

PROPOSITION 202
OFFICIAL TITLE

AN INITIATIVE MEASURE

PROPOSING AMENDMENTS TO TITLE 5, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-601.02; REPEALING SECTION 5-601.01, ARIZONA REVISED STATUTES; AMENDING SECTION 13-3301, ARIZONA REVISED STATUTES; PROPOSING AMENDMENTS TO TITLE 15, CHAPTER 9, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-978; PROPOSING AMENDMENTS TO TITLE 17, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7; PROPOSING AMENDMENTS TO TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2903.07; PROPOSING AMENDMENTS TO TITLE 41, CHAPTER 10, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1505.12; AMENDING SECTION 41-2306, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 375, SECTION 3; REPEALING SECTION 41-2306, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 372, SECTION 3; RELATING TO TRIBAL-STATE COMPACTS.

TEXT OF THE PROPOSED AMENDMENT

Be it enacted by the People of the State of Arizona:

Sec. 1. Title

This measure shall be known as the "Indian Gaming Preservation and Self-Reliance Act."

Sec. 2. Declaration of Purpose

For most of the past century, Indians on reservations in Arizona lived in extreme poverty, welfare dependency, and economic despair. The situation began to improve in 1988, when federal law confirmed the right of Indian tribes to conduct limited, regulated gaming on their own land for the purposes of, among other things, providing jobs and funding services for tribal members.

This federal law requires that state governments and tribes negotiate agreements, called tribal-state compacts, to establish the terms and conditions of Indian gaming in each state. Since 1992, Arizona law has authorized the governor of the state to negotiate tribal-state compacts on the state's behalf. Since that time, 17 Indian tribes in Arizona have entered into compacts with the state and proceeded in good faith to make major investments in gaming facilities on their tribal lands.

Today, those gaming facilities provide tribes with vitally needed funds for education, housing, health care, clean water, and other basic services on the tribal reservations. Indian gaming also supports thousands of jobs in the state, and annually generates hundreds of millions of dollars of economic activity, and millions of dollars of taxes, which benefit local communities and the state economy.

With the compacts due to begin expiring in 2003, and with the state and the tribes desiring to continue and enhance the benefits of tribal gaming in the state, the parties began in 2000 to negotiate new compacts that provide for the continuation of Indian gaming.

While the governor and the tribes have agreed on a framework for the new compacts, a legal roadblock now precludes the governor from executing new compacts. The horse and dog racetrack industry filed a lawsuit claiming that the longstanding state law authorizing the governor to negotiate and enter into compacts on the state's behalf was invalid because of legal technicalities. Because of the lawsuit, the state can not enter into new compacts with the tribes unless a new law corrects the technical deficiencies in existing law or if new compacts are approved by the legislature or the people of the State of Arizona.

Given the impending expiration of the existing compacts, it is critical to promptly resolve any technical deficiencies in current state law and provide a means for the state to enter into new or amended tribal-state gaming compacts. Without this action, Indian tribes in Arizona face the risk that tribal casinos could be shut down, and plans to share Indian gaming revenues with the state and to create opportunities for non-gaming tribes to benefit from Indian gaming will go unrealized.

The Indian Gaming Preservation and Self-Reliance Act is designed to address this situation. The Act resolves any technical deficiencies in current state law and authorizes the governor to execute new tribal-state compacts, in accordance with specified parameters, so that Indian casinos can continue to operate. The Act maintains reasonable limits on Indian gaming and creates the

opportunity for non-gaming tribes to benefit from Indian gaming. The Act also provides for tribal governments to share a percentage of their Indian gaming revenues with the state, to support state and local programs.

Sec. 3. Title 5, Chapter 6, Article 1, Arizona Revised Statutes, is amended by adding a new Section 5-601.02, as follows:

5-601.02 NEW STANDARD FORM OF TRIBAL-STATE GAMING COMPACT: EFFECTS

A. NOTWITHSTANDING ANY OTHER LAW, WITHIN 30 DAYS AFTER RECEIPT OF A TIMELY WRITTEN REQUEST BY THE GOVERNING BODY OF AN INDIAN TRIBE, THE STATE, THROUGH THE GOVERNOR, SHALL ENTER INTO THE NEW STANDARD FORM OF TRIBAL-STATE GAMING COMPACT WITH THE REQUESTING INDIAN TRIBE BY EXECUTING THE NEW COMPACT AND FORWARDING IT TO THE UNITED STATES DEPARTMENT OF THE INTERIOR FOR ANY REQUIRED APPROVAL.

B. THE STATE, THROUGH THE GOVERNOR, MAY ONLY ENTER INTO A NEW COMPACT WITH AN INDIAN TRIBE WITH A PRE-EXISTING COMPACT IF THE INDIAN TRIBE REQUESTS A NEW COMPACT PURSUANT TO SUBSECTION A DURING THE FIRST 30 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION. THE STATE, THROUGH THE GOVERNOR, SHALL SERVE A TIMELY NOTICE OF NONRENEWAL OF A PRE-EXISTING COMPACT ON ANY INDIAN TRIBE THAT DOES NOT REQUEST A NEW COMPACT DURING THE FIRST 30 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION. ANY INDIAN TRIBE WITHOUT A PRE-EXISTING COMPACT ON THE EFFECTIVE DATE OF THIS SECTION MAY REQUEST A NEW COMPACT AT ANY TIME.

