or Financiers	
	Initial Certification	\$1500
	Renewal	\$ 500
(3)	Manufacturers and Suppliers of Gaming Devices	
	Initial Certification	\$1500
	Renewal	\$ 500

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

days notice of intent to modify fees. Should a dispute arise under this section, it shall be resolved pursuant to Section 15 of this Compact.

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

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

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

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

(q) **Administrative Process: Tribal Members.**

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

the contrary, the Tribal Gaming Office shall afford the State an opportunity for a hearing before an appropriate Tribal forum to contest the Tribal Gaming Office licensing decision. The decision of the Tribal forum shall be final.

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

SECTION 6. TRIBAL REGULATION OF COMPACT PROVISIONS

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

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

- (2) The Tribe shall notify the State Gaming Agency of its intent to amend or repeal the draft Ordinance set forth in Appendix B, or to adopt regulations and shall provide a copy of any change or modification in Appendix B to the State Gaming Agency.
- (3) The Tribe's Gaming Ordinance shall provide for the detention of persons who may be involved in illegal acts for the purpose of notifying appropriate law enforcement authorities.
- (4) The Tribal Gaming Office shall require the Gaming Facility Operator to establish, consistent with the provisions of Appendix C to this Compact, a closed-circuit television surveillance system capable of recording and preserving on videotape all areas of the Gaming Facilities required by this Compact to be under surveillance;
- (5) The Tribal Gaming Office shall have the responsibility and authority to investigate alleged violations of this Compact, the Tribe's Gaming Ordinance, and other applicable laws and to take appropriate disciplinary action against the Gaming Facility Operator or the holder of a license for a violation or to institute appropriate legal action for enforcement or both; and to

confiscate or shut down any Gaming Device or other equipment or gaming supplies failing to conform to any required standards.

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

- (1) The physical safety of its employees;
- (2) The physical safety of patrons in the Gaming Facility;
- (3) The physical safeguarding of assets transported to and from the Gaming Facility and cashier's cage department; and
- (4) The protection of the patrons' and the Gaming Operation's property from illegal activity.

(c) **Tribal Gaming Office Staff and Executive Director.** The Tribe has sole authority to determine the composition of the Tribal Gaming Office, however, no employee of a Gaming Facility Operator shall be employed by or be a member of the

Tribal Gaming Office. The Tribe shall designate an Executive Director of the Tribal Gaming Office. The Executive Director shall have overall responsibility for the administrative functions of the Tribal Gaming Office. The Executive Director shall serve as the formal liaison to the person holding the similarly titled position with the State Gaming Agency.

(d) **Right of Inspection.**

- (1) The Tribal Gaming Office shall have the right to inspect any Gaming Facility at any time and shall have immediate access to any and all areas of a Gaming Facility for the purpose of ensuring compliance with the provisions of this Compact and the Tribe's Gaming Ordinance.
- (2) The Tribal Gaming Office shall employ inspectors or agents who shall act under the authority of the Tribal Gaming Office. Said inspectors shall be independent of the Gaming Facility Operator and any Management Contractors, and shall be supervised and accountable only to the Tribal Gaming Office. Said inspectors shall have the right to inspect any Gaming Facility at any time and shall have immediate access to any and all areas of the Gaming Facility. An inspector shall be present

in the Gaming Facilities during all hours of gaming operation.

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

- (1) The assigned number;
- (2) The date;
- (3) The time;
- (4) The nature of the incident;
- (5) The person(s) involved in the incident; and
- (6) The name of the security department or Tribal Gaming Office employee assigned to investigate.

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

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

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

if such disclosure will not compromise on-going law enforcement investigations or activities. Following the first year of this Compact, the Tribal Gaming Office and the State Gaming Agency shall jointly determine the number of meetings necessary, but in no event shall less than two (2) meetings occur for any twelve (12) month period.

SECTION 7. STATE MONITORING OF COMPACT PROVISIONS

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

- (1) Agents of the State Gaming Agency shall have free and unrestricted access to all public areas of a Gaming Facility during operating hours without giving prior notice to the Gaming Facility Operator;
- (2) The monitoring activities of these agents shall be conducted in a manner which does not unduly interfere with the normal functioning of the Tribe's Gaming Operation;

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

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

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

(b) **State's Access to the Tribe's Gaming Records: Confidentiality Requirements.** Agents of the State Gaming Agency shall, upon twenty four (24) hours advance notification to the Tribal Gaming Office, have the right to inspect and copy during normal business hours, all records maintained by the Gaming Facility Operator. Such advance notification shall not be required if such

notification will compromise an ongoing law enforcement investigation or activity. However, all records, and copies thereof, shall remain the property of the Tribe irrespective of their location. All such records, and the information derived from such records, are confidential and proprietary information of the Tribe. Access to all records, or documents of the Gaming Facility Operator, or copies thereof in the possession of the State shall be limited solely to employees of the State Gaming Agency and the Tribal Gaming Office and the State shall not disclose such records and documents to other persons within the state government or to third parties, provided however that disclosure shall be authorized when made pursuant to an order of a court of competent jurisdiction, or when disclosed to a federal, state or tribal regulatory or criminal justice agency pursuant to a regulatory or criminal justice investigation under this Section, or when disclosed pursuant to Section 5 (k). The State Gaming Agency shall immediately notify the Tribal Gaming Office of the receipt of any request for access to any such records from any person outside the State Gaming Agency unless ordered otherwise by a court of competent jurisdiction.

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

ensure compliance with this Compact. All such records shall be maintained pursuant to generally accepted accounting principles and shall be suitable for audit pursuant to the standards of the American Institute of Certified Public Accountants.

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

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

(f) Cooperation with Tribal Gaming Office. The State Gaming Agency shall meet periodically, consistent with Section 6(h), with the Tribal Gaming Office and cooperate fully in all matters relating to the enforcement of the provisions of this Compact and immediately notify the Tribal Gaming Office of any activity

suspected or occurring whether within the Gaming Facilities or not, which adversely affects State, Tribal or public health, safety, or welfare interests relating to the Gaming Facility and Gaming Facility Operator, if such disclosure will not compromise an ongoing law enforcement investigation or activity.

SECTION 8. CIVIL AND CRIMINAL JURISDICTION

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

SECTION 9. CROSS-DEPUTIZATION AGREEMENT

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

SECTION 10. AUTHORIZATION TO ENACT RULES AND REGULATIONS

(a) **State Gaming Agency Rules.** Pursuant to its general rule-making authority, the State Gaming Agency may enact, as part of its rules governing

gaming, all or part of the provisions of this Compact. The rules adopted by the State Gaming Agency shall be consistent with the provisions and appendices of this Compact.

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

SECTION 11. OPERATIONAL REQUIREMENTS

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

- (1) Assets are safeguarded;
- (2) Financial records are accurate and reliable;
- (3) Transactions are performed in accordance with the Tribe's general or specific authorization;
- (4) Access to assets is permitted only in accordance with the Tribe's

specific authorization;

- (5) Recorded accountability for assets is compared with actual assets at frequent intervals and appropriate action is taken with respect to any discrepancies; and
- (6) Functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

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

- (1) An organizational chart depicting appropriate segregation of functions and responsibilities;
- (2) A description of the duties and responsibilities of each position shown on the organizational chart;
- (3) A detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of subsection (a) of this Section; and
- (4) A description of procedures governing the maintenance and

preservation of security and surveillance information.

(c) **Annual Audit.** The Gaming Operation shall be audited, not less than annually, by an independent certified public accountant licensed by the State. The Gaming Facility Operator shall notify the State Gaming Agency of its fiscal year end. Such audit shall be at the expense of the Gaming Facility Operator. The Gaming Facility Operator shall notify the State Gaming Agency of its fiscal year. The financial statement and audit shall be prepared in accordance with the auditing standards published by the American Institute of Certified Public Accountants and shall be submitted to the Tribal Gaming Office and the State Gaming Office within one hundred twenty (120) days of the close of the fiscal year of the Gaming Operation. All auditors shall preferably have experience in Class III Gaming matters conducted pursuant to the Act. In addition, the State Gaming Agency shall be authorized to confer with the independent certified public accountant retained by the Tribe during the preparation of the audit and the preparation of the financial statement. The Tribal Gaming Office shall be notified of and provided the opportunity to participate in and attend any such conference.

SECTION 12. TRIBAL REIMBURSEMENT OF STATE GAMING AGENCY

EXPENSES

(a) **Compensation to the State Gaming Agency.** The Tribe agrees to pay

the State Gaming Agency the necessary costs incurred by the State as a result of the State's performance of its rights or duties under the terms of this Compact.

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

overpayment shall be credited to the Tribe for the succeeding year at the Tribe's discretion. If credits are provided or if any excess remains at the conclusion of the Compact term, the State shall return such monies to the Tribe within thirty (30) days from the expiration date of this Compact.

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

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

SECTION 13. PUBLIC HEALTH, SAFETY AND WELFARE

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

- (1) The Uniform Building Code (1988 edition);
- (2) The Uniform Mechanical Code (1988 edition);
- (3) The Uniform Plumbing Code (1988 edition);

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

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

(b) **Emergency Service Accessibility.** The Tribe shall require the Gaming Facility Operator to make provisions for adequate emergency accessibility and service.

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

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

SECTION 14. PATRON DISPUTES

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

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

(2) Less than five hundred dollars (\$500), the Gaming Facility Operator shall inform the patron of his or her right to request that the Tribal Gaming Office conduct an investigation. Upon request of the patron, the Tribal Gaming Office shall conduct whatever investigation it deems necessary and shall determine whether payment should be made.

(b) **Notice to Patrons.** The Tribal Gaming Office shall mail written notice by certified mail, return receipt requested, to the Gaming Facility Operator and the patron of the decision resolving the dispute within thirty (30) days after the date that

the Tribal Gaming Office first receives notification from the Gaming Facility Operator or a request to conduct an investigation from the patron.

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

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

SECTION 15. DISPUTE RESOLUTION

(a) **Procedures and Provisions Subject to Dispute Resolution.** The parties may discuss and reconsider Sections 4, 5, 7, 11, 12, 14 and all appendices to this

Compact upon written notice and request by either party. Thereafter, if the Tribe or the State believes that the other party has failed to comply with the requirements of the foregoing Sections and appendices, or if any dispute arises as to the proper interpretation thereof, the procedures set forth in this Section shall apply.

(b) **Notice.** The party asserting noncompliance or seeking an interpretation shall serve written notice on the other party. The notice shall identify the specific Compact provision alleged to have been violated or in dispute and shall specify in detail the factual basis for the alleged noncompliance or the proffered interpretation of the Compact provision for which interpretation is sought.

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

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

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

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

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

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

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

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

SECTION 16. RESERVATION OF RIGHTS UNDER THE ACT

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

(b) **Prohibition on Taxation by the State.** Nothing in this Compact shall be deemed to authorize or permit the State or any political subdivision thereof to impose any tax, fee, charge or assessment upon the Tribe or any Gaming Operation

of the Tribe, except for the payment of expenses as provided in Section 12 of this Compact.

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

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

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

SECTION 17. AMENDMENTS

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

SECTION 18. SEVERABILITY

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

SECTION 19. THIRD PARTY BENEFICIARIES

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

SECTION 20. NOTICES

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

State: The State of Arizona
State Gaming Office
800 West Washington, 5th Floor
Phoenix, Arizona 85007

**Tribe: Attn: Chairman Tribal Council
Pascua Yaqui Tribe of Arizona
7474 S. Camino de Oeste
Tucson, Arizona 85746**

**Director
Tribal Gaming Office
7474 S. Camino de Oeste
Tucson, Arizona 85746**

SECTION 21. CALCULATION OF TIME

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

SECTION 22. COUNTERPARTS

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

SECTION 23. EFFECTIVE DATE AND DURATION

(a) Conditional Effectiveness; Effective Date.

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

(2) Subject to the provisions of Section 23 (a)(1) above, this Compact shall become effective after it is executed by both the Governor of the State and the Chairman of the Tribe, it is approved by the Secretary of the Interior, and notice of approval is published in the Federal Register pursuant to the Act.

(b) **Duration.**

- (1) This Compact shall be in effect for a term of ten (10) years after the effective date.
- (2) The duration of this Compact shall thereafter be automatically extended for terms of five (5) years, unless either party serves written notice of nonrenewal on the other party not less than one hundred eighty (180) days prior to the expiration of the original term of this Compact or any extension thereof.
- (3) In the event written notice of nonrenewal is given by either party as set forth in this Section, the Tribe shall cease all Class

III Gaming under this Compact upon its expiration date, unless extended by mutual agreement, or upon the date the procedures in subsection (5) of this Section are concluded and a successor Compact, if any, is not in effect.

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

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

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

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

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

(d) **Enforceability.**

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

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

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

SECTION 24. GOVERNING LAW.

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

SECTION 25. ENTIRE AGREEMENT

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

SECTION 26. AUTHORITY TO EXECUTE

Each of the undersigned represents that he is duly authorized and has the authority

to execute this agreement on behalf of the party for whom he is signing and that this Compact is a contractual agreement which is valid, enforceable and binding upon the parties.

STATE OF ARIZONA

PASCUA YAQUI TRIBE OF ARIZONA


Fife Symington, Governor


Albert V. Garcia, Chairman

DATE: 24 June 1993

DATE: 24 June, 1993

APPROVED:

By Aida E. Deen

DATE: 7-30-93

ASSISTANT SECRETARY - INDIAN AFFAIRS

APPENDIX A
TRIBAL/STATE COMPACT BETWEEN
PASCUA YAQUI TRIBE OF ARIZONA
AND
THE STATE OF ARIZONA

TECHNICAL STANDARDS FOR
ELECTRONIC GAMES OF CHANCE

TECHNICAL STANDARDS FOR ELECTRONIC GAMES OF CHANCE

SECTION 1. DEFINITIONS

For the purposes of this Compact:

- (a) "Credit" means the smallest unit of value that may be used to play a game on an electronic game of chance or that may be redeemed in currency.
- (b) "Distributor" means a person who obtains an electronic game of chance from a manufacturer and who intends to furnish it to the Tribe.
- (c) "Manufacturer" means a person who manufactures, produces, or assembles an electronic game of chance and who intends to furnish it to a distributor or the Tribe.
- (d) "Electronic Game of Chance" means a microprocessor-controlled electronic device which allows a player to play games of chance, some of which are affected by skill, which device is activated by the insertion of a coin, currency, tokens or by the use of a credit and which awards game credits, cash or tokens or prizes of value, replays or a receipt that can be redeemed by the player for any of the foregoing. Game play may be displayed by:
 - (i) Video facsimile; or
 - (ii) Mechanical rotating reels whereby the software of the device predetermines the stop positions and the presence, or lack thereof, of a winning combination and payout, if any.
- (e) "Progressive Jackpot" means an electronic game of chance payoff that increases automatically over time or as the machine or another is played.
- (f) "Base Amount" means the amount of the progressive jackpot initially offered before it increases.
- (g) "Incremental amount" means the difference between the amount of a progressive jackpot and its base amount.

