



United States Department of the Interior

OFFICE OF THE SECRETARY
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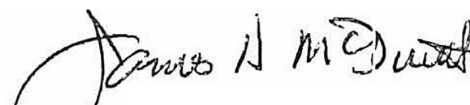
Honorable James Lee Edwards
Governor, Absentee Shawnee Tribe
2025 Gordon Cooper Drive
Shawnee, Oklahoma 74801

Dear Governor Edwards:

On April 11, 2001, we received the State of Oklahoma Absentee Shawnee Off-Track Wagering Compact, dated March 28, 2001. We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to delegated authority and Section 11 of IGRA, we approve the Compact. The Compact shall take effect when the notice of our approval, pursuant to Section 11 (d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(8), is published in the FEDERAL REGISTER.

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

Sincerely,



James H. McQuinn
Assistant Secretary - Indian Affairs
(Management)

Enclosure

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

STATE OF OKLAHOMA
ABSENTEE SHAWNEE
OFF-TRACK WAGERING COMPACT

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TRIBAL STATE COMPACT

Between the

ABSENTEE SHAWNEE

and the

STATE OF OKLAHOMA

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

RECITALS

WHEREAS, the Tribe and the State are separate sovereigns, and each recognizes and respects the laws and authority of the other sovereign, and WHEREAS, the Congress of the United States has enacted into law the Indian Gaming Regulatory Act, Pub. L. 100-497, 25 U.S.C. §2701 et seq. hereinafter called "Act", which provides in part that a Compact may be negotiated between the Tribe and the State to govern the conduct of certain Class III gaming activities on the Indian lands of the Tribe; and,

WHEREAS, the State has no jurisdiction by its Constitution Article I, Section 3, over the Tribe's Indian Country absent federal grant; and,

WHEREAS, the Tribe exercises jurisdictional authority over the Tribe's Indian Country, which is located within the State and which are "Indian lands" within the meaning of the Act, and upon and within which the gaming activities regulated hereunder shall take place; and,

WHEREAS, the Tribe and the State have negotiated the terms and conditions of this Compact in good faith so as to provide a regulatory framework for the operation of certain Class III gaming which is intended to (a) insure the fair and honest operation of such gaming activities; (b) maintain the integrity of all activities conducted in regard to

such gaming activities; and (c) protect the health, welfare and safety of the citizens of the Tribe and the State; and,

WHEREAS, the parties hereto deem it to be in their respective best interest to enter into this Compact:

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

SECTION 1. TITLE

The title of this document shall be referred to as the Absentee Shawnee Off-Track Wagering Compact.

SECTION 2. DECLARATIONS

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

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

(B) The State recognizes the positive financial impact that gaming may have on the Tribe's membership. The Tribe will utilize revenues generated by gaming in accordance with the requirements of the Indian Gaming Regulatory Act of 1988 and the Absentee Shawnee Gaming Ordinance (as amended). This includes the funding of programs that provide important governmental services to the Tribe's citizens and to Indian Country residents. These programs include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, police, fire and judicial services, economic development, and any other purpose authorized under the Act.

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

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

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

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

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

SECTION 3. DURATION.

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

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

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

- (1) The term expires pursuant to a notice of an intent to terminate;
- (2) The Compact is terminated by mutual consent of the parties;
- (3) The Tribe duly adopts an ordinance or resolution revoking authority to conduct Class III Gaming within Tribne'sd Indian Country as provided by 25 U.S.C.A § 2710(d)(2)(D);
- (4) The State abolishes pari-mutuel wagering.
- (5) Pursuant to a final, non-appealable judgment by a court of competent jurisdiction determining that:
 - (a) this Compact is invalid; or

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

SECTION 4. DEFINITIONS

For the purposes of this Compact:

