



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

AUG 10 1995

Honorable Leonard C. Burch
Chairman
Southern Ute Indian Tribal Council
P.O. Box 737
Ignacio, Colorado 81137

Dear Chairman Burch:

On June 26, 1995, we received the Amended Southern Ute Indian Tribe - State of Colorado Gaming Compact dated June 15, 1995. We have completed our review of this Amendment and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to my delegated authority and Section 11 of the IGRA, we approve the Amendment. The Amendment shall take effect when the notice of our approval, pursuant to Section 11 (d)(3)(B) of IGRA, 25 U.S.C. § 271 O(d)(3)(B), is published in the FEDERAL REGISTER.

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

Sincerely,

/s/ Ada E. Deer

Ada E. Deer
Assistant Secretary - Indian Affairs

Enclosures

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

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

THE SOUTHERN UTE INDIAN TRIBE - STATE OF COLORADO

GAMING COMPACT

THIS AMENDED SOUTHERN UTE INDIAN TRIBE - STATE OF COLORADO

GAMING COMPACT is made and entered into this 15 day of JUNE, 1995, by

and between the SOUTHERN UTE INDIAN TRIBE and the STATE OF COLORADO pursuant to the Indian Gaming Regulatory Act, Pub. L. 100-497, codified at 25 U.S.C. §§ 2701-2721 (1988) and 18 U.S.C. §§ 1166-1168 (1988) ("the Act"), and Section 15(d) of the Southern Ute Indian Tribe - State of Colorado Gaming Compact.

SECTION 1. DECLARATION OF POLICY AND PURPOSE. The Act provides that the conduct of Class III Gaming on Indian lands is to be governed by a tribal-state compact that is agreed upon through negotiations by the Parties. The federal policy regarding gaming on Indian lands is set forth in the Act.

The purpose of this Compact is to establish the terms governing the conduct of Class III Gaming on the Southern Ute Indian Reservation.

SECTION 2. DEFINITIONS. For purposes of this Compact:

(a) "Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. §§ 2701 et seq., enacted in 1988, and as subsequently amended.

(b) "Applicant" means any person who has applied for a License, pursuant to the Southern Ute Indian Tribe Class III Gaming Code ("the Code"), or who has applied for permission to engage in any act or activity which is regulated by the Code.

(c) "Class III Gaming" means the same as the term is defined in the Act.

(d) "Class III Gaming Activity" or "Class III Game" means those gaming activities which are included within the definition of Class III Gaming.

(e) "Compact" means this Southern Ute Indian Tribe - State of Colorado Gaming Compact, as amended.

(f) "Explicitly Authorized" means, with respect to gaming activities and bet amounts, those gaming activities and bet amounts that are identical to the activities and bet amounts that are authorized in the State of Colorado.

(g) "Gaming Device" or "Gaming Equipment" means any equipment or mechanical, electromechanical, or electronic contrivance, component, or machine used remotely or directly in connection with gaming or any game. The term includes 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 includes a slot machine, blackjack table, and the cards used to play blackjack.

(h) "Gaming Employee" means any person employed by the Tribe or a Gaming Operation on the Reservation to work directly with gaming, which person shall be twenty-one years of age or older. Gaming Employees shall include, but shall not be limited to, the following: dealers; change and counting room personnel; cashiers; floormen; cage personnel; slot machine repairmen or mechanics; persons who accept or transport revenue from a slot machine or from a blackjack table drop or dropbox; security personnel; shift or pit bosses; floor managers; supervisors; slot machine and slot booth personnel; any person involved in the handling, counting, collecting, or exchanging of money, property, checks, credit or any representative of value, including any coin, token, chip, cash premium, merchandise, redeemable game credits, or any other thing of value or payoff from any game, any gaming, or any gaming device; and such other persons as the Tribal Gaming Agency shall by rule or regulation determine.

(i) "Gaming Facility" means the buildings, rooms or areas in which Tribal Gaming is conducted.

(j) "Gaming Operation" means any enterprise operated on the Reservation for the conduct of any form of Tribal Gaming.

(k) "Gaming Services" means the providing of any goods or services to be used directly in connection with the operation of Tribal Gaming, including equipment, maintenance or security services.

(l) "Licensee" means any person licensed pursuant to this Compact.

(m) "Local Law Enforcement Agency" means any federal, state or tribal law enforcement agency in the immediate vicinity of the Gaming Operation and which has jurisdiction to enforce federal, state or tribal laws within the Reservation, or is subject to the terms of a cross-deputization agreement.

(n) "Management Company" means any person that has entered into, or proposes to enter into, a management contract with the Tribe for the operation and management of some or all Tribal Gaming.

(o) "Net Revenues" means the same as the term is defined in the Act.

(p) "Party" or "Parties" means the Southern Ute Indian Tribe or the State.

(q) "Person" means an individual, partnership, business trust, government or governmental subdivision or agency, estate, association, trust, for profit corporation, nonprofit corporation, organization, or any other legal entity or a manager, agent, servant, officer or employee thereof.

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

(s) "Reservation" means the "Indian lands," as that term is defined in the Act, of the Southern Ute Indian Tribe within the State of Colorado. The boundaries of the Southern Ute Indian Reservation, as shown on the Map attached as Appendix A, are defined at Public Law 98-290.

(t) "Secretary" means the Secretary of the United States Department of the Interior or his authorized representative.

(u) "State" means the State of Colorado, its authorized officials, agents and representatives.

(v) "State Gaming Agency" means the Colorado Limited Gaming Control Commission or the Colorado Division of Gaming or their successor agencies.

(w) "Tribal Gaming" means any gaming that is conducted on the Reservation pursuant to this Compact.

(x)a "Tribal Gaming Agency" means the Southern Ute Indian Tribal Gaminga
Commission, the Southern Ute Division of Gaming or such other agency of the Tribe as the Tribe

may from time to time designate by written notice to the State as the tribal agency responsible for regulatory oversight of Tribal Gaming.