SECTION 2. TESTING AND APPROVAL OF ELECTRONIC GAMES OF CHANCE

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

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

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

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

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

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

SECTION 4. TESTING OF ELECTRONIC GAMES OF CHANCE.

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

SECTION 5. REPORT OF TEST RESULTS.

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

SECTION 6. MODIFICATIONS OF APPROVED ELECTRONIC GAMES OF CHANCE.

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

SECTION 7. CONFORMITY TO TECHNICAL STANDARDS.

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

- (a) Conforms precisely to the exact specifications of the electronic game of chance prototype tested and approved by the gaming test laboratory; and
- (b) Operates and plays in accordance with the technical standards set forth in this Compact.

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

SECTION 8. REPORTS TO TRIBE AND STATE GAMING AGENCY.

- (a) Installation and Operation. Prior to installation of an electronic game of chance, the manufacturer or distributor shall report in writing to the Tribe and the State Gaming Agency the following information for each electronic game of chance, including, but not limited to:
 - (i) The type of electronic game of chance;
 - (ii) The game's serial number;
 - (iii) The game's manufacturer;
 - (iv) The person from whom the game was acquired; the means by which the game was transported into the State and the name and street address of any common carrier or other person transporting the game;
 - (v) The certification required under Section 7 above;
 - (vi) The Erasable Programmable Read Only Memory ("EPROM") chip's identification number;

- (vii) The location in which the game will be placed, and
- (viii) The date of installation.
- (b) Upon installation of an electronic game of chance, the Tribe shall provide in writing to the State Gaming Agency the unique identification number assigned by the Tribe under Section 9(o), below.
- (c) Removal from Play. Upon removal of an electronic game of chance from a tribal gaming facility, the manufacturer or distributor shall report in writing to the Tribe and the State Gaming Agency the following information:
 - (i) The date on which it was removed;
 - (ii) The game's destination; and
 - (iii) The name of the person to whom the equipment is to be transferred, including the person's street address, business and home telephone numbers; the means by which the game is to be transported and the name and street address of any common carrier or other person transporting the game.

SECTION 9. HARDWARE REQUIREMENTS FOR ELECTRONIC GAMES OF CHANCE.

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

- (a) Physical Hazard. Electrical and mechanical parts and design principles of the electronic games of chance may not subject a player to physical hazards.
- (b) Surge Protector. A surge protector must be installed on the line that feeds power to the electronic game of chance.
- (c) Battery Backup. A battery backup or an equivalent shall be installed on the electronic game of chance for the electronic meters and must be capable of maintaining the accuracy of all information required by this Compact for 180 days after power is discontinued from the machine. The backup device shall be kept within the locked microprocessor compartment.
- (d) On/Off Switch. An on/off switch that controls the electrical current used in the operation of an electronic game of chance and any associated equipment must be located in a place which is readily accessible within the interior of the Gaming Device.
- (e) Static Discharge. The operation of each electronic game of chance must not be adversely affected by static discharge or other electromagnetic interference.

- (f) **Approved Coin and Bill Acceptors.** At least one electronic coin acceptor must be installed in or on each electronic game or chance. The devices may also contain bill acceptors for denominations determined by the Tribe. Prior to operation, all model of coin and bill acceptors installed must be tested and approved in writing by a gaming test laboratory as provided in Section 2 above.
- (g) **Cabinet Security.**
- (i) The cabinet or interior area of the electronic game of chance shall be locked and not readily accessible.
 - (ii) Each electronic game of chance shall communicate with an on-line electronic game management system (either a dedicated line or a dial-up system) approved by the State and the Tribe that provides permanent sequential tracking, which permits monitoring of error conditions on a printed medium for future use, and which records the following information:
 - (A) Amount deposited in the machine through coin collectors and bill acceptors;
 - (B) Amount paid out by machine;
 - (C) Amount of net revenue of the machine;
 - (D) Time of day in twenty-four hour format showing hours and minutes;
 - (E) Date;
 - (F) Machine serial number;
 - (G) Terminal number;
 - (H) Number of times the microprocessor compartment has been opened if switches have been installed for this purpose;
 - (I) Number of times the cash compartment has been opened;
 - (J) The number of times the cabinet has been opened; and
 - (iii) Electronic games of chance utilizing coin drop hoppers are permitted.
 - (iv) The term "error conditions" as used in this subparagraph includes:
 - (A) Open cabinet doors and cash compartment doors.
 - (B) Coin-in tilt and reverse coin-in tilt.

- (C) Hopper empty, hopper jam, or hopper runaway/malfunction.
- (h) **Repairs and Service.** A licensed and certified agent or employee of the Tribe may open the gaming cabinet to effect repairs and service, but shall do so only in the presence of an authorized agent or inspector of the Tribal Gaming Office or after notifying the closed circuit television surveillance room. The Tribe shall make available upon request a licensed and certified agent or employee of the Tribe to assist with the removal and replacement of EPROM's for the compliance testing of electronic games of chance by the State Gaming Agency.
- (i) **Microprocessor Compartment.** The compartment containing the microprocessor-controlled device within the cabinet of the electronic game of chance must be locked and sealed and unlocked by a different key than the key which unlocks the cabinet or cash compartment. The compartment may only be opened in the presence of an authorized agent of the Tribal Gaming Office. The key to the microprocessor compartment shall be kept by the Tribe in a secure place.
- (j) **Access to Cabinet.** A log shall be maintained disclosing the identity of all persons accessing the gaming device cabinet or microprocessor compartment, including the date, time and reason for entry.
- (k) **Secure Electronic Components.**
- (i) Logic Boards and EPROM chips and other logic control components shall be located in a separate compartment within the electronic game of chance and that compartment shall be sealed and locked with a different key or combination than that used for the main cabinet door and cash compartment.
- (ii) Upon installation, the Tribe shall affix or cause to be affixed to the EPROM chip of each electronic game of chance a strip of security tape, capable of evidencing the removal of the EPROM chip if the EPROM chip is removed from the circuit board. The security tape shall be secured and available only to the authorized personnel of the Tribal Gaming Office. The Tribe and the State Gaming Agency shall maintain accurate and complete records of the identification number of each EPROM chip installed in each electronic game of chance.
- (l) **Secure Cash Compartment.** The coin and currency compartment shall be locked separately from the main cabinet area, and secured with a different key or combination than used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper as permitted in this Section. Cash compartment keys must be kept in a secure location. Except as provided in this section, the compartment in which the inserted coins and bills are deposited shall be locked at all times. An employee or an official of the Tribe may open the cash compartment in the gaming cabinet for the purpose of collecting the accumulated

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

- (m) Hardware Switches or Hardware Modification of Pay Tables or Payouts Prohibited. No hardware switches (DIP Switches) may be installed on an electronic game of chance or on any associated equipment which may alter the pay tables or payout percentages in the operation of the gaming device. Hardware switches may be installed to control the machine's sound, screen color and game speed.
- (n) Operation as Part of a Network. The hardware requirements of this Section shall not be construed to prevent the operation of the electronic game of chance as part of a network within the Tribal Gaming Facility, or between the Gaming Facilities on Tribal Lands, with an aggregate prize or prizes; provided that an electronic game of chance capable of bi-directional communication with external associated equipment must utilize communication protocol which insures that erroneous data or signals will not adversely affect the operation of the game. The operation of the local network must be approved by the independent gaming test laboratory.
- (o) Identification Plates Required. Each electronic game of chance shall have an unremovable identification plate on the exterior of the cabinet which contains the following information:
 - (i) Manufacturer;
 - (ii) Serial Number;
 - (iii) Model Number;
 - (iv) License stamp and identification number issued by the Tribe and the State Gaming Agency certifying compliance with the technical standards set forth in this Compact.

SECTION 10. REQUIREMENTS FOR PROGRESSIVE ELECTRONIC GAMES OF CHANCE.

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

- (b) A Tribe may limit a progressive jackpot to an amount that is equal to or greater than the amount of the jackpot when the limit is imposed. The Tribe shall post a conspicuous notice of the limit at or near the machine or machines to which the limit applies.
- (c) A Tribe shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:
 - (i) A player wins the jackpot;
 - (ii) The Tribe adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to subsection (b) above, and the Tribe documents the adjustment and the reasons for it as follows:
 - (A) The Tribe documents the distribution;
 - (B) Any machine offering the jackpot to which the Tribe distributes the incremental amount does not require that more money be played on a single play to win the jackpot than the machine from which the incremental amount is distributed;
 - (C) Any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of Section 11(b);
 - (D) The distribution is completed within 30 days after the progressive jackpot is removed from play.
 - (iv) Upon presentation of exceptional circumstances to the State Gaming Agency, and by mutual agreement, the Tribe may reduce, eliminate, distribute, or follow a procedure not otherwise described in this subsection.
- (d) The Tribe shall preserve the records required by this section for two years following the expiration date of this Compact.

SECTION 11. SOFTWARE REQUIREMENTS FOR ELECTRONIC GAMES OF CHANCE.

Electronic games of chance must meet the following specification:

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

(i) Chi-Square Analysis.

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

(ii) Runs Test.

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

(iii) Correlation Analysis.

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

(iv) Serial Correlation Analysis.

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

(v) Live Game Correlation.

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

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

(i) Games Not Affected by Player Skill.

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

(ii) **Games That Are Affected by Player Skill.**

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

- (c) **Minimum Probability Standard for Maximum Payout.** Each electronic game of chance must have a probability of obtaining the maximum payout which is greater than 1 in 17,000,000 (ONE IN SEVENTEEN MILLION) for each play.
- (d) **Software Requirements for Continuation of Game After Malfunction.** Each electronic game of chance must be capable of continuing the current game with all current game features after a game malfunction is cleared automatically or by an attendant. This provision does not apply if a game is rendered totally inoperable; however, the current wager and all player credits prior to the malfunction must be returned to the player after verification of those amounts by the Tribe.
- (e) **Software Requirements for Play Transaction Records.** Each game shall maintain electronic accounting meters. Such meters shall be maintained at all times, whether or not the game is being supplied with external power. The following information must be recorded and stored on meters:
- (i) Total number of coins or tokens inserted (the meter must count the total number of coins or tokens, or the equivalent value if a bill acceptor is used inserted by the players) (the "In Meter");
 - (ii) Number of coins or tokens automatically paid directly by the machine to the patron (the "Out Meter");
 - (iii) Number of coins or tokens plus the value of any currency dropped into the machine's Drop Bucket (the "Drop Meter");
 - (iv) Number of coins or tokens or value of amounts required to be paid manually to winning patrons not including the value of an aggregate prize or prizes which may be awarded under Section 9(n). (the "Manual Jackpot Meter");
 - (v) Number of coins or tokens or value of amounts or credits that have been paid to a patron in the last complete valid game, which shall be displayed visibly on the front of the machine (the "Win Meter");
 - (vi) Number of coins, tokens or credits wagered in the current game;
 - (vii) Number of coins, tokens or credits wagered in the last complete, valid game; and

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

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

SECTION 12. NON-COMPLYING ELECTRONIC GAMES OF CHANCE.

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

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

- (i) All electronic games of chance operated in violation of this Compact;
- (ii) All electronic games of chance to which State Gaming Agency personnel have been denied access for inspection purposes;
- (iii) All electronic games of chance not reported as required under Section 8 of these Standards.

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

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

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

APPENDIX B
GAMING ORDINANCE OF THE
PASCUA YAQUI TRIBE OF ARIZONA

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GAMING ORDINANCE OF THE PASCUA YAQUI TRIBE OF ARIZONA

GAMING ORDINANCE

Ordinance No. 92-12-01

BE IT ENACTED BY THE COUNCIL OF THE PASCUA YAQUI TRIBE OF ARIZONA: AN ORDINANCE TO GOVERN, REGULATE, AND CONTROL GAMING ON THE PASCUA YAQUI INDIAN RESERVATION.

Statement of Purpose: An Ordinance to govern and regulate the operation and conduct of gaming on the Pascua Yaqui Indian Reservation so that revenue may be produced for the support of tribal government programs which promote economic development and the health, education and welfare of the Tribe and its members.

CHAPTER 1

DEFINITIONS

1.000 Definitions. Unless a different meaning is clearly indicated, the terms used in this Ordinance shall have the same meaning as defined in the "Indian Gaming Regulatory Act," Public Law 100-497, 25 U.S.C. §§ 2701 et seq. (the "Act") and in the Pascua Yaqui Tribe of Arizona - State of Arizona Gaming Compact (the "Compact").

1.010 "Act" means the Indian Gaming Regulatory Act, Public Law 100-497, 25 U.S.C. § 2701 et seq. and 18 U.S.C. §§ 1166-1168, and all regulations promulgated pursuant thereto.

1.020 "Applicant" means any person who has applied for or is about to apply for a license or finding of suitability under the provisions of this Ordinance, or employment with the Tribal Gaming Operation, or approval of any act or transaction for which approval is required or permitted under the provisions of the Compact or this Ordinance.

1.030 "Application" means a request for the issuance of a license or finding of suitability, or for employment by the Tribal Gaming Operation, or for approval of any act or transaction for which approval is required or permitted under the provisions of the Compact or this Ordinance.

1.040 "Class I Gaming" means social games played solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, Tribal ceremonies or celebrations as defined in Section 4(6) of the Act, 25 U.S.C. §2703(6).

1.050 "Class II Gaming" means as defined in Section 4(7) of the Act, 25 U.S.C. §2703(7):

1. the game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith)--

a. which is played for prizes, including monetary prizes, with cards bearing numbers or other designations,

b. in which the holder of the card covers such numbers or designations when objects, similarly numbered or designated, are drawn or electronically determined, and

c. in which the game is won by the first person covering a previously designated arrangement of numbers or designations on such cards, including (if played in the same location) pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo, and

2. card games that--

a. are explicitly authorized by the laws of the State, or

b. are not explicitly prohibited by the laws of the State and are played at any location in the State, but only if such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot sizes in such card games.

The term "class II gaming" does not include--

1. any banking card games, including baccarat, chemin de fer, or blackjack (21), or

2. electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

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

1.070 "Commissioner" means a member of the Tribal Gaming Agency.

1.080 "Compact" means a written document, either negotiated and agreed to by the Pascua Yaqui Tribe of Arizona and a duly authorized official or agency of the

State of Arizona, or prescribed by the Secretary of the Interior pursuant to 25 U.S.C. § 2710(7)(B)(vii), governing the conduct of Class III gaming activities on Tribal lands.

1.090 "Credit instrument" means a writing which evidences a gaming debt owed to the Tribal Gaming Operation, and includes any writing taken in consolidation, redemption or payment of a prior credit instrument.

1.100 "Distributor" means a person who distributes slot machines or gaming devices for use or play in the Gaming Facility.