- a. Act means the Indian Gaming Regulatory Act, Pub. L. 100-497, Oct.17, 1988, 102 Stat. 2467 codified at 25 U.S.C.A. § 2701 et seq. 18 U.S.C.A. §§ 1166 to 1168.
- b. Class III Gaming means all forms of gaming defined in 25 U.S.C.A. §2703 (8).
- c. Commission means the National Indian Gaming Commission established pursuant to 25 U.S.C.A. § 2704.
- d. Compact means this document and any appendices attached hereto.
- e. Federal Government means the United States of America.
- f. Gaming Employee means any natural person employed in the operation or management of the gaming operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on-site or off-site services to the Tribe within or without the gaming facility.
- g. Gaming Facility means any room or rooms where off-track bets authorized by this Compact are placed.
- h. Gaming Operation means the gaming authorized by Tribe within Tribe's Indian Country by this Compact.
- i. Off-Track Betting means pari-mutuel betting on races into an interstate common pari-mutuel pool consisting of the pari-mutuel wagers placed at track(s), its intrastate betting locations, other jurisdictions, and the pari-mutuel wagers placed at the Tribe Gaming Facilities authorized by this Compact.
- j. Absentee Shawnee Indian Country means any lands as defined by 18 U.S.C. § 1151, and/or 25 U.S.C. § 2703, (4)(A) and (4)(8) over which the Tribe exercises jurisdiction.
- k. OSBI means the Oklahoma State Bureau of Investigation, the

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

l. OSF means the Oklahoma Office of State Finance.

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

n. Tribe means the Absentee Shawnee Tribe, its authorized officials, agents and representatives.

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

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

q. Absentee Shawnee Gaming Commission means the person(s) appointed by the Tribe to be responsible for regulatory oversight of the Tribe's gaming.

SECTION 5. AUTHORIZED CLASS III GAMING

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

SECTION 6. LOCATION

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

compacts for other sites within the Indian Country of Tribe.

SECTION 7. SERVICE AGREEMENTS.

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

SECTION 8. CLAIMS.

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

a. Procedure. In the event of an alleged personal injury or property damage suffered by a patron of the Gaming Facility, or in the event of a dispute between a patron and the Gaming Facility regarding the payment of bet or distribution of winnings, the patron may make a claim against the Gaming Facility as follows:

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

(2) Notice. The written notice of claims against the gaming facility shall state the date, time, place and circumstances of the claim, the identity of the persons, if known, the amount of compensation or other relief sought, the name, address and telephone number of the claimant, and the name, address and telephone

number of any agent authorized to settle the claim including a written copy of the authority of agent.

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

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

b. Tort Claim. During the term of this Compact, the Tribe shall maintain public liability insurance with limits of not less than \$250,000 for any one person and \$2,000,000 for any one occurrence for personal injury and \$1,000,000 for any one occurrence for property damage. This insurance policy shall include an endorsement providing that the insurer shall not invoke tribal sovereign immunity up to the limits of the policy set forth above and, to this extent, the Tribe explicitly waives its immunity from suit. In the event of an alleged personal injury or property damage suffered at a gaming facility arising from alleged negligence by the Absentee Shawnee, the sole and exclusive remedy for an alleged tort claim is against this liability insurance policy and no asset of the Tribe may be levied against or executed upon by a claimant.

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

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

9. REGULATIONS.

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

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

- (1) pay-out logs from all off-track wagering; and
- (2) maintenance logs in relation to all gaming equipment pertaining to off track wagering.

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

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

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

SECTION 10. ENFORCEMENT.

a. Absentee Shawnee Gaming Commission. The Absentee Shawnee Gaming Commission shall assure or have responsibility for:

- (1) enforcement of all laws pertaining to the gaming operation, within the facility;
- (2) the physical safety of gaming employees and of patrons in the gaming facility;
- (3) safeguard the assets transported to and from the gaming facility
- (4) provide for the detention of persons who may be involved in illegal acts and notify the Tribe, and/or other law enforcement authorities;

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

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

(6) Investigation and Sanctions. Pursuant to the Tribe's laws and regulations, the

Absentee Shawnee Gaming Commission shall investigate any reported violation of the Compact provisions and shall require the gaming operation to correct the violation upon such terms and conditions as the Absentee Shawnee Gaming Commission determines are necessary.