C. NOTWITHSTANDING ANY OTHER LAW, AN INDIAN TRIBE MAY CONDUCT THE FOLLOWING FORMS OF GAMBLING AS REGULATED GAMBLING, AS DEFINED IN SECTION 13-3301, IF THE GAMBLING IS CONDUCTED IN ACCORDANCE WITH THE TERMS OF A TRIBAL-STATE GAMING COMPACT: GAMING DEVICES, KENO, OFFTRACK PARI-MUTUEL WAGERING, PARI-MUTUEL WAGERING ON HORSE RACING, PARI-MUTUEL WAGERING ON DOG RACING, BLACKJACK, POKER (INCLUDING JACKPOT POKER), AND LOTTERY.

D. THE DEPARTMENT OF GAMING SHALL ADMINISTER AND CARRY OUT ITS RESPONSIBILITIES UNDER THE PROCEDURES FOR THE TRANSFER AND POOLING OF UNUSED GAMING DEVICE ALLOCATIONS DESCRIBED IN SECTION 3(d) OF THE NEW COMPACT.

E. THE STATE, THROUGH THE GOVERNOR, IS AUTHORIZED TO NEGOTIATE AND ENTER INTO AMENDMENTS TO NEW COMPACTS THAT ARE CONSISTENT WITH THIS CHAPTER AND WITH THE POLICIES OF THE INDIAN GAMING REGULATORY ACT.

F. AT THE REQUEST OF ANY INDIAN TRIBE FOR WHICH PARAGRAPH 6 OF SUBSECTION I DOES NOT SPECIFY A POSSIBLE ADDITIONAL DEVICES ALLOCATION, THE STATE, THROUGH THE GOVERNOR, SHALL NEGOTIATE WITH THE INDIAN TRIBE FOR A POSSIBLE ADDITIONAL DEVICES ALLOCATION. THIS ALLOCATION SHALL NOT BE LESS THAN THE

Spelling, grammar, and punctuation were reproduced as submitted in the "for" and "against" arguments.

SMALLEST OR GREATER THAN THE LARGEST POSSIBLE ADDITIONAL DEVICES ALLOCATION PROVIDED TO AN INDIAN TRIBE WITH AN EQUAL NUMBER OF DEVICES IN THE CURRENT DEVICE ALLOCATION COLUMN SET FORTH IN THE NEW COMPACT. AT THE OPTION OF THE INDIAN TRIBE, THE POSSIBLE ADDITIONAL DEVICES ALLOCATION SHALL BE INCLUDED IN EITHER THE INDIAN TRIBE'S NEW COMPACT OR AN AMENDMENT TO SUCH NEW COMPACT.

G. THE AUTHORITY AND OBLIGATIONS OF THE STATE, THROUGH THE GOVERNOR, TO NEGOTIATE ADDITIONAL COMPACT TERMS PURSUANT TO SUBSECTIONS E AND F ARE INDEPENDENT OF AND SEPARATE FROM THE OBLIGATIONS OF THE STATE PURSUANT TO SUBSECTION A, AND SHALL NOT CONSTITUTE GROUNDS FOR ANY DELAY BY THE STATE IN CARRYING OUT ITS OBLIGATIONS TO EXECUTE AND FORWARD NEW COMPACTS TO THE UNITED STATES DEPARTMENT OF THE INTERIOR AS REQUIRED IN SUBSECTION A.

H. THE ARIZONA BENEFITS FUND IS ESTABLISHED CONSISTING OF MONIES PAID TO THE STATE BY INDIAN TRIBES PURSUANT TO SECTION 12(c) OF NEW COMPACTS AND INTEREST EARNED ON THOSE MONIES. AN INDIAN TRIBE WITH A NEW COMPACT SATISFIES THE REQUIREMENTS OF SUBSECTION F OF SECTION 5-601. TRIBAL CONTRIBUTIONS PAID TO THE STATE PURSUANT TO A NEW COMPACT SHALL BE DEPOSITED IN THE ARIZONA BENEFITS FUND, NOT THE PERMANENT TRIBAL-STATE COMPACT FUND PURSUANT TO SUBSECTION G OF SECTION 5-601.

1. THE DEPARTMENT OF GAMING SHALL ADMINISTER THE ARIZONA BENEFITS FUND. THE DEPARTMENT OF GAMING SHALL MAKE AN ANNUAL REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND EACH INDIAN TRIBE WITH A NEW COMPACT WITHIN 90 DAYS AFTER THE END OF THE STATE'S FISCAL YEAR. THIS REPORT SHALL BE SEPARATE FROM ANY OTHER REPORT OF THE DEPARTMENT OF GAMING. THE REPORT SHALL INCLUDE A STATEMENT OF AGGREGATE GROSS GAMING REVENUE FOR ALL INDIAN TRIBES, AGGREGATE REVENUES DEPOSITED IN THE ARIZONA BENEFITS FUND, INCLUDING INTEREST THEREON, EXPENDITURES MADE FROM THE ARIZONA BENEFITS FUND, AND AGGREGATE AMOUNTS CONTRIBUTED BY ALL INDIAN TRIBES TO CITIES, TOWNS AND COUNTIES PURSUANT TO PARAGRAPH 4 OF THIS SUBSECTION. THE DEPARTMENT OF GAMING SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.