1.110 "Enterprise" means any corporation (other than a "publicly traded corporation" as defined hereinafter), firm, partnership, limited partnership, trust, or other form of business organization other than a Tribal enterprise wholly owned by the Tribe; provided, however, that the term "enterprise" shall also include each corporation, firm, partnership, limited partnership trust or other form of business organization not a natural person which, directly or indirectly, owns, has the power or right to control or holds with the power to vote all or any part of the outstanding voting securities, partnership interests, limited partnership interests or beneficial interest in a trust which holds or applies for a license or finding of suitability under the provisions of the Compact and this Ordinance.

1.120 "Equity security" means for each of the following:

1. Corporation - Any voting stock, or similar security; and security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such a security; any warrant or right; or any security having a direct or indirect participation in the profits of the issuer.

2. Limited partnership - an interest representing the right of a general or limited partner to receive from a limited partnership: a share of the profits; any other compensation by way of income; or a return of any or all of his contribution to capital of the limited partnership; or the right to exercise any of the rights or powers provided in the Limited Partnership Act in the Arizona Revised Statutes.

3. Partnership - an interest representing the right of a partner to receive from a partnership: a share of the profits; any other compensation by way of income; or a return of any or all of his contribution to capital of the partnership; or the right to exercise any of the rights or powers provided in the Uniform Partnership Act of the Arizona Revised Statutes.

1.130 "Executive Director" means the Executive Director appointed by the Tribal Gaming Agency.

1.140 "Finding of suitability" means an approval granted to a person or

enterprise directly or indirectly involved with the Gaming Operation and relates only to the specified involvement for which it was made. If the nature of the involvement changes from that for which the applicant is found suitable, the Tribal Gaming Agency may require the person or enterprise to submit for a determination of suitability in the new capacity.

1.150 "Game" and "gambling game" means any game played with cards, dice, equipment or any mechanical, electromechanical or electronic device or machine for money, property, checks, credit or any representative of value, including any banking or percentage game.

1.160 "Gaming" or "gambling" means to deal, operate, carry on, conduct, maintain or expose for play any game, slot machine, gaming device, pari-mutuel operation, off-track pari-mutuel operation, interstate common pari-mutuel pool, or race book as defined in the Compact or this Ordinance.

1.170 "Gaming device" means any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming or any game which affects the result of a wager by determining win or loss. The term includes a system for processing information which can alter the normal criteria of random selection, which affects the operation of any game or which determines the outcome of a game. The term does not include a system or device which affects a game solely by stopping its operation so that the outcome remains undetermined.

1.180 "Gaming employee" means any natural person employed in the operation or management of the Gaming Facility, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the Gaming Facility regarding any Class III gaming activity or by the Manager, including:

- (1) Accounting or internal auditing personnel who are directly involved in any recordkeeping or the examination of records associated with revenue from gaming;
- (2) Boxmen;
- (3) Cage and counting room personnel;
- (4) Cashiers;
- (5) Change personnel;
- (6) Collection personnel;
- (7) Dealers or croupiers;
- (8) Floormen;
- (9) Hosts or other persons empowered to extend credit or complimentary services;
- (10) Keno runners and writers;

- (11) Machine mechanics;
- (12) Odds makers and line setters;
- (12) Pit bosses;
- (13) Security personnel;
- (14) Shift bosses;
- (15) Supervisors or Managers;
- (16) Surveillance personnel; and
- (17) Ticket writers.

"Gaming employee" also includes any natural person whose employment duties require or authorize access to restricted areas of the Gaming Operation not otherwise opened to the public, but does not include bartenders, cocktail waitresses or other persons engaged exclusively in preparing or serving food or beverages.

1.190 "Gaming equipment" means any equipment or mechanical, electromechanical or electronic contrivance, component or machine used remotely or directly in connection with gaming, any game that would not otherwise be classified as a gaming device, including dice, playing cards, equipment which affects the proper reporting of gaming revenue, computerized systems for monitoring gaming devices and devices for weighing or counting money.

1.200 "Gaming Facility" or "gaming facilities" means the land together with all buildings, improvements and facilities used or maintained in connection with the conduct of Class III gaming on Tribal lands as authorized by a Compact.

1.210 "Gaming Operation" means the enterprise owned by the Tribe on Tribal lands for the conduct of Class III gaming in the Gaming Facility.

1.220 "Gaming services" means the providing of any goods or services to the Tribe directly in connection with the operation of Class III gaming in the Gaming Facility, including gaming devices, gaming equipment, maintenance or security services for the Gaming Facility, in an aggregate amount of more than \$60,000 per year.

1.230 "Gross gaming revenue" means the total of all cash received as winnings, cash received in payment for credit extended by the Gaming Operation to a patron, and compensation received by the Gaming Operation for conducting any game in which the Gaming Operation is not a party to the wager, less the total of all cash paid out as losses to patrons.

1.240 "Internal control system" means written administrative and accounting procedures for the purpose of exercising effective control over the internal fiscal affairs of the Gaming Operation.

1.250 "Interstate common pari-mutuel pool" means a pari-mutuel pool consisting of pari-mutuel wagers placed at a track, its intrastate betting locations, other jurisdictions and the off-track pari-mutuel wagers placed and accepted by pari-mutuel books.

1.260 "License" means an approval or certification issued by the Tribal Gaming Agency to any natural person or enterprise to be involved in the Gaming Operation or in the providing of gaming services to the Gaming Operation.

1.270 "Licensee" means any natural person or enterprise who has been approved, licensed, certified or found suitable by the Tribal Gaming Agency to be involved in the Gaming Operation or in the providing of gaming services to the Gaming Operation.

1.280 "Live Broadcast" means an audio and video transmission of a race, or series of races, as it occurs at a track, whether or not it is furnished by a disseminator for a fee.

1.290 "Management Contract" means the Development and Management Agreement entered into by and between the Tribe and the Manager and approved pursuant to 25 U.S.C. §§2710(d)(9) and 2711 of the Act.

1.300 "Manager" means the enterprise that has entered into the Management Contract with the Tribe which has been approved pursuant to 25 U.S.C. §§2710(d)(9) and 2711 of the Act.

1.310 "Manufacturer" means a person who manufactures slot machines or gaming devices for use or play in the Gaming Facility.

1.330 "Net revenue" means gross revenues of a gaming activity less amounts paid out as, or paid for, prizes, winnings, and total operating expenses, excluding management fees.

1.330 "Off-track pari-mutuel wager" means a wager placed by a patron and accepted by the Gaming Operation's pari-mutuel book on a race or races offered as part of an interstate common pari-mutuel pool whether or not the wager is actually included in the total amount of the interstate wagering pool.

1.340 "Ordinance" means this Pascua Yaqui Tribe of Arizona Gaming Ordinance.

1.350 "Pari-mutuel" means a system of wagering on a race or sporting event whereby the winners divide the total amount wagered, after deducting commission, fees, and taxes, in proportion to the amount individually wagered.

1.360 "Principal" means for each of the following:

1. Corporation - each of its officers and directors; each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; and each beneficial owner of voting securities.
2. Limited partnership - each general partner; each limited partner owning more than ten percent of the limited partnership interests.
3. Partnership - each of its owners or partners.
4. Proprietorship - each owner.
5. Publicly traded corporation - each officer, director and employee that is, or is to become actively and directly engaged in the administration and supervision of, or any other significant involvement with, the activities of a subsidiary that is or will be involved in the Gaming Operation; and each of its shareholders who own more than ten percent of the voting securities of the publicly traded corporation.
6. Trust - each trustee and beneficiary.

The term "principal" shall also mean each person other than a banking institution, insurance company, investment company registered under the Investment Company Act of 1940, or investment banking firm, who has provided financing for an enterprise constituting more than ten percent of the total financing of the enterprise.

1.370 "Publicly traded corporation" means any corporation or other legal entity except a natural person which has one or more classes of securities registered pursuant to section 12 of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 781), or is an issuer subject to section 15(d) of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 780).

1.380 "Race book" means the business of accepting wagers upon the outcome of any event held at a track which uses the pari-mutuel system of wagering.

1.390 "Regulation" means a rule, standard, directive or statement of general applicability which effectuates the provisions and policy of the Compact, this Ordinance or the policy of the Tribe.

1.400 "Reservation" or "Tribal lands" means Pascua Yaqui Tribe of Arizona Indian lands as defined by 25 U.S.C. § 2703 (4)(A) and (B), subject to the provisions of 25 U.S.C. § 2719.

1.410 "Slot machine" means any mechanical, electrical or other device, contrivance or machine which, upon insertion of a coin, token or similar object, or upon payment of any consideration, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator in playing a gambling game which is presented for play by the machine or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive cash, premiums, merchandise, tokens or any thing of value, whether the payoff is made automatically from the machine or in any other manner.

1.420 "State" means the State of Arizona, its authorized officials, agents and representatives.

1.430 "State Gaming Agency" means the agency designated by the State by written notice to the Tribe as the single State agency primarily responsible for oversight of Class III gaming as authorized by the Compact.

1.440 "Subsidiary" means a corporation all or any part of whose outstanding voting securities are owned, subject to a power or right of control, or held with power to vote by a publicly traded corporation or other holding company.

1.450 "Track" means an in-state or out-of-state facility licensed to operate horse or other racing where pari-mutuel wagering on races is conducted. Where applicable, the term also includes a person or governmental agency in Arizona or outside Arizona that operates a track or shares in its revenues and also includes an association of tracks.

1.460 "Tribal Council" or "Council" means the Tribal Council of the Pascua Yaqui Tribe of Arizona.

1.470 "Tribal Gaming Agency" means the agency of the Tribe, as the Tribe may from time to time designate by written notice to the State, as the single Tribal agency primarily responsible for regulatory oversight of Class III gaming as authorized by the Compact. No employee of the Gaming Operation may be a member or employee of the Tribal Gaming Agency.

1.480 "Tribal law enforcement agency" means the police force of the Tribe established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Tribal Lands.

1.490 "Tribal" means the Pascua Yaqui Tribe of Arizona, its authorized officials, agents and representatives.

1.500 "Tribe" means the Pascua Yaqui Tribe of Arizona, its authorized officials, agents and representatives.

CHAPTER 2

ADMINISTRATION

2.010 Tribal Gaming Agency. The Pascua Yaqui Tribe of Arizona Tribal Gaming Agency is hereby established. The Tribal Gaming Agency shall consist of five Commissioners appointed by a majority of the Tribal Council. The Commissioners must be a member of the Tribe or a person with adequate experience in gaming operations, the practice of gaming law, gaming control or regulation, or accounting. A Commissioner shall serve for 3 years and may be removed from office prior to the end of his or her term for cause or by a majority vote of the Tribal Council pursuant to a public hearing. In order to establish an annually staggered appointment schedule, the first Commissioners shall be appointed by the Tribal Council as follows: two Commissioners shall serve three year terms, two Commissioners shall serve 2 year terms, and one Commissioner shall serve a one year term for the initial appointment terms only. Thereafter, all successive terms of appointment shall be for 3 years. Vacancies shall be filled within 60 days by the Tribal Council.

2.020 Restrictions on Tribal Gaming Agency. Commissioners may hold other Tribal positions and may engage in business, provided, however, that they shall not engage in any business which is subject to the provisions of this Ordinance. Commissioners may not gamble in the Gaming Facility nor may they have any personal financial interest in any gambling by any patron of the Gaming Facility.

2.030 Compensation. Commissioners shall be compensated at the rate to be established annually by the Tribal Council. Commissioners shall be reimbursed for actual expenses incurred on Tribal Gaming Agency business, including necessary and reasonable travel expenses.

2.040 Selection of Chairperson. The Tribal Gaming Agency shall select annually from its membership a Chairperson, who shall have the power to convene special meetings of the Commission upon 72 hours written or oral notice to members of the Tribal Gaming Agency.

2.050 Meetings Open to Public. General meetings of the Tribal Gaming Agency shall be open to the public, and all meetings shall be governed by Roberts Rules of order.

2.060 Quorum. A quorum shall consist of 3 members of the Tribal Gaming Agency. All decisions shall be made by a majority vote of the Tribal Gaming Agency, unless indicated otherwise in this Ordinance.

2.070 Quarterly Reports. The Tribal Gaming Agency shall make quarterly reports to the Council within 30 days after the close of the calendar quarter for which the information is being required. The reports shall include a full and complete statement of gaming revenues paid to the Tribe, expenses and all other financial transactions of the Tribal Gaming Agency and a summary of all licensing and enforcement actions.

2.080 Necessary Powers. The Tribal Gaming Agency shall exercise all powers necessary to effectuate the purposes of this Ordinance. The Tribal Gaming Agency may exercise any proper power and authority necessary to perform the duties assigned to it by this Ordinance or the Tribal Council, and is not limited by the enumeration of powers in this Ordinance. The Tribal Gaming Agency shall meet with the Executive Director not less than once each calendar quarter to make recommendations and set policy, to approve or reject reports of the Executive Director and transact other business that may be properly brought before it.

2.090 Regulations. The Tribal Gaming Agency is empowered to adopt, amend and repeal regulations subject to final approval by the Tribal Council to effectuate the provisions of the Compact, this Ordinance and the Tribe's gaming policy. Regulations shall be adopted, amended or repealed in accordance with the following procedures:

1. At least 30 days before the initial meeting of the Tribal Gaming Agency and 20 days before any subsequent meeting at which the adoption, amendment or repeal of a regulation is considered, notice of the proposed action must be:

a. Published in such locations as the Tribal Gaming Agency prescribes;

b. Mailed to the State Gaming Agency and to every person who has filed a request therefor with the Tribal Gaming Agency; and

c. When the Tribal Gaming Agency deems advisable, mailed to any person whom the Tribal Gaming Agency believes would be interested in the proposed action, and published in such additional form and manner as the Tribal Gaming Agency prescribes.

2. The notice of proposed adoption, amendment or repeal must include:

a. A statement of the time, place and nature of the proceedings for adoption, amendment or repeal;

b. Reference to the authority under which the action is proposed;

and

c. Either the express terms or an informative summary of the proposed action.

3. On the date and at the time and place designated in the notice, the Tribal Gaming Agency shall afford any interested person or his authorized representative, or both, the opportunity to present statements, arguments or contentions in writing, with or without opportunity to present them orally. The Tribal Gaming Agency shall consider all relevant matter presented to it, and shall obtain the concurrence of the State Gaming Agency in accordance with Compact provisions for change in technical standards for Gaming Devices or changes in regulations, before adopting, amending or repealing any regulation.

4. Any interested member of the Tribe, licensee or Manager may file a petition with the Tribal Gaming Agency requesting the adoption, amendment or repeal of a regulation. The petition must state, clearly and concisely:

(1) The substance or nature of the regulation, amendment or repeal requested;

(2) The reasons for the request; and

(3) Reference to the authority of the Tribal Gaming Agency to take the action requested.

Upon receipt of the petition, the Tribal Gaming Agency shall within 30 days deny the request in writing or schedule the matter for action pursuant to this subsection.