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

d. Meetings. In order to develop and foster a positive and effective relationship in the enforcement of the provisions of this Compact the Absentee Shawnee Gaming Commission and the OSBI and/or the OSF shall meet, not less than on an annual basis, to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Absentee Shawnee Gaming Commission. The OSBI and/or the OSF prior to or during such meetings, shall disclose to the Absentee Shawnee Gaming Commission any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact, by any person, organization or entity, if the disclosure will not compromise the interest sought to be protected.

SECTION 11. MONITORING.

The OSB1 with the assistance of the OSF shall have the authority to monitor the Gaming Operation to ensure compliance with provisions of this Compact with concurrent supervision of the Absentee Shawnee Gaming Commission. In order to properly monitor the gaming operation, agents of the OSB1 and/or the OSF shall have reasonable access to all areas of the gaming facility for off track wagering during normal operating hours after giving notice to the gaming facility manager and the Absentee Shawnee Gaming Commission or designee; provided, however, the

monitoring activities of these agents shall not interfere with the normal functioning of the gaming operation, and OSBI and OSF shall provide proper photographic identification to any Tribe representatives requesting the same.

a. Access to Records. Subject to the provisions herein, agents of the SCA shall have the right to review and, upon written request made by SCA to Tribe as a part of a formal investigation, having identified the Documents desired, copy such documents during normal business hours. All copying of documents as a part of such investigation shall be performed in the presence of a representative of Tribe and in an area provided by Tribe to the SCA for such purpose which is in or near the Facility and is both private and secured against inadvertent and unintended observers.

a.1 The SCA shall not be permitted to copy any Documents that contain business or marketing strategies or other proprietary and confidential information of the Enterprise (such as but not limited to customer lists, business plans, advertising programs, marketing studies, customer demographics or profiles and the like) or financial data relating to gross or net revenues, business or patron volume or attendance, or Activity performance (other than the audit reports themselves) which, if revealed to the public could reasonably be found to be harmful to the business or political interests of the Tribe or the Enterprise (Proprietary Documents).

a.2 Any Documents that the Tribe claims are Proprietary Documents and therefore not subject to copying shall be identified by the Tribe in writing following a request for copying by the State. In the event the State disagrees with one or more categories of documents so designated, it may invoke the dispute resolution provisions of Section 15 with respect thereto. No copies shall be made or disclosed by the State pending resolution of the dispute.

a.3 Notwithstanding anything herein to the contrary, the State may copy Proprietary Documents to the extent such copying is necessary to effectuate the good faith investigation of a suspected breach of this Agreement or the commission of a crime over which it has jurisdiction, but the State shall take all measures reasonably available to it under law to protect the confidentiality of the Proprietary Documents during and after such investigation, so long as such measures will not compromise the investigation. Upon the completion of such investigation, should no legal or administrative prosecution or enforcement action result therefrom, all such Proprietary Documents shall be immediately returned to the Tribal Enterprise.

a.4 Unless compelled otherwise by law, no Proprietary Documents or other Tribal or Enterprise Documents or copies thereof shall be released

to the public by the State under any circumstances until the Tribe and the Enterprise have been given at least ten (10) days notice of the State's intent to do so and an opportunity to respond and object.

a.5 Nothing herein shall be construed as requiring the State to violate any provision of State law, including but not limited to the Oklahoma Open Records Act. Nothing herein shall be construed as a waiver by the Tribe of its right to protect and enforce the right of the Tribe to maintain the confidential nature of its business records and Proprietary Documents and information pertaining to gaming operations except as specifically provided above.

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

SECTION 12. CRIMINAL JURISDICTION.

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

SECTION 13. EMPLOYEES.