2. EXCEPT FOR MONIES EXPENDED BY THE DEPARTMENT OF GAMING AS PROVIDED IN SUBDIVISION (a) OF PARAGRAPH 3 OF THIS SUBSECTION, WHICH SHALL BE SUBJECT TO APPROPRIATION, THE ARIZONA BENEFITS FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY. MONIES PAID TO THE STATE BY INDIAN TRIBES PURSUANT TO A NEW COMPACT SHALL BE DEPOSITED DIRECTLY WITH THE ARIZONA BENEFITS FUND. ON NOTICE FROM THE DEPARTMENT OF GAMING, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE ARIZONA BENEFITS FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE ARIZONA BENEFITS FUND SHALL BE EXPENDED ONLY AS PROVIDED IN PARAGRAPH 3 OF THIS SUBSECTION, AND SHALL NOT REVERT TO ANY OTHER FUND, INCLUDING

THE STATE GENERAL FUND. MONIES IN THE ARIZONA BENEFITS FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS.

3. MONIES IN THE ARIZONA BENEFITS FUND, INCLUDING ALL INVESTMENT EARNINGS, SHALL BE ALLOCATED AS FOLLOWS:

(A)(I) EIGHT MILLION DOLLARS OR NINE PERCENT, WHICHEVER IS GREATER, SHALL BE USED FOR REIMBURSEMENT OF ADMINISTRATIVE AND REGULATORY EXPENSES, INCLUDING EXPENSES FOR DEVELOPMENT OF AND ACCESS TO ANY ONLINE ELECTRONIC GAME MANAGEMENT SYSTEMS AND FOR LAW ENFORCEMENT ACTIVITIES INCURRED BY THE DEPARTMENT OF GAMING PURSUANT TO THIS CHAPTER. ANY MONIES THAT ARE ALLOCATED PURSUANT TO THIS SUBSECTION 3(A) THAT ARE NOT APPROPRIATED TO THE DEPARTMENT OF GAMING SHALL BE DEPOSITED IN THE INSTRUCTIONAL IMPROVEMENT FUND ESTABLISHED BY SECTION 15-978.

(II) TWO PERCENT SHALL BE USED BY THE DEPARTMENT OF GAMING TO FUND STATE AND LOCAL PROGRAMS FOR THE PREVENTION AND TREATMENT OF, AND EDUCATION CONCERNING, PROBLEM GAMBLING.

(B) OF THE MONIES IN THE ARIZONA BENEFITS FUND THAT ARE NOT ALLOCATED PURSUANT TO SUBDIVISION (A):

(I) FIFTY-SIX PERCENT SHALL BE DEPOSITED IN THE INSTRUCTIONAL IMPROVEMENT FUND ESTABLISHED BY SECTION 15-978 FOR USE BY SCHOOL DISTRICTS FOR CLASSROOM SIZE REDUCTION, TEACHER SALARY INCREASES, DROP-OUT PREVENTION PROGRAMS, AND INSTRUCTIONAL IMPROVEMENT PROGRAMS.

(II) TWENTY-EIGHT PERCENT SHALL BE DEPOSITED IN THE TRAUMA AND EMERGENCY SERVICES FUND ESTABLISHED BY SECTION 36-2903.07.

(III) EIGHT PERCENT SHALL BE DEPOSITED IN THE ARIZONA WILDLIFE CONSERVATION FUND ESTABLISHED BY SECTION 17-299.

(IV) EIGHT PERCENT SHALL BE DEPOSITED IN THE TOURISM FUND ACCOUNT ESTABLISHED BY PARAGRAPH 4 OF SUBSECTION A OF SECTION 41-2306 FOR STATEWIDE TOURISM PROMOTION.

4. IN ADDITION TO MONIES CONTRIBUTED TO THE ARIZONA BENEFITS FUND, TWELVE PERCENT OF TRIBAL CONTRIBUTIONS PURSUANT TO NEW COMPACTS SHALL BE CONTRIBUTED BY INDIAN TRIBES TO CITIES, TOWNS AND COUNTIES AS DEFINED IN TITLE 11, ARIZONA REVISED STATUTES, FOR GOVERNMENT SERVICES THAT BENEFIT THE GENERAL PUBLIC, INCLUDING PUBLIC SAFETY, MITIGATION OF IMPACTS OF GAMING, AND PROMOTION OF COMMERCE AND ECONOMIC DEVELOPMENT.

(A) AN INDIAN TRIBE MAY DISTRIBUTE SUCH FUNDS DIRECTLY TO CITIES, TOWNS AND COUNTIES FOR THESE PURPOSES. THE AMOUNT OF MONIES SO DISTRIBUTED BY EACH INDIAN TRIBE SHALL BE REPORTED TO THE DEPARTMENT OF GAMING IN THE QUARTERLY REPORT REQUIRED BY THE NEW COMPACT.

(B) ANY MONIES COMPRISING THE TWELVE PERCENT NOT SO DISTRIBUTED BY AN INDIAN TRIBE SHALL BE DEPOSITED IN THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION

LOCAL COMMUNITIES FUND ESTABLISHED BY SECTION 41-1505.12 FOR GRANTS TO CITIES, TOWNS AND COUNTIES.

5. THE DEPOSIT OF MONIES REQUIRED BY SUBDIVISION (B) OF PARAGRAPH 3 OF THIS SUBSECTION SHALL BE MADE ON A QUARTERLY BASIS, OR MORE FREQUENTLY IF PRACTICABLE.