5. In emergencies, the Tribal Gaming Agency may, with the concurrence of the State Gaming Agency, summarily adopt, amend or repeal any regulation affecting Class III gaming if at the same time it files a finding that such action is necessary for the immediate preservation of the public peace, health, safety, morals, good order or general welfare, together with a statement of the facts constituting the emergency.

6. In any hearing under this section, the Tribal Gaming Agency or its duly authorized representative may administer oaths or affirmations, and may continue or postpone the hearing from time to time and at such places as it prescribes.

7. The Tribal Gaming Agency may request the advice and assistance of the Tribal Council in carrying out the provisions of this section.

2.100 Personnel. The Tribal Gaming Agency shall hire personnel necessary to ensure the proper enforcement of the provisions of the Compact and this Ordinance. The Tribal Council shall consult with the Tribal Gaming Agency to determine a budget for the hiring and retention of all necessary personnel, and to determine the qualifications required for hiring.

2.110 Forms. Any application or reporting form utilized by the Arizona State Gaming Control Board or the Arizona Gaming Commission shall be deemed to satisfy the requirements of this Ordinance with respect to the use of forms.

2.120 Ownership and operation. The Tribe shall have the sole proprietary interest in, and the sole responsibility for the conduct of any gaming activity; provided, however, that this provision does not limit the Tribe's ability to enter into the Management Contract. The construction and maintenance of the Gaming Facility, and the operation of gaming shall be conducted in a manner which adequately protects the environment and the public health and safety.

2.130 Use of net revenues. Net revenues shall be used by the Tribe solely for the following purposes:

1. To fund Tribal government operations or programs;
2. To provide for the general welfare of the Tribe and its members;
3. To promote Tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local governmental agencies.
6. Net revenues from the Gaming Operation may be used to make per capita payments to members of the Tribe upon the preparation of a plan to allocate revenues to the above uses consistent with the requirements of the Act and approval of this plan by the Secretary of the Interior.

CHAPTER 3

APPLICATIONS: PROCEDURE

3.010 Applications: general.

1. Any gaming license or finding of suitability which is issued by the Tribal Gaming Agency shall be deemed to be a revocable privilege and no person holding such a license or finding of suitability by the Tribal Gaming Agency is deemed to have acquired any vested rights therein.

2. An application for a license or finding of suitability is seeking the granting of a privilege, and the burden of proving his qualification to receive such license or finding of suitability is at all times on the applicant. An applicant must accept any risk of adverse public notice, embarrassment, criticism, or other action or financial loss which may result from action with respect to an application and expressly waive any claim for damages against the Tribe and the State as a result thereof.

3. An application for a license or a finding of suitability, besides any other factor attaching to such an application by virtue of the Compact and this Ordinance, shall constitute a request to the Tribal Gaming Agency for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in, or be associated with, the Gaming Operation in the manner or position sought by the application, or the manner or position generally similar thereto; and, by filing an application with the Tribal Gaming Agency, the applicant specifically consents to the making of such a decision by the Tribal Gaming Agency at its election when the application, after filing, becomes moot for any reason other than death.

3.020 Waiver of privilege. An applicant may claim any privilege afforded by the Constitution of the United States, or of the State, in refusing to answer questions by the Tribal Gaming Agency, the State Gaming Agency or the Arizona police. However, a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial.

3.030 Applications, notices, statements and reports; contents; amendments; incorporation by reference; proceedings not to have substantive implications.

1. Every application, statement, notice or report must be filed on forms furnished or approved by the Tribal Gaming Agency and must contain and be accompanied and supplemented by such documents and information as may be specified or required. Failure to supply the information requested within 10 days after the request has been received by the applicant constitutes grounds for delaying

consideration of the application.

2. It is grounds for denial of an application or disciplinary action for any person to make any untrue statement of material fact in any application, notice, statement or report filed with the Tribal Gaming Agency or State Gaming Agency in compliance with the provisions of law referred to in paragraph 1 or willfully to omit to state in any such application, notice, statement or report any material fact which is required to be stated therein or omit to state a material fact necessary to make the facts stated in view of the circumstances under which they were stated, not misleading.

3. All information required to be included in an application must be true and complete as of the dates of the Tribal Gaming Agency action sought by such application; and an applicant shall promptly supply by amendment prior to such date any information based on facts occurring after the original application so as to make such information not misleading as of the date of such action by the Tribal Gaming Agency.

4. An application may be amended in any respect by leave of the Tribal Gaming Agency or State Gaming Agency at any time prior to final action thereon by the Tribal Gaming Agency. Any amendment to an application shall have the effect of establishing the date of such amendment as the new filing date of such application with respect to the time requirements in the Compact or this Ordinance for action on such application.

5. Any document filed under any of the provisions of the Compact or this Ordinance may be incorporated by reference in a subsequent application if it is available in the files of the Tribal Gaming Agency or the State Gaming Agency, to the extent that the document is currently accurate.

3.040 Tribal Application and investigative fees.

1. Except as otherwise provided herein, all fees and costs incurred in conjunction with the investigation of any application to the Tribal Gaming Agency must be paid by the applicant in the manner prescribed by this Section.

2. Applications for the following licenses, findings of suitability and approvals must be accompanied by the following nonrefundable fees:

a.	Manufacturer	-	\$ 5,000.00
b.	Distributor	-	\$ 5,000.00
c.	Manager	-	\$ 5,000.00
d.	Gaming services	-	\$ 2,500.00
e.	Principals	-	\$ 500.00
f.	Key employees	-	\$ 500.00

3. In addition to any nonrefundable application fees paid, the Tribal Gaming Agency or State Gaming Agency may require an applicant to pay such supplementary investigative fees and costs as may be determined by the Tribal Gaming Agency or State Gaming Agency pursuant to a Compact. The Tribal Gaming Agency or State Gaming Agency may estimate the supplementary investigative fees and costs and require a deposit to be paid by the applicant in advance as a condition precedent to beginning or continuing an investigation.

4. The Tribal Gaming Agency will not take final action to approve any application unless all application and investigative fees and costs have been paid in full. The Tribal Gaming Agency may deny the application if the applicant has failed or refused to pay all application and investigative fees and costs.

5. After all supplementary investigative fees and costs have been paid by an applicant, the Tribal Gaming Agency shall refund to the person who made the required deposit any balance remaining in the investigative account of the applicant.

3.050 Summoning of applicants. The Tribal Gaming Agency, Tribal police, the State Gaming Agency or the Arizona police may summon any person applying for a license, finding of suitability or employment to appear and testify before it or its agents at such time and place as it may designate. All such testimony may be under oath and embrace any matter which the Tribal Gaming Agency, Tribal police, the State Gaming Agency or the Arizona police or its agents may deem relevant to the application. Failure to so appear and testify fully at the time and place designated, unless excused, constitutes grounds for denial of the application without further consideration by the Tribal Gaming Agency.

3.060 Hearing on applications. Upon the conclusion of an investigation by the State Gaming Agency, the Tribal Gaming Agency may, in its discretion, hold a hearing to consider an application. The applicant shall be given at least 15 days advance written notice of such hearing by certified mail, return receipt requested. Failure of the applicant to appear at such hearing and testify fully at the time and place designated, unless excused, constitutes grounds for denial of the application without further consideration by the Tribal Gaming Agency.

3.070 Withdrawal of application.

1. A request for withdrawal of an application may be made at any time prior to final action upon the application by the Tribal Gaming Agency by filing a written request to withdraw with the Tribal Gaming Agency.

2. The Tribal Gaming Agency may, in its discretion, deny the request, or

grant the request with or without prejudice.

3. If a request for withdrawal is granted with prejudice, the applicant is not eligible to apply again for licensing or approval until after expiration of one year from the date of such withdrawal.

3.080 Application after denial. Any person or enterprise whose application has been denied is not eligible to apply again for a license, finding of suitability or approval until after expiration of one year from the date of such denial, unless the Tribal Gaming Agency advises that the denial is without prejudice as to delay in reapplication.

3.090 Applications for employment after denial or revocation. Following a decision by the Tribal Gaming Agency to deny an application for employment made pursuant to the provisions of the Compact, or to revoke a work permit, a succeeding application for employment must not be entertained by the Tribal Gaming Agency for a period of two years from the date of the Tribal Gaming Agency's decision on the preceding application.

3.100 Unsuitable affiliates. The Tribal Gaming Agency may deny, revoke, suspend, limit, condition, or restrict any license or finding of suitability or application therefor upon the grounds that the enterprise or person licensed or found suitable is associated with, or controls, or is controlled by, or is under common control with, an unsuitable person.

3.110 Standards for licensing.

1. No license or finding of suitability shall be granted unless and until the applicant has satisfied the Tribal Gaming Agency that the applicant:

- a. Is a person of good character, honesty, and integrity;
- b. Is a person whose background, reputation and associations will not result in adverse publicity for the Tribal Gaming Operation;
- c. Has adequate business competence and experience for the role or position for which application is made; and
- d. Additionally, in the case of Manager, a person or enterprise that has adequate business probity, competence, and experience in gaming.

2. No license or finding of suitability shall be granted unless and until the applicant has satisfied the Tribal Gaming Agency that the funding of the enterprise

is (a) adequate for the nature of the enterprise, and (b) from a suitable source. The suitability of the source of funds shall be determined by the standards enumerated in paragraph 1(a), (b) and (c) above. Prior to issuing any license or finding of suitability, the Tribal Gaming Agency shall notify the Commission of the results of the investigation.

3.120 Licensing of a natural person under the age of twenty-one. The Tribal Gaming Agency will not ordinarily grant a license or finding of suitability to an individual under twenty-one years of age. This policy would not affect the licensing or finding of suitability of a trust where the settlor or beneficiary is under the age of twenty-one years.

CHAPTER 4

REPORTING REQUIREMENTS

4.010 Property report.

1. Definitions. In addition to the terms defined in this Ordinance, the following definitions shall apply:

a. "Lessor" means any person who leases or rents any property, real or personal, to the Gaming Operation.

b. "Lease" means any formal or informal, written or oral, contract or understanding or arrangement whereby any operating licensee obtains the use or possession of any property, real or personal, to be used, occupied, or possessed in connection with the Gaming Operation. The term "lease" includes, without limitation, payments made to an affiliated, controlled or not controlled, controlling or not controlling, person under a real property lease, a personal property lease, an unsecured note, a deed of trust, a mortgage, or a trust indenture.

2. Reports by Gaming Operation. The Gaming Operation shall report to the Tribal Gaming Agency all leases to which it is a party not later than 30 days after the effective date of the lease and shall include the following information:

a. The name, address, and a brief statement of the nature of the business of the lessor.

b. A brief description of the material terms of the lease.

c. A brief description of any business relationships between the operating licensee and the lessor other than by the lease.

3. Periodic reports. The Gaming Operation shall report to the Tribal Gaming Agency any changes in the lease within 30 days after such changes occur.

4.020 Employee report.

1. Annually, on or before the 15th of July, the Gaming Operation shall submit an employee report to the Tribal Gaming Agency on a form to be furnished by the Tribal Gaming Agency. The report shall identify every individual who is directly or indirectly engaged in the administration or supervision of the Gaming Operation or physical security activities of the Gaming Operation. The following classes of gaming employees are presumed to be actively and directly engaged in the

administration or supervision of gaming:

a. All individuals who are compensated in any manner in excess of \$80,000 per annum;

b. All individuals who may approve or extend gaming credit in any amount, or whose recommendations in this regard are ordinarily sought or followed;

c. All individuals who have authority to hire or terminate gaming employees;

d. All individuals who have the authority to supervise or direct a shift of any gaming or security activity, including but not limited to supervision or direction of the pit area, keno or bingo games, slot machines, race or sports books, pari-mutuel operations, or any persons having authority to supervise or direct such persons;

e. All individuals who regularly participate in the count more frequently than one day in each week or who actually participate in the count more than 10 days in any 30-day period;

f. All individuals who may approve or extend to casino patrons complimentary house services other than beverages only;

g. All individuals who supervise or direct other employees engaged in the control of gaming assets and revenues and record keeping, including the recording of cash and evidences of indebtedness, and the maintenance, review or control of the records, accounts, and reports of transactions which are required to be kept;

h. Any individual who has been specifically represented to the Tribal Gaming Agency by the Gaming Operation or Manager as being important or necessary to the operation of the Gaming Facility;

i. All persons who individually or as part of a group formulate management policy.

2. The annual employee report shall also include a description of the gaming duties, casino responsibilities, and casino authority delegated to each individual identified in the report.

3. Any changes, additions, or deletions to any information contained within the annual employee report which occurs subsequent to the filing of the report and prior to the filing of the report for the next calendar year shall be reported to

the Tribal Gaming Agency in writing no less than 10 days after the end of the calendar quarter during which the change, addition, or deletion occurred.

4.030 Key employees.

1. Any executive, employee, or agent of the Gaming Operation or Manager, or a licensee, having the power to exercise a significant influence over decisions concerning any part of the Gaming Operation or the business of the licensee, or who is listed or should be listed in the annual employee report required by Section 4.020 is a key employee.

2. Whenever it is the judgment of the Tribal Gaming Agency that the policies set forth in the Compact or this Ordinance will be served by requiring any principal or key employee to be licensed or found suitable, the Tribal Gaming Agency shall serve notice of such determination upon the Gaming Operation, Manager or the licensee, as appropriate. The Tribal Gaming Agency shall not be restricted by the title of the job performed but shall consider the functions and responsibilities of the person involved in making its decision as to key employee status. Grounds for requiring licensing of a key employee which are deemed to serve the public interest and the policies of the Tribe include but are not limited to the following:

a. The key employee is new to the Gaming Operation, Manager, or the business of the licensee, the position, or the level of influence or responsibility which he has and the Tribal Gaming Agency has little or outdated information concerning his character, background, reputation, or associations, or

b. Information has been received by the Tribal Gaming Agency which, if true, would constitute grounds for a finding of unsuitability to be associated with the Gaming Operation, Manager or a licensee.

3. The Gaming Operation, Manager, or licensee shall, within 30 days following receipt of the notice of the Tribal Gaming Agency's determination, present the application for licensing of the key employee to the Tribal Gaming Agency or provide documentary evidence that such key employee is no longer employed by the Gaming Operation, Manager, or licensee. Failure of the Gaming Operation, Manager, or licensee to respond as required by this section shall constitute grounds for disciplinary action.

4.040 Loans to Gaming Operation. Whenever the Gaming Operation applies for or receives, accepts, or makes use of any cash, property, credit, guarantee, or other form of security loaned to, or provided for, or on behalf of the Gaming Operation, it shall notify the Tribal Gaming Agency within 30 days of such transaction. Such notice shall be on forms provided by the Tribal Gaming Agency and shall include a report of the names and addresses of all parties to the

transaction, the amount and source of the funds, property or credit received or applied, the nature and amount of security provided by or on behalf of the Gaming Operation, the purpose of the transaction, and such other information as the Tribal Gaming Agency may require. The report shall be accompanied or supplemented by copies of documents, and such other supporting data as the Tribal Gaming Agency may require. If, after such investigation as the Tribal Gaming Agency deems appropriate, the Tribal Gaming Agency finds that the transaction is inimical to the health, safety, morals, good order and general welfare of the Tribe, or would reflect, or tend to reflect, discredit upon the Tribe, the Tribal Gaming Agency shall order the transaction rescinded within such time and upon such terms and conditions as it may deem appropriate.