(y) "Tribal Gaming License" means any License issued by the Tribe in accordance with this Compact, or in accordance with tribal gaming codes or regulations.

(z) "Tribal Law Enforcement Agency" means the Southern Ute Police Department, established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Reservation.

(aa) "Tribe" means the Southern Ute Indian Tribe, its authorized officials, agents and representatives.

(bb) "Tribe's Building Official" means the person designated by the Tribe to enforce building ordinances.

(cc) "Tribe's Fire Official" means the person designated by the Tribe to enforce fire safety ordinances.

SECTION 3. NATURE AND SCOPE OF CLASS III GAMING.

(a) Types of Games and Wagering Limitations. Subject to Section 11, the Tribe may conduct any or all Class III Games that are Explicitly Authorized by the laws of the State, each game having a maximum single bet as Explicitly Authorized by State law. For purposes of this Section, Class III Games that are Explicitly Authorized by the State include slot machines, the card game of blackjack, racing, off-track betting, keno and lottery, as well as any and all Class III Games that, subsequent to the effective date of this Compact, are Explicitly Authorized by the laws of the State. Notwithstanding any of the above provisions, prior to engaging in racing, off-track betting, keno, or lottery, the Tribe shall notify the State of its intent to do so and shall

submit a description of the gaming activity contemplated, together with pertinent proposed regulations and rules, to the State for comment. In the event that a disagreement arises between the Tribe and the State concerning the conduct and regulation of the proposed gaming activity, the Tribe and the State shall meet and in good faith try to resolve their differences. If unsuccessful, the matter shall be subject to the resolution procedures outlined in Section 15(d) of this Compact.

(b) Operation as Part of a Network. At the option of the Tribe and upon notice to the State, Tribal Gaming may be conducted as part of a network with the Ute Mountain Ute Indian Tribe and with state-licensed gaming facilities within the State of Colorado, with an aggregate prize or prizes; provided that:

(i) The network operates by the use of an electronic game of chance capable of bidirectional communication with external associated equipment which utilizes communication protocol which ensures that erroneous data or signals will not adversely affect the operation of the game; and

(ii) The Tribe secures an agreement with the State licensed gaming network provider for participation with state-licensed gaming facilities; and

(iii) The State Gaming Agency assures adequate testing and verification of the operations of any said network pursuant to mutually agreed upon standards set forth in State law and Tribal law.

(c) Authorized Gaming Facilities and Devices. The Tribe may establish one or more Gaming Facilities on the Reservation. The size of Gaming Facilities shall be determined

by the Tribe, in its sole discretion. The number of Gaming Devices located in each Gaming Facility shall be determined by the Tribe, in its sole discretion.

(d) Forms of Payment. All payment for wagers made in Tribal Gaming, including the purchase of chips and tokens, for use in wagering, shall be made by cash, check or traveler's check. The Gaming Operation shall not extend credit.

(e) Gaming Facility Safety Conditions. Gaming Facilities shall meet safety standards and conditions for the protection of life and property as determined by the Tribe's Fire Official and the Tribe's Building Official. In making such determinations, the following codes are hereby adopted by the Tribe as minimum safety standards for Gaming Facilities:

- (i) The Uniform Building Code, 1988 edition; and
- (ii) The Uniform Fire Code, 1988 edition; or
- (iii) Later official editions of the above Codes that may be adopted by the Tribal Council.

(f) Hours of Operation. The hours of operation for Gaming Facilities shall be determined by the Tribe, in its sole discretion, provided that adequate time shall be available for the State to conduct investigations of Tribal Gaming as provided in this Compact.

(i) Prohibited Activities. Any Class III gaming activity not authorized in Section 3(a) of this Compact is prohibited.

G) Prohibition on Minors. No person under the age of twenty-one shall participate in any Gaming Operation, or be allowed in any area of a Gaming Facility where Class III Gaming is taking place, except for purposes of ingress or egress.

(k)o Prohibition on Firearms. The possession of firearms by any person within a Gaming Facility shall be strictly prohibited; provided, however, this prohibition shall not apply to certified peace officers employed by a Local Law Enforcement Agency, to State or Tribal Gaming Agency investigators, to casino security officers providing security at a Gaming Facility, or to armored car service personnel.

SECTION 4. ENFORCEMENT OF CRIMINAL GAMING LAWS.

(a) Law Enforcement. The Tribe shall provide law enforcement personnel to deal with gaming related offenses and law enforcement for the Gaming Facility during all operating hours. Such personnel shall be in addition to any county law enforcement services provided pursuant to a law enforcement agreement between the Tribe and the La Plata County Sheriff's Office and security personnel provided by the Gaming Operation. The Tribe and the La Plata County Sheriff shall agree on the terms of such agreement necessary to provide adequate law enforcement. The cost of providing such County law enforcement services shall be borne by the Tribe.

(b) Indians. The Tribe and the federal government shall have exclusive jurisdiction to enforce criminal gaming laws against Indians within the reservation.

(c) Non-Indians.

(i) Applicable Laws. All State criminal laws and such laws as hereafter amended pertaining to the licensing, regulation or prohibition of gaming and gambling, including the sanctions associated with such laws, are adopted and incorporated herein by reference. Any references in such laws to Teller or Gilpin Counties shall be deemed to apply to Indian gaming in La Plata and Archuleta Counties. A violation of

such State laws shall be punishable both as a State offense and as a Federal offense to the extent permitted by Federal law. A suspect charged with violation of such laws may be tried in either State or Federal court, depending upon the nature of the offense; whether the victim is a non-Indian or an Indian or the Tribe itself; and other relevant jurisdictional factors. If tried in Federal court and convicted, such suspect shall be guilty of a like offense and subject to a like punishment as if tried in State court. Such laws shall apply on Indian lands in the same manner and to the same extent with respect to non-Indians as such laws apply elsewhere in the State.