I. FOR THE PURPOSES OF THIS SECTION:

1. "GAMING DEVICES" MEANS GAMING DEVICES AS DEFINED IN SUBDIVISION (B)(I) OF PARAGRAPH 6 OF THIS SUBSECTION.

2. "INDIAN GAMING REGULATORY ACT" MEANS THE INDIAN GAMING REGULATORY ACT OF 1988 (P.L. 100-497; 102 STAT. 2467; 25 UNITED STATES CODE SECTIONS 2701 THROUGH 2721 AND 18 UNITED STATES CODE SECTIONS 1166 THROUGH 1168).

3. "INDIAN LANDS" MEANS LANDS AS DEFINED IN 25 UNITED STATES CODE SECTION 2703(4)(A) AND (B), SUBJECT TO THE PROVISIONS OF 25 UNITED STATES CODE SECTION 2719.

4. "INDIAN TRIBE" MEANS:

- (A) THE COCOPAH INDIAN TRIBE.
- (B) THE FORT MOJAVE INDIAN TRIBE.
- (C) THE QUECHAN TRIBE.
- (D) THE TONTO APACHE TRIBE.
- (E) THE YAVAPAI-APACHE NATION.
- (F) THE YAVAPAI-PRESCOTT INDIAN TRIBE.
- (G) THE COLORADO RIVER INDIAN TRIBES.
- (H) THE SAN CARLOS APACHE TRIBE.
- (I) THE WHITE MOUNTAIN APACHE TRIBE.
- (J) THE AK-CHIN INDIAN COMMUNITY.
- (K) THE FORT MCDOWELL YAVAPAI NATION.
- (L) THE SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY.
- (M) THE GILA RIVER INDIAN COMMUNITY.
- (N) THE PASCUA YAQUI TRIBE.
- (O) THE TOHONO O'ODHAM NATION.
- (P) THE HAVASUPAI TRIBE.
- (Q) THE HUALAPAI TRIBE.
- (R) THE KAIBAB-PAIUTE TRIBE.
- (S) THE HOPI TRIBE.
- (T) THE NAVAJO NATION.
- (U) THE SAN JUAN SOUTHERN PAIUTE TRIBE.
- (V) ANY INDIAN TRIBE, AS DEFINED IN 25 UNITED STATES CODE SECTION 2703(5), WITH INDIAN LANDS IN THIS STATE.

5. "PRE-EXISTING COMPACT" MEANS AN INDIAN TRIBE'S TRIBAL-STATE GAMING COMPACT AND AMENDMENTS THERETO AS APPROVED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, AND ALL APPENDICES THERETO, AS OF THE EFFECTIVE DATE OF THIS SECTION.

6. "NEW STANDARD FORM OF TRIBAL-STATE GAMING COMPACT" OR "NEW COMPACT" MEANS:

(A) FOR AN INDIAN TRIBE WITHOUT A PRE-EXISTING COMPACT, A TRIBAL-STATE GAMING COMPACT THAT CONTAINS THE PROVISIONS OF THE MOST RECENT TRIBAL-STATE GAMING COMPACT ENTERED INTO BY THE STATE AND AN INDIAN TRIBE AND APPROVED BY THE UNITED STATES SECRETARY OF THE INTERIOR, AND ITS APPENDICES, PRIOR TO THE EFFECTIVE DATE OF THIS SECTION, MODIFIED TO INCLUDE THE PROVISIONS DESCRIBED IN SUBDIVISION (B)(I) THROUGH (XI) OF THIS PARAGRAPH.

(B) FOR AN INDIAN TRIBE WITH A PRE-EXISTING COMPACT, A TRIBAL-STATE GAMING COMPACT THAT CONTAINS THE PROVISIONS OF THE INDIAN TRIBE'S PRE-EXISTING COMPACT, MODIFIED AS FOLLOWS, WITH ANY CROSS REF-

ERENCES IN A PRE-EXISTING COMPACT TO BE CONFORMED ACCORDINGLY:

(I) THE FOLLOWING DEFINITION SHALL REPLACE THE CORRESPONDING DEFINITION IN SECTION 2 OF THE PRE-EXISTING COMPACT:

"GAMING DEVICE" MEANS A MECHANICAL DEVICE, AN ELECTRO-MECHANICAL DEVICE OR A DEVICE CONTROLLED BY AN ELECTRONIC MICROPROCESSOR OR ANOTHER MANNER, WHETHER THAT DEVICE CONSTITUTES CLASS II GAMING OR CLASS III GAMING, THAT ALLOWS A PLAYER OR PLAYERS TO PLAY GAMES OF CHANCE, WHETHER OR NOT THE OUTCOME ALSO IS AFFECTED IN SOME PART BY SKILL, AND WHETHER THE DEVICE ACCEPTS COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, PULL TABS, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF CONSIDERATION AND, THROUGH THE APPLICATION OF CHANCE, ALLOWS A PLAYER TO BECOME ENTITLED TO A PRIZE, WHICH MAY BE COLLECTED THROUGH THE DISPENSING OF COINS, TOKENS, BILLS, COUPONS, TICKET VOUCHERS, SMART CARDS, ELECTRONIC IN-HOUSE ACCOUNTING SYSTEM CREDITS OR OTHER SIMILAR FORMS OF VALUE. GAMING DEVICE DOES NOT INCLUDE ANY OF THE FOLLOWING:

(1) THOSE TECHNOLOGICAL AIDS FOR BINGO GAMES THAT FUNCTION ONLY AS ELECTRONIC SUBSTITUTES FOR BINGO CARDS.