4.050 Finding of suitability of a person holding an option to acquire an interest in a licensed enterprise.

1. No person shall acquire or be granted an option to purchase an equity security of a licensee without first notifying the Tribal Gaming Agency, on such forms as may be required by the Tribal Gaming Agency, of the terms and conditions upon which the option was granted or acquired. Additionally, any such person shall comply with applicable requirement of the Compact and the Act.

2. The Tribal Gaming Agency may require the application of any person for a determination of suitability to hold an option to purchase or otherwise obtain an interest in a licensee.

4.060 Authorization of Manager to furnish information. Manager may furnish any information related to the Gaming Operation, its principals and employees to the Securities and Exchange Commission and any other duly authorized state or federal regulatory agency, regardless of whether or not such information would otherwise be deemed confidential or proprietary information of the Gaming Operation, the Tribal Gaming Agency or State Gaming Agency. The Tribal Gaming Agency and State Gaming Agency shall provide the Arizona State Gaming Control Board any requested information pertaining to Manager's reporting requirements under the Arizona Gaming Control Act.

4.070 Furnishing of reports to State Gaming Agency. The Tribal Gaming Agency shall furnish the State Gaming Agency with a copy of all reports filed under this Chapter within 10 days after such reports are filed.

CHAPTER 5

OPERATIONAL REQUIREMENTS

5.010 Methods of operation.

1. It is the policy of the Tribe to require that the Gaming Operation, and all enterprises licensed or found suitable in connection therewith, are conducted in a manner suitable to protect the public health, safety, morals, good order and general welfare of the Tribe and the State.

2. Responsibility for the employment and maintenance of suitable methods of operation rests with the licensee and the Gaming Operation and willful or persistent use or toleration of methods of operation deemed unsuitable will constitute grounds for license revocation or other disciplinary action.

5.020 Grounds for disciplinary action. The Tribal Gaming Agency deems that any activity on the part of the Gaming Operation, Manager, or any licensee, his agents or employees, that is inimical to the public health, safety, morals, good order and general welfare of the Tribe, the State, or that would reflect or tend to reflect discredit upon the Tribe, or the State or the Gaming Operation, to be an unsuitable method of operation and shall be grounds for disciplinary action by the Tribal Gaming Agency in accordance with the Compact and the regulations of the Tribal Gaming Agency. Without limiting the generality of the foregoing, the following acts or omissions may be determined to be unsuitable methods of operation:

1. Failure to exercise discretion and sound judgment to prevent incidents which might reflect on the repute of the Tribe of the State of Arizona and act as a detriment to the development of the Gaming Operation.

2. Permitting persons who are visibly intoxicated to participate in gaming activity.

3. Complimentary service of intoxicating beverages in the casino area to persons who are visibly intoxicated.

4. Catering to, assisting, employing or associating with, either socially or in business affairs, persons who have been identified in writing by the Tribal Gaming Agency or the State Gaming Agency as persons of notorious or unsavory reputation or who have extensive police records, or persons who have defied congressional investigative committees or other officially constituted bodies acting on behalf of the United States, or any state, or persons who are associated with or support subversive movements, or the employing either directly or through a contract, or any other

means, of any firm or individual in any capacity where the repute of the Tribe or the State of Arizona or the Gaming Operation is liable to be damaged because of the unsuitability of the firm or individual or because of the unethical methods of operation of the firm or individual.

5. Employing in a position for which the individual could be required to be licensed as a key employee, any person who has been denied a license or a finding of suitability or who has failed or refused to apply for licensing as a key employee when so requested by the Tribal Gaming Agency.

6. Employing in the Gaming Operation or the business of a licensee any person whom the Tribe or any court has found guilty of cheating or using any improper device in connection with any game, whether as a licensee, dealer, or player at a licensed game or device; as well as any person whose conduct of a licensed game as a dealer or other employee of a licensee resulted in revocation or suspension of the license of such licensee.

7. Failure to comply with or make provision for compliance with all federal, state and local laws and regulations pertaining to the operations of the Gaming Facility or a licensee, including, without limiting the generality of the foregoing, payment of all license fees, withholding any payroll taxes, liquor and entertainment taxes and antitrust and monopoly statutes.

8. Possessing or permitting to remain in or upon the premises of the Gaming Facility any cards, dice, mechanical device or any other cheating device whatever, the use of which is prohibited by statute or ordinance, or conducting, carrying on, operating or dealing any cheating or thieving game or device on the premises of the Gaming Facility, either knowingly or unknowingly, which may have in any manner been marked, tampered with or otherwise placed in a condition, or operated in a manner, which tends to deceive the public or which might make the game more liable to win or lose, or which tends to alter the normal random selection of criteria which determine the results of the game.

9. Denying any agent of the Tribal Gaming Agency, the State Gaming Agency, or the Arizona police, upon proper and lawful demand, access to, inspection or disclosure of any portion or aspect of the Gaming Facility as authorized by the Compact.

5.030 Publication of payoffs.

1. Payoff schedules or award cards applicable to every licensed game, slot machine and gaming device shall be displayed at all times either on the table or machine or in a conspicuous place immediately adjacent thereto. In the case of keno, the foregoing requirement will be satisfied if published payoff schedules are

maintained in a location readily accessible to players and notice of the location of such schedule is posted on or adjacent to the table.

2. Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular game or device and shall not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the part of the Gaming Operation to make payment in strict accordance with posted payoff schedules or award cards may be deemed an unsuitable method of operation.

5.040 Gaming by principals and key employees. No person who is licensed or found suitable as a principal or key employee of the Gaming Operation or Manager, nor any key employee who actively participates in the management of the Gaming Facility or the conduct of its licensed games, shall play or be permitted to play, either directly or indirectly through another person, any gambling game, including slot machines and gaming devices, but not including poker in the Gaming Facility.

5.050 Criminal convictions as grounds for revocation or suspension. The Tribal Gaming Agency may revoke or suspend the license or finding of suitability of a person who is convicted of a crime, even though the convicted person's postconviction rights and remedies have not been exhausted, if the crime or conviction discredits or tends to discredit on the Tribe or the State.

5.060 Transfer of interest among licensees. If a person who is the owner of an interest in a licensed enterprise proposes to transfer any portion of his interest to a person who is then the owner of an interest in such licensed enterprise, both parties shall give written notice of such proposed transfer to the Tribal Gaming Agency, including the names and addresses of the parties, the extent of the interest proposed to be transferred and the consideration therefor. In addition, the proposed transferee shall furnish to the Tribal Gaming Agency a sworn statement setting forth the source of funds to be used by him in acquiring such interest; and he also shall furnish to the Tribal Gaming Agency such further information as it may require. The Tribal Gaming Agency shall forward the information to the State Gaming Agency who may conduct such investigation pertaining to the transaction as it deems appropriate and shall report the results thereof to the Tribal Gaming Agency within 15 days. If the Tribal Gaming Agency does not give notice of disapproval of the proposed transfer of interest within 15 days after the receipt by it of the report of the State Gaming Agency, the proposed transfer of interest will be deemed approved and the transfer of interest may then be effected in accordance with the terms of transfer as submitted to the Tribal Gaming Agency. The parties shall immediately notify the Tribal Gaming Agency when the transfer of interest is actually effected.

5.070 Transfer of interest to stranger to license.

1. No individual who is the owner of any interest in a licensed enterprise shall in any manner whatsoever transfer any interest therein representing more than 10% of the equity securities of the enterprise to any person, firm or corporation not then an owner of an interest therein, and no such transfer shall become effective for any purpose until the proposed transferee or transferees shall have made application for and been found suitable or licensed, as appropriate. Transfers of 10% or less of the equity securities of a licensed enterprise shall be governed by the provisions of Section 5.060.

2. Applications for a transfer of interest to a stranger to the license shall be made by the transferee applying for licensing or a finding of suitability under the provisions of the Compact and this Ordinance.

3. Evidence of the transferor's agreement to transfer the interest applied for must accompany the application. Licensing or a finding of suitability of the transferee shall be deemed to constitute approval of the transfer by the Tribal Gaming Agency.

5.080 Options. Every person or enterprise who grants an option to purchase an equity security of a licensed enterprise shall report the grant of such option in writing to the Tribal Gaming Agency within 30 days after the option the agreement becomes effective. The exercise of any such option shall be governed by the provisions of Sections 5.060 and 5.070.

5.090 Slot machines and gaming devices.

1. The Gaming Operation shall only expose slot machines and gaming devices for play by the public at the Gaming Facility that:

a. Have been approved under the provisions of the Arizona Gaming Control Act, or have otherwise been authorized by the Tribal Gaming Agency and the State Gaming Agency; and

b. Have been leased, purchased or otherwise obtained from licensed manufacturers and distributors.

2. The Tribal Gaming Agency shall require each licensed manufacturer and distributor to verify under oath, on forms provided by the Tribal Gaming Agency, that the slot machines or gaming devices manufactured or distributed by them for use or play at the Gaming Facility meet the requirements of this section.

3. The Tribal Gaming Agency or the State Gaming Agency may require the testing of any slot machine or gaming device to ensure compliance with the requirements of this Section. Any such testing shall be conducted by persons selected

by the agency requiring the testing and shall be at the expense of the licensed manufacturer.

CHAPTER 6

HEARINGS

6.010 Licensing hearings.

1. The Tribal Gaming Agency may hold hearings to consider any application for a license or a finding of suitability. Written notice of such hearing shall be mailed to the applicant, certified mail, return receipt requested, at least 30 days before the hearing date.

2. At the hearing, the applicant shall be allowed to present any relevant information pertaining to the application, including, but not limited to, the live testimony of witnesses. Any written documentation that the applicant intends to present at the hearing shall be provided to the Tribal Gaming Agency at least seven days prior to the hearing or it may be excluded from consideration. Representatives of the State Gaming Agency shall be allowed to be present at any such hearing and shall be allowed to present any information relevant to the application.

3. Upon the conclusion of the hearing, the Tribal Gaming Agency shall issue a decision upon the application. A majority vote of the Tribal Gaming Agency is required to approve any application recommended for approval by the State Gaming Agency. A unanimous vote of the Tribal Gaming Agency is required to approve any application recommended for denial by the State Gaming Agency; provided, however that if the Tribal Gaming Agency approves an application recommended for denial by the State Gaming Agency, final action upon the application shall be resolved pursuant to the dispute resolution procedures of the Compact.

6.020 Patron dispute hearings.

1. The Tribal Gaming Agency may hold hearings in accordance with Compact requirements to consider any dispute between a patron and the Gaming Operation regarding alleged winnings. Written notice of such hearing shall be mailed to the parties, certified mail, return receipt requested, at least 10 days before the hearing date. A copy of the inspector's decision shall be included with the notice.

2. At the hearing, the parties shall be allowed to present any relevant information pertaining to the dispute, including, but not limited to, the live testimony of witnesses.

3. Upon the conclusion of the hearing, the Tribal Gaming Agency shall issue a decision upon the dispute. The affirmative vote of a majority of the Tribal Gaming Agency shall determine the dispute.

CHAPTER 7

DISCIPLINARY PROCEEDINGS

7.010 **Applicability.** Chapter 7 shall apply to disciplinary proceedings.

7.020 **Definitions.**

1. "Agency" means the Tribal Gaming Agency.
2. "Chairperson" means the Chairperson of the Tribal Gaming Agency.
3. "Executive Director" means the Executive Director of the Tribal Gaming Agency, his staff and counsel.
4. "Licensee" means any person or enterprise licensed or found suitable under the provisions of this Ordinance and the Compact.
5. "Respondent" means any licensee or gaming employee upon whom a complaint is served pursuant to this Chapter.

7.030 **Service of complaint.** If after an investigation pursuant to the Compact, the Executive Director determines that a formal complaint is necessary, he shall prepare and serve the complaint upon the respondent either personally, or by registered or certified mail at his address on file with the Agency. The complaint must be a written statement of charges which must set forth in ordinary and concise language the acts or omissions with which the respondent is charged. It must specify the sections of the Compact, the Ordinance or the regulations which the respondent is alleged to have violated, but must not consist merely of charges raised in the language of the Compact or the regulations. Proof of service may be provided by a certificate or affidavit of service, which shall be signed by the person effecting service and which shall specify the date and manner of service.

7.040 **Answer; setting of hearing.** The respondent shall file an answer to the complaint with the Agency within 20 days after service of the complaint. A copy of the answer must also be served upon the State Gaming Agency. In his answer the respondent must:

1. State in short and plain terms his defenses to each claim asserted.
2. Admit or deny the facts alleged in the complaint.

3. State which allegations he is without knowledge or information sufficient to form a belief as to their truth. Such allegations shall be deemed denied.

4. Affirmatively set forth any matter which constitutes an avoidance or affirmative defense.

5. May demand a hearing. Failure to demand a hearing constitutes a waiver of that right but the Agency may order a hearing even if the respondent waives that right.

6. Failure to file an answer or to appear at the hearing constitutes an admission by the respondent of all facts alleged in the complaint. The Agency may take action based on such an admission and on other evidence without further notice to the respondent.

7. The Agency shall serve notice of the hearing date within seven days after receipt of respondent's answer and shall conduct the hearing within 60 days of the date of said notice, unless the proceedings are continued for good cause.

7.050 Appearance through counsel.

1. Parties to proceedings governed by this Chapter may appear personally or through an attorney, except that the parties must personally attend any hearing on the merits unless such attendance has been waived.

2. When a party has appeared through an attorney, service of all notices, motions, orders, decisions, and other papers shall thereafter be made upon the attorney.

3. When a party is represented by an attorney, the attorney shall sign all motions, oppositions, notices, requests, and other papers on behalf of the party.

7.060 Prehearing conferences; scheduling; management.

1. After the respondent files an answer to the complaint, the Chairperson may direct the parties to participate in a conference or conferences before the hearing on the merits, for such purposes as expediting the disposition of the action, resolving discovery issues, and facilitating the settlement of the case.

2. The participants at any prehearing conference under this section shall be prepared to consider and take action with respect to any or all of the following, as determined by the Chairperson:

a. The formulation and simplification of the issues;

- b. The necessity or desirability of amendments to the complaint or answer;
- c. The possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof, stipulations regarding the authenticity of documents, and advance rulings from the chairman on the admissibility of evidence;
- d. The avoidance of unnecessary proof and of cumulative evidence;
- e. The identification of witnesses and documents, the need and schedule for filing and exchanging prehearing briefs, and the date or dates for further conferences and for the hearing on the merits;
- f. The possibility of settlement;
- g. The disposition of pending motions;
- h. The possibility that all evidence can be submitted by affidavits, transcripts, and other documents; and
- i. Such other matters as may aid in the disposition of the action.