(ii) Jurisdiction. The State acknowledges that the United States has primary responsibility under 18 U.S.C. § 1166 for the enforcement of State gambling laws made applicable under Section 4(c)(i) of this Compact as they pertain to offenses committed by non-Indians. The State further acknowledges that the Tribe has been enforcing State gambling laws, made applicable under this Compact, on Indian lands through the use of Federal and State commissions and that such enforcement has been adequate. However, the Parties recognize that the Tribe's enforcement capabilities could change in the future depending upon the composition of the tribal government, the Southern Ute Division of Gaming, the overall integrity of the regulatory structure of Tribal Gaming and available federal resources. Therefore, in order to preclude the possibility of a jurisdictional void in enforcing State gambling laws made applicable under this Compact, the Tribe consents to the transfer to the State of Federal criminal jurisdiction over non-Indians with respect to gambling on Indian lands, pursuant to 18 U.S.C. 1166(d), upon notice from the State under Section 16 of this Compact that existing

law enforcement is inadequate or lack of regulatory enforcement by the Southern Ute Division of Gaming requires State enforcement of gaming laws against non-Indians. Such notice shall include a statement of the underlying facts which demonstrate inadequate enforcement of gaming laws or regulations.

Upon such a transfer being effected, it is the intent of the parties that the United States and the State shall have concurrent jurisdiction to the extent permitted by Federal law over criminal prosecutions of non-Indians for such gaming offenses. For purposes of Federal prosecution, non-Indians who are guilty of any act or omission that would constitute a violation of such State laws shall be deemed to have been engaged in "gambling" rather than "Class III gaming" pursuant to 18 U.S.C. 1166.

Jurisdiction shall remain transferred as provided for in this Section until relinquished by the State, either upon the State's own initiative or pursuant to a request from the Tribe. The Tribe's request that the State relinquish jurisdiction shall demonstrate that the situation identified in the State's notice has been adequately addressed. Upon receipt of such request, the State shall, by notice under Section 16, relinquish such concurrent jurisdiction, unless the State does not agree that the situation identified in its notice has been adequately addressed, in which case the Parties shall negotiate to resolve the issue under Section 15(d). Any relinquishment of State concurrent jurisdiction shall result in a return to exclusive Federal jurisdiction under 18 U.S.C. § 1166, subject to the State's continuing right to require a consent to transfer should circumstances so require.

Nothing in this Section shall affect the respective jurisdictions of the Tribe and the State as set forth in P.L. 98-290.

(iii) Costs of Incarceration and Prosecution. Non-Indians arrested for violations of State law shall be transported to the La Plata County jail. When a non-Indian is prosecuted pursuant to this Section by the Sixth Judicial District Attorney or his designee, the Tribe shall reimburse La Plata County for 50% of the expenses of the incarceration and prosecution of such suspect. The Tribe shall also reimburse the County for 50% of the expenses for the incarceration and prosecution of non-Indians who are casino patrons and who are arrested for or convicted of non-gaming crimes committed against non-Indians in the Gaming Facility, the parking lot or appurtenant areas. This allocation of costs, as well as any increased costs to the State court system, shall be subject to renegotiation pursuant to Section 15(e) of this Compact concerning economic and social impacts associated with Tribal Gaming. Should construction of additional county jail facilities become necessary as a result of incarceration of non-Indians arrested, prosecuted, or convicted by the State due to Tribal Gaming, the Parties agree to negotiate, taking into account the economic and social impacts associated with Tribal Gaming, so that an equitable share of such construction cost may be allocated to the Tribe.

(iv) Disposition of Suspects. When a tribal peace officer has detained a non-Indian suspect, custody of such suspect shall be transferred to the appropriate Local Law Enforcement Agency as soon as reasonably possible. When a non-tribal local law enforcement officer has detained an Indian suspect, custody of such suspect shall be transferred to tribal authorities as soon as reasonably possible.

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

(d) Jurisdiction. Except as expressly provided herein, the Tribe reserves all jurisdiction over Tribal Gaming. The provisions of this Section 4 of this Compact shall not alter the jurisdiction of the Tribe, the United States, the State or local law enforcement agencies, except as such jurisdiction pertains to violations or suspected violations of criminal gaming laws and except as necessary to implement the provisions of this Section 4 of this Compact. Local law enforcement officials shall have access to the Gaming Facility for the purpose of carrying out their responsibilities pursuant to this Section 4 of this Compact.

(e) Amendment of Jurisdictional Provisions. The Parties shall meet to discuss the implementation of the provisions of this Section 4 of this Compact and to negotiate any necessary or mutually beneficial changes to such provisions, which issues shall be appropriate subjects for discussion at the meetings held pursuant to Section 7(g) of this Compact. The State recognizes that the Tribe prefers that the United States have exclusive jurisdiction over criminal matters; the State shall support an amendment to this Section 4 of this Compact that accomplishes such exclusive jurisdiction if in the State's judgment that amendment assures adequate law enforcement. No renegotiation of this Compact, or transfer of jurisdiction under Section 4(c)(2), shall be deemed to affect any on-going criminal prosecution.

(f) Other Federal Criminal Law. Nothing contained in this Section 4 of this Compact or elsewhere in this Compact shall alter or in any way diminish the authority of the

United States to act pursuant to the provisions of 18 U.S.C. §§ 1163, 1167 or 1168, or any other law.

(g) Gaming Facilities - Archuleta County. If any Tribal Gaming Facility is located in or adjacent to Archuleta County, the provisions of this Section 4 of this Compact related to La Plata County shall apply equally to Archuleta County.

SECTION 5. LICENSING.

(a) Licensing Authority. The Tribe shall have the exclusive licensing authority with respect to Tribal Gaming.