(2) DEVICES THAT ISSUE AND VALIDATE PAPER LOTTERY PRODUCTS AND THAT ARE DIRECTLY OPERATED ONLY BY ARIZONA STATE LOTTERY LICENSED RETAILERS AND THEIR EMPLOYEES.

(3) DEVICES THAT ARE OPERATED DIRECTLY BY A LOTTERY PLAYER AND THAT DISPENSE PAPER LOTTERY TICKETS, IF THE DEVICES DO NOT IDENTIFY WINNING OR LOSING LOTTERY TICKETS, DISPLAY LOTTERY WINNINGS OR DISBURSE LOTTERY WINNINGS.

(4) DEVICES THAT ARE OPERATED DIRECTLY BY A LOTTERY PLAYER AND THAT VALIDATE PAPER LOTTERY TICKETS FOR A GAME THAT DOES NOT HAVE A PREDETERMINED NUMBER OF WINNING TICKETS, IF:

(A) THE DEVICES DO NOT ALLOW INTERACTIVE GAMING;

(B) THE DEVICES DO NOT ALLOW A LOTTERY PLAYER TO PLAY THE LOTTERY FOR IMMEDIATE PAYMENT OR REWARD;

(C) THE DEVICES DO NOT DISBURSE LOTTERY WINNINGS; AND

(D) THE DEVICES ARE NOT VIDEO LOTTERY TERMINALS.

(5) PLAYER ACTIVATED LOTTERY TERMINALS."

(II) THE FOLLOWING DEFINITIONS SHALL BE ADDED TO SECTION 2 OF THE PRE-EXISTING COMPACT:

(MM) "ADDITIONAL GAMING DEVICES" MEANS THE NUMBER OF ADDITIONAL GAMING DEVICES ALLOCATED TO THE TRIBE IN COLUMN (2) OF THE TRIBE'S ROW IN THE TABLE.

(NN) "CARD GAME TABLE" MEANS A SINGLE TABLE AT WHICH THE TRIBE CONDUCTS THE CARD GAME OF POKER OR BLACKJACK.

(OO) "CLASS II GAMING DEVICE" MEANS A GAMING DEVICE WHICH, IF OPERATED ON INDIAN LANDS BY AN INDIAN TRIBE, WOULD BE CLASS II GAMING.

(PP) "CLASS III GAMING DEVICE" MEANS A GAMING DEVICE WHICH, IF OPERATED ON INDIAN LANDS BY AN INDIAN TRIBE, WOULD BE CLASS III GAMING.

(QQ) "CLASS III NET WIN" MEANS GROSS GAMING REVENUE, WHICH IS THE DIFFERENCE BETWEEN GAMING WINS AND LOSSES, BEFORE DEDUCTING COSTS AND EXPENSES.

(RR) "CPI ADJUSTMENT RATE" SHALL MEAN THE QUOTIENT OBTAINED AS FOLLOWS: THE CPI INDEX FOR THE SIXTIETH (60TH) CALENDAR MONTH OF THE APPLICABLE FIVE-YEAR PERIOD FOR WHICH THE WAGER LIMITATIONS ARE BEING ADJUSTED SHALL BE DIVIDED BY THE CPI INDEX FOR THE CALENDAR MONTH IN WHICH THE EFFECTIVE DATE OCCURS. THE CPI INDEX FOR THE NUMERATOR AND THE DENOMINATOR SHALL HAVE THE SAME BASE YEAR. IF THE CPI INDEX IS NO LONGER PUBLISHED, OR IF THE FORMAT OF THE CPI INDEX HAS CHANGED SO THAT THIS CALCULATION IS NO LONGER POSSIBLE, THEN ANOTHER SUBSTANTIALLY COMPARABLE INDEX SHALL BE SUBSTITUTED IN THE FORMULA BY AGREEMENT OF THE TRIBE AND THE STATE SO THAT THE ECONOMIC EFFECT OF THIS CALCULATION IS PRESERVED. IF THE PARTIES CANNOT AGREE ON THE SUBSTITUTE INDEX, THE SUBSTITUTE INDEX SHALL BE DETERMINED BY ARBITRATION IN ACCORDANCE WITH SECTION 15.

(SS) "CPI INDEX" MEANS THE "UNITED STATES CITY AVERAGE (ALL URBAN CONSUMERS) - ALL ITEMS (1982-1984 = 100)" INDEX OF THE CONSUMER PRICE INDEX PUBLISHED BY THE BUREAU OF LABOR STATISTICS, UNITED STATES DEPARTMENT OF LABOR.

(TT) "CPR" MEANS THE CPR INSTITUTE FOR DISPUTE RESOLUTION.

(UU) "CURRENT GAMING DEVICE ALLOCATION" MEANS THE NUMBER OF CLASS III GAMING DEVICES ALLOCATED TO THE TRIBE IN COLUMN (1) OF THE TRIBE'S ROW IN THE TABLE AS ADJUSTED UNDER SECTION 3(C)(4).