3. After any conference held pursuant to this Chapter, the parties shall set forth in a written stipulation, to be filed with the Agency, any matters no longer in dispute. As to those matters for which no agreement has been reached, but which require a ruling from the Agency, the Agency shall enter an order reciting the ruling.

7.070 Discovery: mandatory exchanges.

1. Within 20 calendar days after the service of the answer by the respondent, the parties shall confer for the purpose of complying with subsection 2.

2. At each conference the parties shall:

a. Exchange copies of all documents then reasonably available to a party which are then intended to be offered as evidence in support of the party's case in chief;

b. Identify, describe, or produce all tangible things, other than documents, then reasonably available to a party which are then intended to be offered as evidence in support of the party's case in chief, and upon request, arrange for the opposing parties to inspect, copy, test, or sample the same under the supervision of the parties; and

c. Exchange written lists of persons each party then intends to call as a material witness in support of that party's case in chief. Each witness shall be identified by name, if known, position, business address, and a brief description of the purpose for which the witness will be called. If no business address is available, the party shall provide a home address for the witness, or shall make the witness available for service of process. For the purpose of this paragraph, a "material witness" is a person whose testimony relates to a genuine issue in dispute which might affect the outcome of the proceeding.

3. It shall be a continuing obligation of the parties to produce documents, witness lists, and other matters governed by this section as such become identified by and available to the parties. A party may amend its responses to the requirements of this section by informing the adverse party that documents previously produced or witnesses previously listed, will not be introduced in that party's case in chief.

7.080 Conduct of hearings. The following procedures will apply when appropriate:

1. The respondent will be allowed to present and argue any legal objections to the complaint set forth in the answer; the Executive Director may thereupon present his answering argument; and thereafter the respondent may present rebuttal argument. The matter will then be submitted to the Agency for decision. The Agency may rule upon such objections immediately or take the matter under advisement and proceed with the hearing.

2. The Executive Director will present his opening statement on the merits. The respondent will then be permitted to make an opening statement of the defense, or he may reserve the same until commencement of the presentation of the defense.

3. The Executive Director will then present his case in chief in support of the complaint.

4. Upon conclusion of the Executive Director's case in chief, the respondent may move for dismissal of the complaint. The Agency may hear arguments on the motion, or may grant, deny, or reserve decision thereon, with or without argument.

5. If no motion to dismiss is made, or if such motion is denied or decision reserved thereon, the respondent shall thereupon present the case for the defense.

6. Upon conclusion of the respondent's case, the Executive Director may present his case in rebuttal.

7. Upon conclusion of the Executive Director's case in rebuttal, the Executive Director shall present his closing argument, the respondent may present answering argument, and thereafter the Executive Director may present rebuttal argument. Thereupon the matter will stand submitted for decision.

8. Any member of the Agency may ask questions of witnesses, and may request or allow additional evidence at any time, including additional rebuttal evidence.

7.090 Evidence: admissibility.

1. For the purpose of this section, evidence is reliable if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs.

2. In hearings governed by this Chapter, the technical rules relating to evidence and witnesses shall not apply. Any relevant evidence may be admitted, and such evidence shall be sufficient in itself to support a finding if it is reliable, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in a civil action.

3. By way of illustration only, those matters that would be admissible in a court of law are hereby deemed to be reliable, in addition to those matters that satisfy the standards set forth in subsections 1 and 2.

4. Irrelevant or unduly repetitious evidence shall be excluded upon request of a party or the Agency's own initiative.

7.100 Evidence: authentication and identification.

1. Documentary and other physical evidence may be authenticated or identified by any reasonable means, by evidence or other showing that the matter in question is what its proponent claims it to be.

2. By way of illustration only, those matters that would be accepted as authentic in a court of law, are hereby deemed to be authentic, in addition to matters that satisfy the standard set forth in subsection 1 of this section.

7.110 Failure or refusal to testify.

1. If a respondent fails to testify in his own behalf or asserts a claim of privilege with respect to any question propounded to him, the Agency may infer therefrom that such testimony or answer would have been adverse to his case.

2. If any person controlling, controlled by, or under common control with, or employed by; or an agent of, a respondent fails to respond to a subpoena, or asserts a claim of privilege with respect to any question propounded to him, the Agency may, taking into account all of the circumstances, infer that such testimony would have been adverse to the respondent.

3. If, on a ground other than the properly invoked privilege against self-incrimination, a respondent fails to respond to a subpoena, or fails or refuses to answer a material question propounded to him, the Agency may deem such failure or refusal to be independent grounds for granting the relief requested by the Executive Director in the complaint with respect to that respondent.

7.120 Continuances. Continuances will not be granted except for good cause shown. A motion to continue a hearing must be made at least 10 calendar days prior to the hearing date and may be granted or denied in the discretion of the Chairperson.

7.130 Defaults. Failure of a respondent to file an answer to the complaint or to request a hearing, or to appear personally at a hearing on the merits without having obtained a waiver of appearance, shall constitute an admission of all matters and facts contained in the complaint filed with respect to such respondent, and shall be deemed a waiver of the right to an evidentiary hearing. In such cases the Agency may take action based upon such admission or upon any other evidence, including affidavits, and without any further notices whatever to respondent.

7.140 Decision of the Agency.

1. Findings of fact shall be based upon a preponderance of the evidence standard.

2. The "preponderance of the evidence" standard is such evidence as when considered and compared with that opposed to it, has more convincing force, and produces in the minds of the members of the Agency a belief that what is sought to be proved is more likely true than not true.

3. The decision shall be in writing and shall be issued within 30 days after the hearing and served upon the parties personally, by certified mail, return receipt requested, or by registered mail. A copy shall also be provided to the State Gaming Agency at the same time.

7.150 Penalties. The Agency may suspend, revoke, limit or condition the license or finding of suitability of any person or enterprise, or may order the suspension or termination of any gaming employee, found to have violated the provisions of the Compact, this Ordinance or the regulations. The Agency may

impose a civil fine of not more than \$5,000 for each separate violation . All fines must be paid to the Tribe within 15 days after the decision is issued imposing the fine unless otherwise ordered by the Agency.

CHAPTER 8

ACCOUNTING REGULATIONS

8.010 Definitions. As used in this Chapter:

1. Unless otherwise specified, "Executive Director" means the Executive Director of the Tribal Gaming Agency or his designee.
2. "Business year" means the annual period used by the Gaming Operation for internal accounting purposes.
3. "Fiscal year" means the fiscal year utilized by the Gaming Operation.
4. "Statements on auditing standards" means the auditing standards and procedures published by the American Institute of Certified Public Accountants.
5. "Statistical drop" means the dollar amount of cash wagered by a patron that is placed in the drop box plus the dollar amount of chips or tokens purchased at a table by a patron with currency with currency or credit instruments.
6. "Statistical win" means the dollar amount won by the licensee through table play.
7. "Wager" means a sum of money or thing of value risked on an uncertain occurrence.

8.020 Tribal Gaming Agency audit procedures.

1. The Tribal Gaming Agency and Manager shall confer and select, with final authority, therefor, in the Tribal Gaming Agency in the event of a dispute, independent certified accountants acceptable to both the Tribal Gaming Agency and Manager to perform an annual audit and such of the following audit functions for the Gaming Operation as Manager may deem necessary:
 - a. To conduct periodic audits or reviews of the books and records of the Gaming Operation;
 - b. To review the accounting methods and procedures used by the Gaming Operation;
 - c. To review and observe methods and procedures used by the Gaming Operation to count and handle cash, chips, tokens, negotiable instruments, and credit instruments;

d. To examine the Gaming Operation's records and procedures in extending credit;

e. To examine and review the Gaming Operation's internal control procedures and Manager's compliance therewith;

f. To examine all accounting and bookkeeping records and ledger accounts of the Gaming Operation; and

g. To examine all contracts for suppliers, services or concessions for any contract amount in excess of \$25,000 annually (except contracts for professional legal or accounting services) relating to the Gaming Operation.

2. The independent certified accountants shall conduct an audit in conformity with the statements on auditing standards. The independent certified accountants shall prepare an appropriate report at the conclusion of an audit and shall submit a copy of the report to the Tribal Gaming Agency, the State Gaming Agency, the Manager and the Commission.

8.030 Accounting records.

1. The Gaming Operation shall keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is subject to accounting under the Management Contract.

2. The Gaming Operation shall keep general accounting records on a double entry system of accounting, maintaining detailed, supporting, subsidiary records, including:

a. Detailed records identifying revenues, expenses, assets, liabilities, and equity;

b. Detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;

c. Individual and statistical game records to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop by table for each table game, and to reflect statistical drop, statistical win, and the percentage of statistical win to statistical drop for each type of table game, either by each shift or other accounting period determined by Manager, and individual and statistical game records reflecting similar information for all other games;

d. Slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages; and

e. the records required by the internal control system.

3. The Gaming Operation shall create and maintain records sufficient to accurately reflect gross gaming revenue and expenses relating solely to the Gaming Operation.

8.040 Standard financial statements.

1. The Gaming Operation shall prepare a financial statement covering all financial activities of the Gaming Operation for each fiscal year to include food, or beverage facilities at the Gaming Facility, in accordance with generally accepted accounting standards. The Gaming Operation shall submit the financial statements to the Tribal Gaming Agency not later than four months following the end of the fiscal year covered by the statement. Each financial statement must be signed by Manager who thereby attests to the completeness and accuracy of the statement.

2. If the Gaming Operation changes its business year, or begins operation, the Gaming Operation shall prepare and submit to the Tribal Gaming Agency audited or reviewed financial statements covering the "stub" period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the stub period or incorporate the financial results of the stub period in the statements for the new business year.

8.050 Internal control. Manager shall operate the Gaming Operation pursuant to an approved internal control system that meets the requirements of the Compact. Manager shall provide a copy of the internal control system and any amendments thereto to the Tribal Gaming Agency and the State Gaming Agency.

8.060 Gross gaming revenue computations.

1. For each table game, gross revenue equals the closing bankroll plus credit slips for cash, chips, or tokens returned to the casino cage, plus drop, less opening bankroll and fills to the table.

2. For each slot machine, gross revenue equals drop less fills to the machine, jackpot payouts, and the actual cost to the Gaming Operation of any personal property (other than costs of travel, food, lodging, services, and food and beverages) provided for or distributed to a patron as winnings. The initial hopper load is not a fill and does not affect gross gaming revenue. The difference between the initial hopper load and the total amount that is in the hopper at the end of each quarter must be adjusted accordingly as an addition to or subtraction from the drop for that quarter.

3. For each counter game, gross gaming revenue equals:

a. The money accepted by the Gaming Operation on events or games that occur during the month or will occur in subsequent months, less money paid out during the month to patrons on winning wagers; or

b. The money accepted by the Gaming Operation on events or games that occur during the month plus money, not previously included in gross revenue, that was accepted by the Gaming Operation in previous months on events or games occurring in the month, less money paid out during the month to patrons on winning wagers.

4. For each card game and any other game in which the Gaming Operation is not a party to a wager, gross revenue equals all money received by the Gaming Operation as compensation for conducting the game.

5. The Gaming Operation shall not include either skill win or skill loss in gross revenue computations.

6. If in any month the amount of gross revenue is less than zero, the Gaming Operation may deduct the excess in the succeeding months, until the loss is fully offset against gross gaming revenue.

8.070 Treatment of credit for purposes of computing gross revenue.

1. Gross gaming revenue does not include credit extended or collected by the Gaming Operation for purposes other than gaming. Gross gaming revenue includes the amount of gaming credit extended to a patron that is not documented in a credit instrument.

2. The Gaming Operation shall, prior to extending credit, follow the procedures in Manager's internal control system.

3. The Gaming Operation need not include in gross gaming revenue the unpaid balance of a credit instrument if one or more of the following paragraphs are satisfied:

a. The Gaming Operation settles the debt for less than its full amount to induce the patron to make a partial payment. This paragraph is satisfied only if the Gaming Operation first requests payment of the debt in full from the patron, the patron fails to respond to the request or refuses to pay the debt in full, and the patron then makes a partial payment in consideration for settlement of the debt for less than the full amount.

b. The Gaming Operation settles the debt for less than its full amount to compromise a genuine dispute between the patron and the Gaming

Operation regarding the existence or amount of the debt.

c. The Gaming Operation settles the debt for less than its full amount because Manager in good faith believes that the patron's business will be retained in the future, or the patron's business is in fact retained.

d. The Gaming Operation settles the debt for less than its full amount to obtain a patron's business and to induce timely payment of the credit instrument.

4. The Gaming Operation shall ensure:

a. That a debt settled pursuant to subsection 3 is settled either with the patron to whom the credit was initially extended or his personal representative. For purposes of this section, a personal representative is an individual who has been authorized by the patron to make a settlement on his behalf. The Gaming Operation shall document its reasonable basis for its belief that the patron has authorized the individual to settle the patron's debt.

b. That the settlement is authorized by persons designated to do so in the internal control system, and the settlement agreement is reflected in a single document prepared within 30 days of the agreement and the document includes:

- (1) The patron's name;
- (2) The original amount of the credit instrument;
- (3) The amount of the settlement stated in words;
- (4) The date of the agreement;
- (5) The reason for the settlement;
- (6) The signatures of the Gaming Operation's employees who authorized the settlement;
- (7) The patron's signature or in cases in which the patron's signature is not on the settlement document, confirmation from the patron acknowledging the debt. If confirmation from the patron is not available because of circumstances beyond the Gaming Operation's control, the Gaming Operation shall provide such other information regarding the settlement as is necessary to confirm the debt and settlement.

5. If the Tribal Gaming Agency determines that it is necessary to independently verify the existence or the amount of a settlement made pursuant to subsection 3, the Gaming Operation shall allow the Tribal Gaming Agency to confirm the settlement and its terms and circumstances with the patron to whom the credit was initially extended.

6. The Gaming Operation shall include in gross gaming revenue all money, and the net fair market value of property or services received by the Gaming Operation in payment of credit instruments.

7. The Gaming Operation may exclude money received in payment of credit instruments from gross revenue if the Gaming Operation notifies the Tribal Gaming Agency in writing within 45 days of the Gaming Operation's discovery of the alleged criminal misappropriation of the money by an agent or employee of the Gaming Operation where the agent, employee, or person was involved in the collection process, and if the Gaming Operation:

a. Files a written report with an appropriate law enforcement agency, other than the Tribal Gaming Agency, alleging criminal misappropriation of the money and furnishes a copy of such report to the Tribal Gaming Agency within 45 days of its request; or

b. Files and prosecutes a civil action against the agent, employee, or person for recovery of the misappropriated money and furnishes copies of legal pleadings to the Tribal Gaming Agency within 45 days of its request; or

c. Otherwise demonstrates that the money was in fact criminally misappropriated and not merely retained by the agent, employee, or person as payment for services or costs.