(b) Tribal Licensing. Subject to Section 6(m) (Temporary Licensing) of this Compact, the following shall be licensed by the Tribe prior to the commencement of operations or employment, or prior to the conduct of business and annually thereafter; provided, however, the Tribe, wholly owned enterprises of the Tribe and members of the Tribe are hereby expressly excluded from the operation of this Section and Section 6 of this Compact:

- (i) Each Gaming Operation and Gaming Facility;
- (ii) Every Gaming Employee;
- (iii) Any Management Company, including its Principals, engaged by the Tribe to assist in the management or operation of a Gaming Operation or Gaming Facility;
- (iv) Each manufacturer or supplier of Gaming Services.
- (v) Any other person required to be licensed pursuant to the Act or State law governing gaming.

(c) Licensing Requirements. The Tribe shall not issue or renew a Tribal Gaming License, other than a support License, unless (i) the Tribe has received a report from the State Gaming Agency stating that the Applicant would be qualified to receive a similar License from the State, or (ii) the Applicant currently holds a valid State License that is similar to the type of License being applied for from the Tribe, or (iii) there is substantial evidence that the reasons for an adverse report from the State are erroneous. If the Tribe has received a report from the State Gaming Agency stating that the Applicant would be qualified to receive a License from the State had the application been for a gaming License for the same or similar activity within the jurisdiction of the State, but for a conflict of interest, or other operation of law which, in the State's judgment, may not affect Tribal Gaming operations, and therefore, the State Gaming Agency would recommend neither approval nor denial of a Tribal License to Applicant, the Tribe may issue or renew said Tribal Gaming License at its discretion. The Tribe has adopted requirements, in addition to those provided in this Compact, concerning eligibility for Tribal Gaming Licenses and licensing procedures, which requirements have been incorporated into the Code and have been reviewed and approved by the State. The Tribe shall submit any amendments to these licensing requirements to the State for comment and approval prior to implementation.

SECTION 6. LICENSING PROCEDURES.

(a) Procedures for Tribal Support License Applications. Each Applicant for a Tribal Support License shall submit a completed application to the Tribal Gaming Agency. The application shall be in a form that is similar to that used by the State in licensing Applicants within its jurisdiction.

(b) Background Investigations by the Tribe. The Tribal Gaming Agency will complete a background investigation following the procedures outlined in the Tribal Gaming Code within 60 days following receipt of the completed application and fee. The background investigation conducted by the Tribe will meet or exceed the State's requirements for background investigations of Applicants for State support Licenses.

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

(ii) If the State Gaming Agency has not notified the Tribal Gaming Agency of an objection to licensing the Applicant within 30 days of receipt of the report and investigation, the Tribal Gaming Agency may issue a Tribal Support License to the Applicant

(iii) If the State Gaming Agency notifies the Tribal Gaming Agency that it objects to the licensing of an Applicant, the State Gaming Agency shall issue a report stating that the Applicant would not be qualified for a similar State License and a detailed statement of the reasons therefor. Upon receipt of the State report, the Tribal Gaming Agency would not license the Applicant unless there was substantial evidence that the reasons contained in the adverse report from the State were erroneous.

(c) Procedures for Applications Other Than for Support Licenses. Each Applicant for a Tribal Gaming License shall submit a completed application to the Tribal Gaming Agency. The application shall be in a form that is similar to that used by the State in licensing Applicants within its jurisdiction. Each completed Tribal License application shall be accompanied by the Applicant's fingerprint card(s), two current photographs, and the fee required by the Tribal Gaming Agency. Upon receipt of a completed application and the required fee for Tribal licensing, the Tribal Gaming Agency shall forward a copy of the application, together with the fee required by the State, to the State Gaming Agency for the performance of a background investigation and criminal records check.

(d) Background Investigations by the State. Upon receipt of a completed application and the required fee, the State Gaming Agency shall conduct a background investigation and criminal records check on the Applicant. At any time the State may require such further information from the Applicant as the State deems necessary to complete the background investigation. The State Gaming Agency shall furnish a preliminary report on the Applicant to the Tribal Gaming Agency within sixty (60) days following receipt of the application and fee, or a final report if feasible within this time frame. The final report shall contain a statement that (1) the Applicant would be qualified to receive a License from the State had the application been for a gaming License for the same or similar activity within the jurisdiction of the State and, therefore, the State Gaming Agency would recommend the Tribe should consider granting Applicant a Tribal License, or (2) the Applicant would be qualified to receive a License from the State had the application been for a gaming License for the same or similar activity within the jurisdiction of the State, but for a conflict of interest, or other operation of law

which, in the State's judgment, may not affect Tribal Gaming operations, and therefore, the State Gaming Agency would recommend neither approval nor denial of a Tribal License to Applicant, or (3) the Applicant would not be qualified to receive a License from the State had the application been for a gaming License for the same or a similar activity within the jurisdiction of the State and, therefore, the State Gaming Agency would recommend the Tribe should not consider granting Applicant a Tribal License. Any report containing a statement that the Applicant would not be qualified for a similar State License shall include a detailed statement of the reasons therefor. Upon completion of the necessary background investigation and criminal records check, the Tribal Gaming Agency shall either issue a Tribal Gaming License to the Applicant, or deny the application. If the application for licensing is denied, a statement setting forth the grounds for denial shall be forwarded to the Applicant with a copy forwarded to the State Gaming Agency.