(VV) "EFFECTIVE DATE" MEANS THE DAY THIS COMPACT GOES INTO EFFECT AFTER ALL OF THE FOLLOWING EVENTS HAVE OCCURRED:

(1) IT IS EXECUTED ON BEHALF OF THE STATE AND THE TRIBE;

(2) IT IS APPROVED BY THE SECRETARY OF THE INTERIOR;

(3) NOTICE OF THE SECRETARY OF THE INTERIOR'S APPROVAL IS PUBLISHED IN THE FEDERAL REGISTER PURSUANT TO THE ACT; AND

(4) EACH INDIAN TRIBE WITH A GAMING FACILITY IN MARICOPA, PIMA OR PINAL COUNTIES HAS ENTERED INTO A NEW COMPACT AS DEFINED IN A.R.S. SECTION 5-601.02(I)(6), EACH OF WHICH HAS BEEN APPROVED BY THE SECRETARY OF THE INTERIOR, AND NOTICE OF THE SECRETARY OF THE INTERIOR'S APPROVAL HAS BEEN PUBLISHED IN THE FEDERAL REGISTER PURSUANT TO THE ACT, UNLESS THE GOVERNOR OF THE STATE WAIVES THE REQUIREMENTS OF THIS SECTION 2(VV)(4).

(WW) "FORBEARANCE AGREEMENT" MEANS AN AGREEMENT BETWEEN THE STATE AND AN INDIAN TRIBE IN WHICH THE INDIAN TRIBE THAT IS TRANSFERRING SOME OR ALL OF ITS GAMING DEVICE OPERATING RIGHTS WAIVES ITS RIGHTS TO PUT SUCH GAMING DEVICE OPERATING RIGHTS INTO PLAY DURING THE TERM OF A TRANSFER AGREEMENT.

(XX) "GAMING DEVICE OPERATING RIGHT" MEANS THE AUTHORIZATION OF AN INDIAN TRIBE TO OPERATE CLASS III GAMING DEVICES PURSUANT TO THE TERMS OF A NEW COMPACT AS DEFINED IN A.R.S. SECTION 5-601.02(I)(6).

(YY) "MAXIMUM DEVICES PER GAMING FACILITY" MEANS THE TOTAL NUMBER OF CLASS III GAMING DEVICES THAT THE TRIBE MAY OPERATE WITHIN A SINGLE GAMING FACILITY.

(ZZ) "MULTI-STATION DEVICE" MEANS AN ELECTRONIC CLASS III GAMING DEVICE THAT INCORPORATES MORE THAN ONE PLAYER STATION AND CONTAINS ONE CENTRAL PROCESSING UNIT WHICH OPERATES THE GAME SOFTWARE, INCLUDING A SINGLE RANDOM NUMBER GENERATOR THAT DETERMINES THE OUTCOME OF ALL GAMES AT ALL PLAYER STATIONS FOR THAT CLASS III GAMING DEVICE.

(AAA) "PLAYER ACTIVATED LOTTERY TERMINAL" MEANS AN ON-LINE COMPUTER SYSTEM THAT IS PLAYER ACTIVATED, BUT THAT DOES NOT PROVIDE THE PLAYER WITH INTERACTIVE GAMING, AND THAT USES THE TERMINAL FOR DISPENSING PURPOSES ONLY, IN WHICH:

(1) THE TERMINAL ALGORITHM IS USED FOR THE RANDOM GENERATION OF NUMBERS;

(2) THE TICKETS DISPENSED BY THE TERMINAL DO NOT ALLOW THE PLAYER THE MEANS TO PLAY DIRECTLY AGAINST THE TERMINAL;

(3) THE PLAYER USES THE DISPENSED TICKET TO PARTICIPATE IN AN OFF-SITE RANDOM DRAWING; AND

(4) THE PLAYER'S ABILITY TO PLAY AGAINST THE TERMINAL FOR IMMEDIATE PAYMENT OR REWARD IS ELIMINATED.

(BBB) "PLAYER STATION" MEANS A TERMINAL OF A MULTI-STATION DEVICE THROUGH WHICH THE PLAYER PLAYS AN ELECTRONIC GAME OF CHANCE SIMULTANEOUSLY WITH OTHER PLAYERS AT OTHER PLAYER STATIONS OF THAT MULTI-STATION DEVICE, AND WHICH:

(1) HAS NO MEANS TO INDIVIDUALLY DETERMINE GAME OUTCOME;

(2) CANNOT BE DISCONNECTED FROM THE GAMING DEVICE CENTRAL PROCESSING UNIT THAT DETERMINES THE GAME OUTCOMES FOR ALL PLAYER STATIONS WITHOUT RENDERING THAT TERMINAL INOPERABLE; AND

(3) DOES NOT SEPARATELY CONTAIN A RANDOM NUMBER GENERATOR OR OTHER MEANS TO INDIVIDUALLY DETERMINE THE GAME OUTCOME.