8. If the Gaming Operation recovers any money, previously excluded from gross gaming revenue pursuant to subsection 7, the Gaming Operation shall include the money in gross gaming revenue for the month in which the money is recovered.

8.080 State Gaming Agency. All records provided to the Tribal Gaming Agency pursuant to this Chapter shall be also be provided to the State Gaming Agency.

CHAPTER 9

CHIPS AND TOKENS

9.010 Definitions. As used in this Chapter:

1. "Chip" means a non-metal or partly metal representative of value, redeemable for cash, and issued and sold by the Gaming Operation for use at table games or counter games at the Gaming Facility.

2. "Token" means a metal representative of value, redeemable for cash, and issued and sold by the Gaming Operation for use in slot machines or for use in slot machines and at table games or counter games at the Gaming Facility.

9.020 Specifications for chips and tokens.

1. Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Arizona, and other states, and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens must not deceptively resemble any current or past coinage of the United States or any other Tribe.

2. In addition to such other specifications as the Tribal Gaming Agency may approve:

a. The name of the Gaming Operation must be inscribed on each side of each chip and token;

b. The value of the chip or token must be inscribed on each side of each chip and token, other than chips used exclusively at roulette, roulette is permitted by Compact;

c. The manufacturer's name or a distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each chip and token; and

d. Each chip must be designed so that when stacked with chips and tokens of other denominations and viewed on closed-circuit, black-and-white television, the denomination of the chip can be distinguished from that of the other chips and tokens in the stack.

9.030 Specifications for chips.

1. Unless the Tribal Gaming Agency approves otherwise, chips must be disk-shaped, must be .130 inch thick, and must have a diameter of:

- a. 1.55 inches, for chips used at games other than baccarat;
- b. 1.55 inches or 1.6875 inches, for chips used at baccarat; and
- c. 1.6875 inches, for chips used exclusively at race books or other counter games.

2. Each side of each chip issued for use exclusively at a race book or particular game must bear an inscription clearly indicating that use of the chip is so restricted.

9.040 Specifications for tokens.

1. Unless the Tribal Gaming Agency approves otherwise, tokens must be disk-shaped and must measure as follows:

a. No token may be smaller than 1.459 inches or larger than 1.95 inches in diameter, and no token may be from 1.475 through 1.525 inches in diameter;

b. One dollar denomination tokens must be from 1.459 through 1.474 inches in diameter, from .095 through .115 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 150;

c. Five dollar denomination tokens must be 1.75 inches in diameter, from .115 through .135 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 175;

d. Twenty-five dollar denomination tokens must be larger than 1.75 inches but no larger than 1.95 inches in diameter (except that such tokens may be 1.654 inches (42 millimeters) in diameter if made of 99.9 percent pure silver), must be .10 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 200; and

e. Tokens of other denominations must have such measurements and edge reeds or serrations as the Tribal Gaming Agency may approve.

2. Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of a slot machine.

3. Tokens must not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

9.050 Use of chips and tokens.

1. The Gaming Operation shall:
 - a. Comply with all applicable statutes, regulations, and policies of Arizona and of the United States pertaining to chips or tokens;
 - b. Sell chips and tokens only to patrons of the Gaming Facility and only at their request;
 - c. Promptly redeem its own chips and tokens from its patrons; and
 - d. Post conspicuous signs at the Gaming Facility notifying patrons that federal law prohibits the use of the licensee's tokens, and that state law prohibits the use of the licensee's chips, outside the facility for any monetary purpose whatever; and
 - e. Take reasonable steps, including examining chips and tokens and segregating those issued by another Gaming Facility to prevent the issuance to its patrons of chips and tokens issued by another Gaming Facility.
2. The Gaming Operation shall not accept chips or tokens as payment for any goods or services offered at the Gaming Facility with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other transaction.
3. The Gaming Operation shall not redeem its chips or tokens if presented by a person who the Gaming Operation knows or reasonably should know is not a patron of the Gaming Facility, except that a licensee shall promptly redeem its chips and tokens if presented by an employee of the Gaming Operation who presents the chips and tokens in the normal course of employment.
4. Chips whose use is restricted to uses other than at table games or other than at specified table games may be redeemed by the Gaming Operation at table games or non-specified table games if the chips are presented by a patron, and the Gaming Operation redeems the chips with chips issued for use at the game, places the redeemed chips in the table's drop box, and separates and properly accounts for the redeemed chips during the count performed pursuant to the internal control system.

9.060 Redemption and disposal of discontinued chips and tokens. If the Gaming Operation permanently removes from use or replaces approved chips or tokens at the Gaming Facility it shall redeem discontinued chips and tokens that remain outstanding at the time of discontinuance pursuant to a plan prepared by the Gaming Operation and approved by the Tribal Gaming Agency and the State Gaming Agency.

9.070 Destruction of counterfeit chips and tokens.

1. As used in this section, "counterfeit chips or tokens" means any chip- or token-like objects that have not been approved pursuant to this Chapter, including objects commonly referred to as "slugs," but not including coins of the United States or any other Tribe.

2. Unless a peace officer instructs or a court of competent jurisdiction orders otherwise in a particular case, the Gaming Operation shall destroy or otherwise dispose of counterfeit chips and tokens discovered at the gaming facilities in such manner as it deems appropriate.

3. Unless a peace officer instructs or a court of competent jurisdiction orders otherwise in a particular case, the Gaming Operation may dispose of coins of the United States or any other nation discovered to have been unlawfully used at their establishments by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including the same in their currency or coin inventories, or by disposing of them in any other lawful manner.

4. The Gaming Operation shall record:

a. The number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this Chapter;

b. The month during which they were discovered;

c. The date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company, or other business or person at which or with whom the coins are exchanged; and

d. The names of the persons carrying out the destruction or other disposition on behalf of the Gaming Operation.

5. The records required by subsection 4 must be retained for a period of

two years.

9.080 Other instrumentalities. Other instrumentalities with which gaming is conducted must be designed, manufactured, approved, used, discontinued, destroyed, or otherwise disposed of in accordance with the provisions of this Chapter applicable to chips and tokens, except that such other instrumentalities must be of such shape, size, and design and have such other specifications as the Tribal Gaming Agency may approve.

CHAPTER 10

ENFORCEABILITY OF CREDIT INSTRUMENTS

10.010 Enforceability of credit instruments. Credit instruments accepted by the Tribal Gaming Operation are valid and enforceable and may be enforced through legal process in the Tribal courts. Except as may be provided in the Compact, gaming debts not evidenced by a credit instrument are void and unenforceable and do not give rise to any administrative or civil cause of action.

1. The Gaming Operation may accept an incomplete credit instrument which is signed by a patron and states the amount of the debt in figures, and may complete the instrument as is necessary for the instrument to be presented for payment.

2. The Gaming Operation or person acting on behalf of the Gaming Operation:

a. May accept a credit instrument that is dated later than the date of its execution if that later date is furnished at the time of the execution of the credit instrument by the patron.

b. May not accept a credit instrument which is incomplete and cannot lawfully be completed to comply with the requirements of the laws of the State governing negotiable instruments.

c. May accept a credit instrument that is payable to an affiliated company or may complete a credit instrument in the name of an affiliated company as payee if the credit instrument otherwise complies with this subsection and the records of the affiliated company pertaining to the credit instrument are made available to agents of the Tribal Gaming Agency upon request.

d. May accept a credit instrument either before, at the time, or after the patron incurs the debt. The credit instrument and the debt that the credit instrument represents are enforceable without regard to whether the credit instrument was accepted before, at the time or after the debt is incurred.

3. This section does not prohibit the establishment of an account by a deposit of cash, recognized traveler's check, or any other instrument which is equivalent to cash.

4. If a credit instrument is lost or destroyed, the debt represented by the credit instrument may be enforced by the Gaming Operation or Manager if they can

prove the existence of the credit instrument.

5. A patron's claim of having a mental or behavioral disorder involving gambling:

a. Is not a defense in any action by the Gaming Operation or a person acting on behalf of the Gaming Operation to enforce a credit instrument or the debt that the credit instrument represents.

b. Is not a valid counterclaim to such an action.

6. The failure of the Gaming Operation or Manager to comply with the provisions of this section or the regulations does not invalidate a credit instrument or affect the ability to enforce the credit instrument or the debt that the credit instrument represents.

CHAPTER 11

PATRON DISPUTES

11.010 Policy. It is the policy of the Tribe that all patron disputes be resolved fairly, justly, equitably and expediently.

11.020 Procedure.

1. Whenever the Gaming Operation refuses payment of alleged winnings to a patron, the Gaming Operation and the patron are unable to resolve the dispute to the satisfaction of the patron and the dispute involves:

a. At least \$500, the Gaming Operation shall immediately notify the Tribal Gaming Agency; or

b. Less than \$500, the Gaming Operation shall inform the patron of his right to request that the Tribal Gaming Agency conduct an investigation. The Tribal Gaming Agency, through an inspector, shall conduct whatever investigation it deems necessary and shall determine whether payment should be made.

2. The Tribal Gaming Agency inspector shall mail written notice by certified mail, return receipt requested, to the Gaming Operation and the patron of his decision resolving the dispute within 30 days after the date that the Tribal Gaming Agency first receives notification from the Gaming Operation or a request to conduct an investigation from the patron.

a. The decision of the inspector is effective on the date it is received by the aggrieved party as reflected on the return receipt.

b. Within 30 days after the date of receipt of the written decision of the inspector, the aggrieved party may file a petition with the Tribal Gaming Agency requesting a review of the decision. The Tribal Gaming Agency may set a hearing on the matter pursuant to Chapter 6.030, or may make a decision based solely upon the inspector's decision and other documentation provided to it by the patron and the Gaming Operation. The Tribal Gaming Agency shall then issue a written decision and mail it to the parties by registered mail or certified mail, return receipt requested.

11.030 Limitation of liability. The liability of the Gaming Operation in any proceeding under this Chapter shall be limited to the amount of the alleged winnings and a patron shall not be entitled to an award of special or punitive damages, or damages for mental distress.

11.040 Judicial review. The decision of the Tribal Gaming Agency shall be subject to judicial review only as provided in the Compact.

CHAPTER 12

CRIMES AND LIABILITIES CONCERNING GAMING

12.010 **"Cheat" defined; applicability of definitions in the Compact.** As used in this Chapter:

1. "Cheat" means to alter the selection of criteria which determine:
 - a. The result of a game; or
 - b. The amount or frequency of payment in a game.
2. "Authorities" means agents of the Tribal Gaming Agency, Tribal Police, Arizona police or the State Gaming Agency, Manager and its principals, employees and agents, and principals, employees and agents of the Gaming Operation.
3. "Person" means a member of the Tribe or any non-member Indian within the Reservation or Tribal lands, and any non-Indian acting within the exterior boundaries of Tribal Lands.
4. The words and terms defined in the Ordinance have the meanings ascribed to them in the Ordinance.

12.020 **Fraudulent acts.** It is unlawful for any person:

1. To alter or misrepresent the outcome of a game or other event on which wagers have been made after the outcome is made sure but before it is revealed to the players.
2. To place, increase or decrease a bet or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the game or any event that affects the outcome of the game or which is the subject of the bet or to aid anyone in acquiring such knowledge for the purpose of placing, increasing or decreasing a bet or determining the course of play contingent upon that event or outcome.
3. To claim, collect or take, or attempt to claim, collect or take, money or anything of value in or from a gambling game, with intent to defraud, without having made a wager contingent thereon, or to claim, collect or take an amount greater than the amount won.
4. Knowingly to entice or induce another to go to any place where a

gambling game is being conducted or operated in violation of the provisions of this chapter, with the intent that the other person play or participate in that gambling game.

5. To place or increase a bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including past-posting and pressing bets.

6. To reduce the amount wagered or cancel the bet after acquiring knowledge of the outcome of the game or other event which is the subject of the bet, including pinching bets.

7. To manipulate, with the intent to cheat, any component of a gaming device in a manner contrary to the designed and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine, with knowledge that the manipulation affects the outcome of the game or with knowledge of any event that affects the outcome of the game.

12.030 Use of device for calculating probabilities. It is unlawful for any person at the Gaming Facility to use, or possess with the intent to use, any device to assist:

1. In projecting the outcome of the game;
2. In keeping track of the cards played;
3. In analyzing the probability of the occurrence of an event relating to the game; or
4. In analyzing the strategy for playing or betting to be used in the game.

12.040 Use of counterfeit or unapproved chips or tokens or unlawful coins or devices; possession of certain devices, equipment, products or materials.

1. It is unlawful for any licensed person enterprise, employee or other person to use counterfeit chips in a gambling game.

2. It is unlawful for any person, in playing or using any gambling game designed to be played with, receive or be operated by chips or tokens approved by the Tribal Gaming Agency or by lawful coin of the United States of America:

a. Knowingly to use other than chips or tokens approved by the Tribal Gaming Agency or lawful coin, legal tender of the United States of America, or to use coin not of the same denomination as the coin intended to be used in that gambling game; or

b. To use any device or means to violate the provisions of the Compact or this Chapter.

3. It is unlawful for any person, not a duly authorized employee of the Gaming Operation acting in furtherance of his employment within the Gaming Facility, to have on his person or in his possession on or off the premises of the Gaming Facility any device intended to be used to violate the provisions of the Compact or this Chapter.

4. It is unlawful for any person, not a duly authorized employee of the Gaming Operation acting in furtherance of his employment within the Gaming Facility, to have on his person or in his possession on or off the premises of the Gaming Facility any key or device known to have been designed for the purpose of and suitable for opening, entering or affecting the operation of any gambling game, drop box or any electronic or mechanical device connected thereto, or for removing money or other contents therefrom.

5. It is unlawful for any person to have on his person or in his possession any paraphernalia for manufacturing slugs. As used in this subsection, "paraphernalia for manufacturing slugs" means the equipment, products and materials that are intended for use or designed for use in manufacturing, producing, fabricating, preparing, testing, analyzing, packaging, storing or concealing a counterfeit facsimile of the chips or tokens approved by the Tribal Gaming Agency or a lawful coin of the United States, the use of which is unlawful pursuant to subsection 2. The term includes, but is not limited to:

- a. Lead or lead alloys;
- b. Molds, forms or similar equipment capable of producing a likeness of a gaming token or United States coin;
- c. Melting pots or other receptacles;
- d. Torches; and
- e. Tongs, trimming tools or other similar equipment.

6. Possession of more than one of the devices, equipment, products or materials described in this section permits a rebuttable inference that the possessor intended to use them for cheating.

12.050 Cheating. It is unlawful for any person, whether he is a principal or employee of the Gaming Operation, or a player in the Gaming Facility, to cheat at any gambling game.

12.060 **Unlawful manufacture, sale, distribution, marking, altering or modification of equipment and devices associated with gaming; unlawful instruction.**

1. It is unlawful to manufacture, sell or distribute any cards, chips, dice, game or device which is intended to be used to violate any provision of the Compact or this Chapter.
2. It is unlawful to mark, alter or otherwise modify any gaming equipment or gaming device, as defined in the Compact, in a manner that:
 - a. Affects the result of a wager by determining win or loss; or
 - b. Alters the normal criteria of random selection, which affects the operation of a game or which determines the outcome of a game.
3. It is unlawful for any person to instruct another in cheating or in the use of any device for that purpose, with the knowledge or intent that the information or use so conveyed may be employed to violate any provision of the Compact or this Chapter.