(e) Grounds for Revocation, Suspension or Denial of Tribal License. The Tribal Gaming Agency may revoke, suspend or deny a Tribal Gaming License for any reason or reasons it deems to be in the public interest. These reasons shall include but not be limited to when an Applicant:

(i) Has violated the laws concerning gaming of any state or the Tribe, or has occupied or operated or had substantial control over a premises where a violation of the laws concerning gaming of any state or the Tribe has occurred;

(ii) Has knowingly caused, aided, abetted, or conspired with another to cause any person to violate any of the laws concerning gaming of any state or of the Tribe;

(iii) Has obtained a License related to gaming from any state or Tribe by fraud, misrepresentation, concealment or through the state or Tribe's inadvertence or mistake;

(iv) Has had a state or Tribal License revoked or denied during the preceding twelve months;

(v) Has been convicted of any of the following: a gaming-related felony; a felony involving fraud, misrepresentation or theft by deception; any felony within ten years prior to the date of the application; a gaming-related misdemeanor offense within ten years prior to the date of the application; any misdemeanor involving fraud, misrepresentation or theft by deception within ten years prior to the date of the application;

(vi) Has been the subject of a report stating that he would not be qualified to receive a License or renewal from the State had the application been for a gaming License for the same or similar activity within the jurisdiction of the State;

(vii) Has failed to provide any information requested by the Tribal Gaming Agency or the State Gaming Agency within 30 days of the request for the information.

(f) Right to Hearing for Revocation, Suspension or Denial of Tribal Licensing.

Any Licensee or Applicant for a Tribal Gaming License shall be entitled to a full hearing on any action by the Tribal Gaming Agency which may result in the revocation, suspension or denial of a Tribal Gaming License. The hearing will be conducted in accordance with the Code and other relevant tribal law.

(g) Denial, Suspension or Revocation of Tribal Licenses. The denial, suspension or revocation of any Tribal Gaming License by the Tribal Gaming Agency shall be in accordance with the Code and other relevant Tribal law.

(h) Duration and Renewal of Tribal Licenses. Any Tribal Gaming License shall be effective for one year from the date of issuance; provided, however, that a Licensee that has applied for renewal may continue to be employed under the expired License until final action is taken on the renewal application by the Tribal Gaming Agency. Applicants for renewal of Licenses shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to re-submit historical data already available to the Tribal Gaming Agency.

(i) Upon receipt of a completed key license application and the required fee for renewal, the Tribal Gaming Agency shall forward a copy of the key license application, together with the fee required by the State, to the State Gaming Agency for the performance of an updated key license background investigation and criminal records check. The State Gaming Agency shall furnish a report to the Tribal Gaming Agency which contains a statement that the Key Licensee would be qualified or would not be qualified for License renewal by the State.

(ii) The Tribal Gaming Agency shall perform updated support license background investigation and criminal records check for all Tribal Support License renewal applications, following procedures outlined in the Tribal Gaming Code. The renewal background investigation conducted by the Tribe will meet or exceed the State's requirements for background investigations of renewal applicants for State support

Licenses. The Tribal Gaming Agency shall process the renewal background investigation in accordance with Section 6(b) of this Compact.

(i) Identification Cards. The Tribal Gaming Agency shall require all Gaming Employees to wear identification cards issued by the Tribal Gaming Agency, which cards shall include a photo, a first name, an identification number, a tribal seal or signature, and a date of expiration.

(j) Exchange of Licensing Information. In an effort to ensure a qualified work force in all areas of gaming, upon completion of any administrative action against a Tribal Licensee or State Licensee, the final disposition shall be provided to both the Tribal Gaming Agency and the State Gaming Agency and maintained as part of both agencies' permanent licensing records.

(k) Fees for State Background Investigation. The fees for State background investigations shall be not more than those assessed Applicants for a gaming License from the State for the same or similar activity within the jurisdiction of the State. Payment in full to the State Gaming Agency will be required prior to the issuance of a final favorable report by the State.

(l) Fees for Tribal License. The fees for all Tribal Gaming Licenses shall be set by the Tribal Gaming Agency.

(m) Temporary Licensing. The Tribe may in its sole discretion issue a temporary License, for up to ninety (90) days, to any Applicant; provided that the Tribal Gaming Agency has conducted a preliminary background investigation equivalent to that required for the issuance of a State Support License. A temporary License may only be issued where the Tribe

is satisfied that the investigation of the Applicant conducted thus far, and the application in its entirety, indicate that the Applicant: meets all the requirements of Section 5(c) of this Compact; meets all the additional requirements adopted by the Tribe concerning eligibility for Tribal Gaming Licenses; does not present any danger to the public or to the reputation of Tribal gaming; further investigation most likely will not uncover any derogatory information about the Applicant; and issuance of a temporary License is of economic necessity and is just under the circumstances. Any Applicant who has a similar current valid license issued by the State Gaming Agency may be immediately issued a temporary Tribal Gaming License by the Tribal Gaming Agency pending completion of the necessary background investigation. The Tribal Gaming Agency shall notify the State upon issuance of a temporary license and shall forward the Tribal Investigative Report to the State Gaming Agency. The temporary Tribal Gaming License shall become void and be of no effect upon either the issuance of a Tribal Gaming License or upon notice of application denial, in accordance with the provisions of this Compact.

(n) Summary Suspension of Tribal License. The Tribal Gaming Agency, pursuant to the laws of the Tribe, may summarily suspend any Tribal Gaming License if the continued licensing of a person or Party constitutes a threat to the public health, safety or welfare.

SECTION 7. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS.

(a) Tribal Gaming Agency. The responsibility for the on-site regulation, control and security of Gaming Operations, and for the enforcement of this Compact within the Reservation, shall be that of the Tribal Gaming Agency. The Tribal Gaming Agency shall assure that an adequate department of security exists within each gaming operation. The department

of security shall perform the following functions, either independently of or in conjunction with the Tribal Gaming Agency and/or tribal law enforcement:

- (i) the enforcement of all relevant laws;
- (ii) the physical safety of patrons in Gaming Facilities;
- (iii) the physical safety of Gaming Employees;
- (iv) the physical safeguarding of assets transported to and from Gaming Facilities and cashier's cage departments;
- (v) the protection of the patrons of Tribal Gaming and the Tribe's property from illegal activity;
- (vi) the detention of persons who may be involved in illegal acts for the purpose of notifying law enforcement authorities; and
- (vii) the recording of any and all unusual occurrences within any Gaming Facility for which the assignment of a security department employee is made. 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 notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:
 - (A) the assigned number;
 - (B) the date;
 - (C) the time;
 - (D) the nature of the incident;

(E) the name, birth date and social security number of the person involved in the incident; and

(F) the security department employee assigned.