(CCC) "POPULATION ADJUSTMENT RATE" MEANS THE QUOTIENT OBTAINED AS FOLLOWS: THE STATE POPULATION FOR THE CALENDAR YEAR IMMEDIATELY PRECEDING THE CALENDAR YEAR IN WHICH THE SIXTIETH (60TH) CALENDAR MONTH OF THE APPLICABLE FIVE-YEAR PERIOD FOR WHICH THE APPLICABLE FIGURE OR AMOUNT IS BEING ADJUSTED OCCURS DIVIDED BY THE STATE POPULATION FOR THE CALENDAR YEAR IMMEDIATELY PRECEDING THE CALENDAR YEAR IN WHICH THE EFFECTIVE DATE OCCURS. IF THE STATE POPULATION IS NO LONGER PUBLISHED OR CALCULATED BY THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY, THEN ANOTHER SUBSTANTIALLY COMPARABLE AGENCY OF THE STATE SHALL BE SUBSTITUTED BY AGREEMENT OF THE TRIBE AND THE STATE SO THAT THE EFFECT OF THIS CALCULATION IS PRESERVED. IF THE PARTIES CANNOT AGREE ON THE SUBSTITUTE AGENCY OF THE STATE TO PROVIDE THE STATE POPULATION, THE SUBSTITUTE AGENCY OR PERSON SHALL BE DETERMINED BY ARBITRATION IN ACCORDANCE WITH SECTION 15.

(DDD) "PREVIOUS GAMING FACILITY ALLOCATION" MEANS THE NUMBER OF FACILITIES ALLOCATED TO THE TRIBE IN COLUMN (3) OF THE TRIBE'S ROW IN THE TABLE.

(EEE) "REVISED GAMING FACILITY ALLOCATION" MEANS THE NUMBER OF FACILITIES ALLOCATED TO THE TRIBE IN COLUMN (4) OF THE TRIBE'S ROW IN THE TABLE OR BY SECTION 3(C)(6).

(FFF) "RULES" MEANS THE CPR RULES FOR NON-ADMINISTERED ARBITRATION (2000 REV.).

(GGG) "STATE POPULATION" MEANS THE POPULATION OF THE STATE AS DETERMINED USING THE MOST RECENT ESTIMATES PUBLISHED BY THE ARIZONA DEPARTMENT OF ECONOMIC SECURITY.

(HHH) "TABLE" MEANS THE GAMING DEVICE ALLOCATION TABLE SET OUT AT SECTION 3(C)(5).

(III) "TRANSFER AGREEMENT" MEANS A WRITTEN AGREEMENT AUTHORIZING THE TRANSFER OF GAMING DEVICE OPERATING RIGHTS BETWEEN THE TRIBE AND ANOTHER INDIAN TRIBE.

(JJJ) "TRANSFER NOTICE" MEANS A WRITTEN NOTICE THAT THE TRIBE MUST PROVIDE TO THE STATE GAMING AGENCY OF ITS INTENT TO ACQUIRE OR TRANSFER GAMING DEVICE OPERATING RIGHTS PURSUANT TO A TRANSFER AGREEMENT.

(KKK) "WAGER" MEANS:

(1) IN THE CASE OF A GAMING DEVICE, THE SUM OF MONEY PLACED INTO THE GAMING DEVICE IN CASH, OR CASH EQUIVALENT, BY THE PLAYER WHICH WILL ALLOW ACTIVATION OF THE NEXT RANDOM PLAY OF THE GAMING DEVICE.

(2) IN THE CASE OF POKER, THE SUM OF MONEY PLACED INTO THE POT AND ONTO THE CARD GAME TABLE BY THE PLAYER IN CASH, OR CASH EQUIVALENT, WHICH ENTITLES THE PLAYER TO AN INITIAL DEAL OF CARDS, A SUBSEQUENT DEAL OF A CARD OR CARDS, OR WHICH IS REQUIRED TO BE PLACED INTO THE POT AND ONTO THE CARD GAME TABLE BY THE PLAYER ENTITLING THE PLAYER TO CONTINUE IN THE GAME.

(3) IN THE CASE OF BLACKJACK, THE SUM OF MONEY IN CASH, OR CASH EQUIVALENT, PLACED ONTO THE CARD GAME TABLE BY THE PLAYER ENTITLING THE PLAYER TO AN INITIAL DEAL OF CARDS AND TO ALL SUBSEQUENT CARDS REQUESTED BY THE PLAYER."

(III) SECTION 3 OF THE PRE-EXISTING COMPACT SHALL BE REPLACED WITH THE FOLLOWING:

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

(A) AUTHORIZED CLASS III GAMING ACTIVITIES. SUBJECT TO THE TERMS AND CONDITIONS OF THIS COMPACT, THE TRIBE IS AUTHORIZED TO OPERATE THE FOLLOWING GAMING ACTIVITIES: (1) CLASS III GAMING DEVICES, (2) BLACKJACK, (3) JACKPOT POKER, (4) KENO, (5) LOTTERY, (6) OFF-TRACK PARI-MUTUEL WAGERING, (7) PARI-MUTUEL WAGERING ON HORSE RACING, AND (8) PARI-MUTUEL WAGERING ON DOG RACING.

(B) APPENDICES GOVERNING GAMING.

(1) TECHNICAL STANDARDS FOR GAMING DEVICES. THE TRIBE MAY ONLY OPERATE CLASS III GAMING DEVICES, INCLUDING MULTI-STATION DEVICES, WHICH COMPLY WITH THE TECHNICAL STANDARDS SET FORTH IN APPENDIX A TO THIS COMPACT. THE TRIBAL GAMING OFFICE SHALL REQUIRE EACH LICENSED AND CERTIFIED MANUFACTURER AND DISTRIBUTOR TO VERIFY UNDER OATH, ON FORMS PROVIDED BY THE TRIBAL GAMING OFFICE, THAT THE CLASS III GAMING DEVICES MANUFACTURED OR DISTRIBUTED BY THEM FOR USE OR PLAY AT THE GAMING FACILITIES MEET THE REQUIREMENTS OF THIS SECTION 3(B)(1) AND APPENDIX A. THE TRIBAL GAMING OFFICE AND THE STATE

GAMING AGENCY BY MUTUAL AGREEMENT MAY REQUIRE THE TESTING OF ANY CLASS III GAMING DEVICE TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION 3(B)(1) AND APPENDIX A. ANY SUCH TESTING SHALL BE AT THE EXPENSE OF THE LICENSED MANUFACTURER OR DISTRIBUTOR.