12.070 **Penalties.**

1. Any person who violates any provision of this chapter shall be punished to the maximum extent allowable by law applicable Tribal, Federal, or state law.
2. Any person who attempts, or two or more persons who conspire, to violate any provision of this Chapter, each shall be punished by imposing the penalty provided in subsection 1 for the completed crime, whether or not he or she personally played any gambling game or used any prohibited device.

12.080 **Unlawful dissemination of information concerning racing; exemptions; penalty.**

1. It is unlawful for any person to furnish or disseminate any information in regard to racing or races, from any point within the State to any point outside the State, by telephone, telegraph, teletype, radio or any signaling device, with the intention that the information is to be used to induce betting or wagering on the result of the race or races, or with the intention that the information is to be used to decide the result of any bet or wager made upon the race or races.
2. This section does not prohibit:
 - a. A newspaper of general circulation from printing and

disseminating news concerning races that are to be run or the results of races that have been run; or

b. The furnishing or dissemination of information concerning wagers made in an off-track pari-mutuel system of wagering authorized under the Compact.

3. Any person who violates the provisions of this section shall be punished as provided in the federal criminal laws already existing, or State criminal laws already existing or enacted pursuant to the Compact.

12.090 Detention and questioning of person suspected of violating chapter; limitations on liability; posting of notice.

1. The Authorities may question any person in the Gaming Facility suspected of violating any of the provisions of the Compact or this Chapter. None of the Authorities is criminally or civilly liable:

a. On account of any such questioning; or

b. For reporting to the Tribal Gaming Agency, the State Gaming Agency, Tribal, federal or state regulatory authorities, or law enforcement authorities the identity of the person suspected of the violation.

2. Any of the Authorities who has probable cause for believing that there has been a violation of this Chapter in the Gaming Facility by any person may take that person into custody and detain him in the Gaming Facility in a reasonable manner and for a reasonable length of time. Such a taking into custody and detention does not render the Authorities criminally or civilly liable unless it is established by clear and convincing evidence that the taking into custody and detention are unreasonable under all the circumstances.

3. There must be displayed in a conspicuous place in the Gaming Facility a notice in boldface type clearly legible and in substantially this form:

Agents of the Tribal Gaming Agency or the State Gaming Agency, or any of the Authorities who has probable cause for believing that any person has violated any provision of this Chapter prohibiting cheating in gaming may detain that person in the Gaming Facility.

4. State authorities right to detain and question under this Chapter is restricted to the Gaming Facility boundaries unless cross-deputized as Tribal police or in the supervisory presence of a Tribal police officer. Nothing in this Chapter shall be construed to grant to the State of Arizona criminal prosecutorial jurisdiction

over Tribal members or non-member indians for acts committed on the Reservation or Tribal Lands.

12.100 Disposition of evidence seized by agent of the Tribal Gaming Agency or the State Gaming Agency.

1. After the final adjudication of a complaint involving a violation of the Compact or this Chapter, or of any other complaint involving the seizure of evidence by an agent of the Tribal Gaming Agency or the State Gaming Agency, a court of competent jurisdiction may enter an appropriate order disposing of all physical evidence pertaining to the complaint, whether or not the evidence was introduced as an exhibit.

2. Except as otherwise provided in subsection 3, evidence seized by an agent of the Tribal Gaming Agency or the State Gaming Agency which does not result in a complaint charging a violation of the law and evidence for which an order of disposition is not entered pursuant to subsection 1, must be disposed of as follows:

a. The Tribal Gaming Agency shall notify by certified mail each potential claimant of the evidence that he has 30 days after receipt of the notice within which to file a written claim with the board for return of the evidence.

b. If more than one person files a claim for the evidence:

(1) The claimants may agree among themselves as to how they wish to divide the evidence, subject to the approval of the Tribal Gaming Agency;

(2) The claimants may agree to submit the matter to binding arbitration or any claimant may institute legal proceedings before the Tribal Court to determine the proper disposition of the evidence. The Tribal Gaming Agency shall return the evidence to the claimants in accordance with any agreement approved by the Tribal Gaming Agency, final judgment or award made pursuant to the provisions of this section.

c. A person who receives property from the Tribal Gaming Agency pursuant to this section shall execute such documents as are required by the Tribal Gaming Agency to defend, hold harmless, indemnify and release the Tribal Gaming Agency from any liability arising from the delivery of the property to the claimant.

d. If no claim is submitted, the Tribal Gaming Agency shall deposit all money with the Tribe and may use all other property for any lawful purpose. The Tribal Gaming Agency may dispose of any property which cannot be used for any lawful purpose in any reasonable manner.

3. Evidence which constitutes a device for cheating may not be returned to a claimant and must be retained by the Tribal Gaming Agency or the State

Gaming Agency. The Tribal Gaming Agency and the State Gaming Agency shall periodically destroy such devices in any reasonable manner.

12.110 **Unauthorized Gaming.** Any member of the Tribe or any non-member indian who commits any act of unauthorized gaming on the Reservation or on any Tribal lands shall be guilty of a crime and prosecuted in Tribal Court. Prosecution for such a crime in Tribal Court shall not be exclusive and a finding of guilt or innocence shall not deprive the federal government from criminal jurisdiction. However, it is hereby declared that Class I, Class II and Class III gaming, when conducted on the Reservation or Tribal lands in full compliance with the provisions of a Compact and this Ordinance, shall be deemed lawful and not subject to the imposition of any criminal penalties.

CHAPTER 13

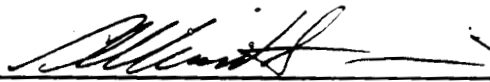
13.100 **Ordinance Supersedes Former Bingo Ordinance.** All statutory provisions formerly enacted regarding the subject matter of this ordinance are hereby repealed. The provisions of this ordinance supersede all such formerly enacted sections. This ordinance is effective immediately.

CHAPTER 14

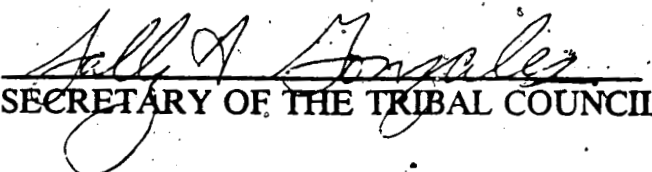
14.100 **Severability Clause.** The provisions of the Pascua Yaqui Bingo Ordinance shall be severable and if any phrase, clause, sentence or provision of the ordinance is found to be contrary to the Pascua Yaqui Tribal Constitution, or declared to be in violation of applicable Federal Law; or is held to be invalid, the validity of the remainder of this ordinance shall not be affected and shall remain in full force and effect.

CERTIFICATION

The foregoing ordinance was on December 17, 1992, duly enacted by a vote of 6 in favor, 0, opposed, and 0 abstained, by the Tribal Council of the Pascua Yaqui Tribe of Arizona pursuant to authority vested in it by Article VI, Section 1 (g)(j)(l)(n)(o)(t)(u) and (w) of the Constitution and By-laws of the Pascua Yaqui Tribe of Arizona ratified by the Tribe on January 26, 1988 and approved by the Secretary of the Interior on February 8, 1988, pursuant to Section 16 of the Act of June 18, 1934 (48 Stat. 984).



CHAIRMAN



SECRETARY OF THE TRIBAL COUNCIL



APPENDIX C

SECURITY AND SURVEILLANCE REQUIREMENTS

**TRIBAL/STATE COMPACT BETWEEN
PASCUA YAQUI TRIBE OF ARIZONA
AND
THE STATE OF ARIZONA**

APPENDIX "C"

STATE OF ARIZONA GAMING COMPACT

SECURITY AND SURVEILLANCE REQUIREMENTS

- (A) **Closed Circuit Television.** The Gaming Facility operator shall install, maintain and operate a closed circuit television system according to the specifications set forth in this Appendix. The Tribal Gaming Agency and the State Gaming Agency shall have access to the system or its signal at all times.
- (B) **Required Equipment.** The closed circuit television system shall include, but shall not be limited to, the following equipment:
- (1) **Cameras.** Pan, tilt, zoom, commonly referred to as P.T.Z. cameras, that are light sensitive and capable of being placed behind a dome or one-way mirror which conceals the P.T.Z. cameras from view. Each camera shall have the capability to distinguish a clear, unobstructed view of the areas where Gaming Devices are operated as part of a network.
 - (2) **Video printers.** Video printers shall be capable of adjustment and shall possess the capability to generate instantaneously upon command a clear, still copy of the image depicted on a videotape recording with a minimum of 128 shades of gray.
 - (3) **Video screens.** Video monitor screens must be at least 12 inches measured diagonally and all controls must be front mounted. Solids state circuitry is required.
 - (4) **Date and time generators.** Date and time generators shall be capable of recording both time and date of the recorded events without obstructing the recorded view. Recordings must be in military time (i.e., 24-hour format).
 - (5) **Universal power supply.** The system and its equipment must be directly and securely wired in a manner designed to prevent tampering with the system.
 - (6) **Camera domes.** Camera domes shall be of sufficient quality and size to accommodate P.T.Z. cameras and shall be capable of providing clear, unobstructed views.

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

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

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

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

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

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

- (1) Video printer;**
- (2) Video recorders;**
- (3) Audio pickup of soft count room;**
- (4) Time and date generators, if not in the master surveillance system;**
- (5) Total override surveillance system capabilities.**

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

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

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

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

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

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

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

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

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

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

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

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

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

(H) **Additional requirements.**

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

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

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

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

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

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

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

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

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

PASCUA YAQUI TRIBE of ARIZONA



RESOLUTION NO.: C6-106-93

RESOLUTION OF THE PASCUA YAQUI TRIBE OF ARIZONA AUTHORIZING THE APPROVAL OF GAMING COMPACTS BETWEEN THE PASCUA YAQUI TRIBE OF ARIZONA AND THE STATE OF ARIZONA.

WHEREAS, the Tribal Council of the Pascua Yaqui Tribe of Arizona is the governing body of the Tribe and pursuant to its inherent sovereign powers and those enumerated in Article VI, Section One of the Tribal Constitution is authorized to negotiate and to execute contracts and agreements with any person, association, partnership, corporation or other private entity and to regulate all business and Tribal economic development including gambling and gaming on the Pascua Yaqui Reservation; and

WHEREAS, the Tribal Council has authorized negotiations with the State of Arizona for a State/Tribal Gaming Compact; and

WHEREAS, after discussion and review of the Tribal/State Gaming Compact, a copy of which is attached to this Resolution and incorporated by reference herein, the Tribal Council concludes that it would be in the best economic interest of the Pascua Yaqui Tribe to authorize the Tribal Chairman to sign, and execute the Tribal/State Gaming Compact.

NOW THEREFORE BE IT RESOLVED: by the Tribal Council of the Pascua Yaqui Tribe of Arizona that it hereby authorizes and directs Tribal Chairman Albert V. Garica, or in his absence Vice Chairwoman Octaviana Trujillo, to sign and execute on behalf of the Pascua Yaqui Tribe of Arizona a Tribal/State Gaming Compact between the Pascua Yaqui Tribe of Arizona and the State of Arizona.

PASCUA YAQUI TRIBE of ARIZONA



RESOLUTION NO.: C6-106-93

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CERTIFICATION

THE FOREGOING was on June 23, 1993, duly adopted by a vote of **SIX** in favor, **ZERO** opposed, and **ZERO** abstained, by the Tribal Council of the Pascua Yaqui Tribe of Arizona pursuant to authority vested in it by Article VI, Section 1 (a), (d), (e), (k), (l), (n), (s), (t) and (v) of the Constitution and By-Laws of the Pascua Yaqui Tribe on January 26, 1988 and approved by the Secretary of the Interior on February 8, 1988, pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984).



CHAIRMAN OF THE PASCUA YAQUI TRIBE



SECRETARY OF THE TRIBAL COUNCIL

APPENDIX C

SECURITY AND SURVEILLANCE REQUIREMENTS

**TRIBAL/STATE COMPACT BETWEEN
PASCUA YAQUI TRIBE OF ARIZONA
AND
THE STATE OF ARIZONA**

APPENDIX "C"

STATE OF ARIZONA GAMING COMPACT

SECURITY AND SURVEILLANCE REQUIREMENTS

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

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

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PASCUA YAQUI TRIBE of ARIZONA



RESOLUTION NO.: C6-106-93

RESOLUTION OF THE PASCUA YAQUI TRIBE OF ARIZONA AUTHORIZING THE APPROVAL OF GAMING COMPACTS BETWEEN THE PASCUA YAQUI TRIBE OF ARIZONA AND THE STATE OF ARIZONA.

WHEREAS, the Tribal Council of the Pascua Yaqui Tribe of Arizona is the governing body of the Tribe and pursuant to its inherent sovereign powers and those enumerated in Article VI, Section One of the Tribal Constitution is authorized to negotiate and to execute contracts and agreements with any person, association, partnership, corporation or other private entity and to regulate all business and Tribal economic development including gambling and gaming on the Pascua Yaqui Reservation; and

WHEREAS, the Tribal Council has authorized negotiations with the State of Arizona for a State/Tribal Gaming Compact; and

WHEREAS, after discussion and review of the Tribal/State Gaming Compact, a copy of which is attached to this Resolution and incorporated by reference herein, the Tribal Council concludes that it would be in the best economic interest of the Pascua Yaqui Tribe to authorize the Tribal Chairman to sign and execute the Tribal/State Gaming Compact.

NOW THEREFORE BE IT RESOLVED: by the Tribal Council of the Pascua Yaqui Tribe of Arizona that it hereby authorizes and directs Tribal Chairman Albert V. Garica, or in his absence Vice Chairwoman Octaviana Trujillo, to sign and execute on behalf of the Pascua Yaqui Tribe of Arizona a Tribal/State Gaming Compact between the Pascua Yaqui Tribe of Arizona and the State of Arizona.

PASCUA YAQUI TRIBE of ARIZONA



RESOLUTION NO.: C6-106-93
PAGE 2

CERTIFICATION

THE FOREGOING was on June 23, 1993, duly adopted by a vote of SIX in favor, ZERO opposed, and ZERO abstained, by the Tribal Council of the Pascua Yaqui Tribe of Arizona pursuant to authority vested in it by Article VI, Section 1 (a), (d), (e), (k), (l), (n), (s), (t) and (v) of the Constitution and By-Laws of the Pascua Yaqui Tribe on January 26, 1988 and approved by the Secretary of the Interior on February 8, 1988, pursuant to Section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984).



CHAIRMAN OF THE PASCUA YAQUI TRIBE



SECRETARY OF THE TRIBAL COUNCIL