(b) Investigators. The Tribal Division of Gaming shall employ qualified investigators under the authority of the Tribal Gaming Commission. Said investigators shall be independent of any Gaming Operation, and shall be supervised and accountable only to the Tribal Gaming Agency.

(c) Reporting of Violations. A sufficient number of Tribal Gaming Agency investigators and officers of the Gaming Operation's security department shall be on duty and available during all hours of Tribal Gaming operations. They shall have immediate access to any and all areas of the Gaming Operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal Gaming Codes, Ordinances, and regulations, and any violation of the provisions of this Compact, or of Tribal Gaming Codes, Ordinances, or regulations by any person shall be reported immediately to the Tribal Gaming Agency. A copy of the report and investigation shall be forwarded to the State Gaming Agency upon written request of the director of the State Gaming Agency. Such written request may be either general or specific in nature, may be amended in writing, and may operate as a continuing request.

(d) Investigation and Sanctions. The Tribal Gaming Agency shall investigate any reported violation and shall require the Gaming Operation to correct the violation upon such terms and conditions as the Tribal Gaming Agency determines are necessary. The Tribal Gaming Agency shall be authorized by the Code to impose fines and other sanctions within the jurisdiction of the Tribe upon a Gaming Operation, a Gaming Employee, a Management

Company, or any other person directly or indirectly involved in, or benefiting from a Gaming Operation.

(e) Reporting to State Gaming Agency. The Tribal Gaming Agency shall provide to the State Gaming Agency a copy of a report of any gaming related activity or investigation upon written request of the director of the state Gaming Agency. Such written request may be either general or specific in nature, may be amended in writing, and may operate as a continuing request. Such reports shall include, but not be limited to, a report of any activity, a report of any investigation, a report of the current status of any ongoing investigation, a report of any completed investigation, or a report of any final disposition of investigation.

(f) Investigative Assistance. If requested, the Tribal Gaming Agency, or the State Gaming Agency may assist the other in any investigation and provide other requested services to ensure proper regulation of gaming. To the extent that the State or the Tribe declines a request for assistance, it shall communicate its reasons for declination in writing to the other Party.

(g) Meetings. In an attempt to foster a partnership in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency and the Tribal Gaming Agency shall meet at least two times per year to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a mutually agreed upon location and each Party shall pay its own costs of attendance and participation in the meetings.

SECTION 8. STATE ENFORCEMENT OF COMPACT PROVISIONS.

(a) Monitoring. The State Gaming Agency shall, pursuant to the provisions of this Compact, be allowed to monitor Tribal Gaming to ensure that Gaming Operations are conducted in compliance with the provisions of this Compact. In order to monitor Tribal Gaming, agents of the State Gaming Agency shall have access to all Gaming Equipment, wherever located, and to all areas of Gaming Facilities during operating hours upon giving notice to the Tribal Gaming Agency contemporaneously with the arrival of agents of the State Gaming Agency on the Reservation.

(b) Access to Records. Agents of the State Gaming Agency may review and copy, during normal business hours, all records maintained by any Gaming Operation. Such records and copies thereof shall be deemed confidential and proprietary financial information of the Tribe, and shall be protected from public disclosure without the express written consent of the Tribe. This public disclosure prohibition, however, shall not apply to any evidence or relevant information used in any judicial or administrative proceeding.

(c) Investigations. The State Gaming Agency may conduct such investigations as it deems appropriate to investigate potential violations of this Compact with respect to Tribal Gaming.

(d) Tribal Gaming Agency Notification. At the completion of any inspection or investigation conducted by the State Gaming Agency, copies of the investigative report shall be promptly forwarded to the Tribal Gaming Agency.

SECTION 9: TRIBAL ORDINANCE.

The Tribe shall enact, as part of the ordinances of the Tribe governing Tribal Gaming, all of the provisions of this Compact.

SECTION 10. REGULATION FOR THE OPERATION AND MANAGEMENT OF TRIBAL GAMING.

(a) Adoption of Regulations for Operation and Management. The Tribal Gaming Agency shall adopt regulations to govern the conduct of each Class III Gaming Activity that may be engaged in pursuant to this Compact and that is authorized by the Code, Tribal ordinance or resolution. The regulations shall govern the operation and management of Gaming Operations conducted under the authority of this Compact and shall maintain the integrity of Gaming Operations, the safety of patrons, and shall reduce the dangers of unfair or illegal practices in the conduct of Tribal Gaming. A copy of the initial regulations to govern the conduct of each Class III Gaming Activity that may be engaged in pursuant to this Compact and that is authorized by an ordinance or resolution of the Tribe shall be provided to the State Gaming Agency for comment and approval prior to adoption and implementation of said Class III Gaming activity. The Tribal Gaming Agency shall notify the State Gaming Agency of any intent to revise the standards set forth in the regulations and shall request comments of the State Gaming Agency on such revisions. Upon a notice of disapproval, the State and Tribe shall meet, and in good faith try to resolve the differences. If unsuccessful, the matter shall be subject to resolution pursuant to Section 15(d) (Amendment) of this Compact.

(b) Additional Operational Requirements Applicable to Class III Gaming. The following additional regulations shall apply to Tribal Gaming:

(i) To ensure increased integrity, the Tribe shall maintain either written or computerized records of winnings and losses, copies of which shall be available upon

request for inspection by the State Gaming Agency; a surveillance log recording all surveillance activities in the monitoring room of the Gaming Facilities; a security log recording all unusual occurrences for which the assignment of a Tribal Gaming Agency employee is made; and a cashier's cage log recording all exchanges of gaming chips for cash by persons who cannot reasonably be thought to have been gaming.