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

- (1) Full name, including any aliases by which applicant has ever been known;
- (2) Social Security number;
- (3) Date and place of birth;
- (4) Residential addresses for the past ten (10) years;
- (5) Employment history for the past ten (10) years;
- (6) Driver's license number;
- (7) All licenses issued and disciplinary actions taken in regard to any gaming license;

- (8) All criminal arrests and proceedings, except for minor traffic offenses, to which the applicant has been a party;
- (9) A set of fingerprints;
- (10) A current photograph;
- (11) Military service history; and
- (12) Any other information necessary to conduct a thorough background investigation.
- (13) The name and address of any licensing or regulatory agency with which the person has filed an application for a license, permit, or security clearance whether or not the same was granted;

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

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

- (1) Has been convicted of any felony, gaming offense or larceny;
- (2) Has knowingly and willfully provided materially important false statements or information on his employment application; or
- (3) Has been determined by the Absentee Shawnee Gaming Commission to be a person whose prior activities, criminal record or reputation, habits and associations pose a threat to the public interest, or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

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

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

SECTION 14. PUBLIC HEALTH AND SAFETY

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

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

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

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

SECTION 15. DISPUTE RESOLUTION.

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

a. Voluntary Resolution. The party asserting 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 Compact provision for which interpretation is sought. Within 30 days of receipt of notice, State and the Tribe shall meet in an effort to resolve the dispute.

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

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

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

SECTION 16. RESERVATION OF RIGHTS.

a. Additional Compacts. By entering this Compact, the Tribe shall not be deemed to have waived the right to initiate and pursue the procedures provided by the Act should State refuse to enter into a Compact after the Tribe has made a written request with respect to other forms of Class III gaming, and neither State nor the Tribe shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure including the right of Tribe to continue to prosecute its pending suit against the State of Oklahoma regarding related scope of class III gaming issues.

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

c. Taxation. Neither State nor any of its political subdivisions shall impose any tax, fee, charge or other assessment upon the admission to any gaming facility of the Tribe or upon the conducting of or engaging in any gaming activity conducted at a facility authorized by this compact. To the extent the Tribe gaming operation is responsible for filling out IRS Form W-2G on persons who receive proceeds of a wagering transaction

governed by the-Compact, a copy of said form shall also be provided to the Oklahoma Tax Commission.

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

SECTION 17. REIMBURSEMENT FOR EXPENSES INCURRED BY OKLAHOMA.

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

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

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

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

SECTION 18. SEVERABILITY.

Each provision, section and subsection of this Compact shall stand separate and independent of every other provision, section or subsection. In the event that a court of competent jurisdiction shall find any provision, section or subsection of this Compact to be invalid, the remaining provisions, sections and subsections of the Compact shall remain in full force and effect, unless the invalid provision materially

alters the relationship between the parties. In the event of such alteration the parties shall negotiate to comply as nearly as possible with the original intent of this Compact.

SECTION 19. AMENDMENTS.

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

SECTION 20. AUTHORITY TO EXECUTE.

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

SECTION 21. NOTICES.

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

OKLAHOMA

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

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

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

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

ABSENTEE SHAWNEE TRIBE

Absentee Shawnee
Governor of the Absentee Shawnee
ATTN: Governor James Lee Edwards
2025 Gordon Cooper Drive
Shawnee, OK 74801

Absentee Shawnee Gaming Commission
2025 Gordon Cooper Drive
Shawnee, OK 74801

SECTION 22. SUCCESSORS AND ASSIGNS.

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

SECTION 23. GOVERNING LAW.

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

SIGNATURES:

ABSENTEE SHAWNEE TRIBE

James Lee Edwards [SEAL]
for Governor James Lee Edwards
Date: 3-27-01

STATE OF OKLAHOMA

Frank Keating [SEAL]
Governor Frank Keating
Date: 3-28-01

Attest: *Mike Hunter*
Secretary of State

OKLAHOMA LEGISLATIVE APPROVAL

Approved by a quorum of the Joint Committee on Tribal-State Relations the
28th day of March, 2001.

Ken Nettlock
Chairman

FEDERAL APPROVAL

Consistent with 25 U.S.C.A. § 2710(d)(8) this compact is approved on this _____
day of _____, 2001 by the Secretary of the United States Department Of
Interior.

THE UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR

James D. McDevitt
BY: Deputy Assistant Secretary - Indian Affairs
(Management)