(ii) The Tribal Gaming Agency shall establish a list of persons barred from Gaming Facilities because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of Tribal Gaming. The Tribal Gaming Agency shall employ its best efforts to exclude persons on such list as well as any persons on any similar list provided by the State Gaming Agency from entry into Gaming Facilities. The Tribal Gaming Agency and State Gaming Agency shall send notice to each other of any person so excluded within a reasonable time of such action being taken.

(iii) The Tribal Gaming Agency shall require the audit of all Gaming Operations, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants. In the event the Tribe enters into a management contract with a management company which has provided or will provide financing to a Gaming Operation, a copy of the annual audit shall be provided to the State Gaming Agency.

(iv) The Tribal Gaming Agency shall notify the State Gaming Agency of the rules of each Class III game operated by the Tribe and of any change in such rules.

Summaries of the rules of each Class III game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in each Gaming Facility. Betting limits applicable to any Gaming Station shall be displayed at such Gaming Station. Rules for games identified in Section 3(a) of this Compact shall be upon such games as commonly practiced in other gaming jurisdictions in the United States with such variations in the manner of wagering or play as the Tribal Gaming Agency may approve, provided that any variations shall not alter the basic nature of the game. The Tribe will provide the State Gaming Agency with ten (10) days' advance notice of the rules of each game and any modification thereof, and will provide adequate notice to patrons of the Gaming operation to advise them of the applicable rules in effect.

(v) There shall be maintained in each Gaming Facility a closed circuit television system in accordance with the requirements set forth in the Code and the Internal Control Minimum Procedures previously submitted to the State. A Gaming Operation shall provide the Tribal Gaming Agency with copies of its floor plan and closed circuit television system and any modifications thereof for review by the Tribal Gaming Agency. If the floor plan or closed circuit television system do not provide unobstructed camera views in accordance with such requirements, the Tribal Gaming Agency shall require modification of such floor plan or closed circuit television system in order to remedy any deficiency.

(vi) Gaming Operations shall adopt regulations and Internal Control Minimum Procedures for maintaining a cashier's cage and shall comply with those

regulations and procedures. The Tribal Gaming Agency shall review cashier's cage security and assure compliance with the regulations and procedures.

(vii) Gaming Operations shall maintain minimum supervisory staffing for each table gaming pit in each Gaming Facility in accordance with the Internal Control Minimum Procedures

SECTION 11. LITIGATION REGARDING TYPES OF GAMES AND BET LIMITS.

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

It is the intent of the General Assembly that the restrictions set forth in Section 9 of Article XVIII of the State Constitution shall apply to limited gaming activities on tribal lands.

The Tribe and the State agree that Tribal Gaming shall continue to be conducted pursuant to the terms of this Compact, notwithstanding any request for a judicial determination by either Party.

(b) Resolution in Favor of Tribe. In the event there is a non-appealable court determination that the above-cited statute, or parts thereof, is not valid, then the Tribe and the State agree that the Parties will meet to further negotiate on the issue of bet limitations and games pursuant to, 25 U.S.e. § 2710(d)(7)(B). Such negotiations shall be subject to the provisions set forth in Section 15(d) (Amendment) of this Compact.

SECTION 12. REMEDIES FOR BREACH OF COMPACT PROVISIONS.

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

(a) If either Party believes that the other is acting in a manner contrary to any of the provisions of this Compact, the complaining Party shall notify the responding Party in

writing, specifying in detail the conduct complained of. The Parties shall have twenty days from the date of such notice to informally resolve the dispute.

(b) If the dispute is not resolved as provided in subsection (a) of this Section, the complaining Party may invoke arbitration in accordance with the following procedures:

(i) The Parties shall attempt to agree upon one arbitrator with expertise in the subject matter of the dispute;

(ii) If the Parties are unable to agree on an arbitrator, a panel of three arbitrators, with each arbitrator possessing special expertise in matters of Indian gaming law, shall be designated by the American Arbitration Association;

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

(c) By a majority vote the arbitration panel shall declare the Parties' rights under the terms of this Compact and can enjoin conduct that violates the terms of this Compact. The Parties shall each bear their own costs associated with the arbitration.

(d) The Tribe and the State agree to be bound by the arbitration panel's decision.

SECTION 13. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE GAMING AGENCY.

The Tribe shall reimburse the State Gaming Agency for all reasonable expenses incurred by the State Gaming Agency in carrying out its responsibilities as authorized under the provisions of this Compact. Reimbursement shall be made for background investigation costs, monitoring

and investigative costs, network verification and accuracy testing costs, and processing costs. The State shall submit a detailed statement on a quarterly basis to the Tribal Gaming Agency. The Tribe shall reimburse the State Gaming Agency within thirty (30) days after the receipt of the statement of expenses. Except as authorized by this Compact, the State or any of its political subdivisions shall not impose any tax, fee, charge or other assessment upon the Tribe. Nothing in this Section, or this Compact, shall alter or diminish the pre-existing rights of the Parties with respect to the power to tax.

SECTION 14. PUBLIC HEALTH AND SAFETY.

(a) Compliance. The Tribal Gaming Agency shall comply with the following standards with respect to public health and safety:

(i) applicable building and fire codes as provided in Section 3(e) of this Compact: and

(ii) public health standards for food handling that are no less stringent than the State's Uniform Code of Sanitary Rules and Regulations for the preparation, sale and serving of food as contained in § 12-44-204(i)(b), C.R.S., or alternatively, public health standards for food handling that are no less stringent than those of the Indian Health Service that are in effect as of the effective date of this Compact.

(b) Emergency Service Accessibility. The Tribal Gaming Agency shall make provisions for adequate emergency service accessibility.

SECTION 15. AMENDMENTS, DURATION AND EFFECTIVE DATE.

(a) Effective Date. This Compact shall be effective upon ratification by the Tribe and the State and upon publication of notice of approval in the Federal Register, in accordance with 25 U.S.C. § 2710(d)(3)(B).

(b) Voluntary Termination. This Compact shall be in effect until terminated by the written agreement of both Parties. However, should the Tribe wish to eliminate all Class III Gaming Activities on the Reservation, the Tribe may unilaterally terminate this Compact by submitting written notice sixty (60) days prior to the date of termination to the Governor of the State of Colorado and the State Gaming Agency.

(c) Automatic Termination. This Compact may be terminated by a court of competent jurisdiction if the continuation of this Compact would constitute a violation of Federal law.

(d) Amendment (i) The terms and conditions of this Compact may be amended by written agreement of both Parties, and upon approval by the Secretary. The State or the Tribe may, by notice to the other, request negotiations to amend this Compact. In the event of a request for amendment, this Compact shall remain in effect until amended. If such a request is made by either Party, it shall be treated as a request to negotiate pursuant to the Act, except that both Parties shall be charged with the obligation to negotiate in good faith and the burden of proving that the opposing Party has failed to negotiate in good faith shall be on the Party alleging such failure. The State and the Tribe shall have 180 days to negotiate, and all further procedures and remedies available under the Act shall thereafter apply as specified below. The Parties may agree to extend the 180-day period without prejudice to the rights of either Party under this Section 15 of this Compact.

If the State and the Tribe fail to reach an agreement within the 180-day period, and neither the State nor the Tribe elects to pursue other remedies, then the Tribe and the State shall each submit to a mediator, appointed jointly by the Tribal Chairman and the Governor of the State, or their respective designee, a proposed amendment that represents their last best offer for an amendment or a proposal that no amendment should be made. Taking into account the particularities of the disputed issues, the mediator shall select from the two proposals the one which best comports with the terms of the Act and any other applicable Federal law. The mediator shall advise the State and the Tribe in writing which proposal has been selected. If the State and the Tribe consent to a proposal during the 45-day period beginning on the date on which the mediator advised the State and the Tribe of which proposal was selected, the proposal shall become effective upon approval by the Secretary. If the State and the Tribe do not consent to a proposal during the 45-day period described above, the mediator shall notify the Secretary and the Secretary shall prescribe, in consultation with the Tribe, procedures:

(A) which are consistent with the proposal selected by the mediator, any relevant provisions of the laws of the State, and the provisions of the Act; and

(B) under which Class III Gaming may be conducted on the Reservation.

(ii) The provisions of the above paragraph (i) shall apply to an amendment of the Compact resulting from a resolution of litigation as described in Section 11(b) of this Compact, except that the relevant time limit for negotiating such an amendment prior to submission to a mediator shall be 120 days rather than 180 days.

(e) Economic and Social Impacts. The Parties recognize and acknowledge that Tribal Gaming has an economic and social impact or effect on the cities, towns and counties

surrounding or near the site of such activity. The Parties agree to assess those impacts, on a continuing basis, the costs of such assessment to be borne in a fair and reasonable manner by interested participants, including local communities and agencies. The Parties further agree to negotiate pursuant to Section 15(d) (Amendment) of this Compact appropriate resolutions or remedies based upon identifiable impacts.

SECTION 16. NOTICES.

(a) Methods. Unless otherwise indicated by this Compact or agreed to by the Parties, all notices required or authorized to be served shall be in writing and shall be served by first class mail at the following addresses:

Tribal Chairman
Tribal Affairs Building
Southern Ute Indian Tribe
P. O. Box 737
Ignacio, CO 81137

Governor
State of Colorado
State Capitol
Denver, CO 80202

Copies to:

Southern Ute Division of Gaming
P. O. Box 737
Ignacio, CO 81137

Division of Gaming
State of Colorado
720 So. Colorado Blvd, Suite 540-S
Denver, CO 80222

Maynes, Bradford, Shipps & Sheftel
P. O. Box 2717
Durango, CO 81302

(b) Copies. A copy of any notice to the Governor shall be sent simultaneously to the State Gaming Agency. Copies of any notice to the Tribe shall be sent simultaneously to the Southern Ute Division of Gaming and Maynes, Bradford, Shipps & Sheftel.

(c) Effectiveness. All notices served pursuant to this Section shall be effective upon receipt.

SECTION 17. SEVERABILITY.

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

SECTION 18. TRAINING OF TRIBAL GAMING AGENTS.

The State may notify the Tribal Gaming Agency of, and make available to agents of the Tribal Gaming Agency, all training programs, seminars or classes that are available or required of agents of the State Gaming Agency. The cost for participation by agents of the Tribal Gaming Agency in such training shall be the responsibility of the Tribe.

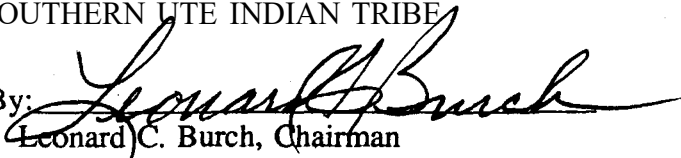
STATE OF COLORADO

By:

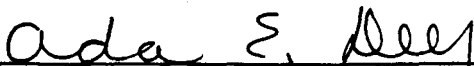

Roy Romer, Governor

SOUTHERN UTE INDIAN TRIBE

By:


Leonard C. Burch, Chairman
Southern Ute Indian Tribal Council

Consistent with 25 U.S.C.A. Sec. 2710 (d)(8), the Amended Southern Ute Indian Tribe - State of Colorado Gaming Compact is approved on the 10th day of August, 1995, by the Assistant Secretary - Indian Affairs, United States Department of the Interior.


Ada E. Deer
Assistant Secretary - Indian Affairs