(2) OPERATIONAL STANDARDS FOR BLACKJACK AND JACKPOT POKER. THE TRIBE SHALL CONDUCT BLACKJACK AND JACKPOT POKER IN ACCORDANCE WITH AN APPENDIX, WHICH SHALL CONSIST OF THE MINIMUM INTERNAL CONTROL STANDARDS OF THE COMMISSION AS SET FORTH IN 25 C.F.R. PART 542 AS PUBLISHED IN 64 FED. REG. 590 (JAN. 5, 1999) AS MAY BE AMENDED FROM TIME TO TIME, WITHOUT REGARD TO THE COMMISSION'S AUTHORITY TO PROMULGATE THE STANDARDS, UNTIL AN APPENDIX SETTING FORTH THE OPERATIONAL STANDARDS, SPECIFICATIONS, REGULATIONS AND ANY LIMITATIONS GOVERNING SUCH GAMING ACTIVITIES IS AGREED TO BY THE TRIBE AND THE STATE.

(3) ADDITIONAL APPENDICES.

(A) EXCEPT AS PROVIDED IN SECTIONS 3(B)(1) AND (2), THE TRIBE MAY NOT CONDUCT ANY GAMING ACTIVITIES AUTHORIZED IN THIS COMPACT WITHOUT A MUTUALLY AGREED-UPON APPENDIX SETTING FORTH THE OPERATIONAL STANDARDS, SPECIFICATIONS, REGULATIONS AND ANY LIMITATIONS GOVERNING SUCH GAMING ACTIVITIES. FOR PURPOSES OF THIS SUBSECTION, PROMOTIONAL ACTIVITY CONDUCTED AS A LOTTERY IS A GAMING ACTIVITY FOR WHICH AN APPENDIX SHALL BE REQUIRED. ANY DISPUTES REGARDING THE CONTENTS OF SUCH APPENDICES SHALL BE RESOLVED IN THE MANNER SET FORTH IN SECTION 15.

(B) THE GAMING FACILITY OPERATOR SHALL CONDUCT ITS GAMING ACTIVITIES UNDER AN INTERNAL CONTROL SYSTEM THAT IMPLEMENTS THE MINIMUM INTERNAL CONTROL STANDARDS OF THE COMMISSION AS SET FORTH IN 25 C.F.R. PART 542 AS PUBLISHED IN 64 FED. REG. 590 (JAN. 5, 1999) AS MAY BE AMENDED FROM TIME TO TIME, WITHOUT REGARD TO THE COMMISSION'S AUTHORITY TO PROMULGATE THE STANDARDS.

(C) THE TRIBAL GAMING OFFICE AND THE STATE GAMING AGENCY MAY AGREE TO AMEND APPENDICES TO THIS COMPACT IN ORDER TO CONTINUE EFFICIENT REGULATION AND ADDRESS FUTURE CIRCUMSTANCES. A CHANGE IN AN APPENDIX OR THE ADDITION OF A NEW APPENDIX SHALL NOT BE CONSIDERED AN AMENDMENT TO THIS COMPACT.

(4) SECURITY AND SURVEILLANCE REQUIREMENTS. THE TRIBE SHALL COMPLY WITH THE SECURITY AND SURVEILLANCE REQUIREMENTS SET FORTH IN APPENDIX C TO THIS COMPACT.

(A) IF THE GAMING FACILITY OPERATOR OPERATES THE SURVEILLANCE SYSTEM, THE MANAGER OF THE SURVEILLANCE DEPARTMENT MAY REPORT TO MANAGEMENT OF THE GAMING FACILITY OPERATOR REGARDING ADMINISTRATIVE AND DAILY MATTERS, BUT MUST REPORT TO A PERSON OR PERSONS INDEPENDENT OF THE MANAGEMENT OF THE GAMING FACILITY OPERATOR (E.G., THE GAMING FACILITY OPERATOR'S MANAGEMENT BOARD OR A COMMITTEE THEREOF, THE TRIBE'S COUNCIL OR A COMMITTEE THEREOF, OR THE TRIBE'S CHAIRPERSON, PRESIDENT, OR GOVERNOR) REGARDING MATTERS OF POLICY, PURPOSE, RESPONSIBILITY, AUTHORITY, AND INTEGRITY OF CASINO MANAGEMENT.

(B) IF THE TRIBAL GAMING OFFICE OPERATES THE SURVEILLANCE SYSTEM, THE MANAGER OF ITS SURVEILLANCE DEPARTMENT MUST REPORT DIRECTLY TO THE EXECUTIVE DIRECTOR OF THE TRIBAL GAMING OFFICE.

(5) ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM. EACH GAMING FACILITY MUST HAVE AN ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM THAT MEETS THE REQUIREMENTS OF APPENDIX A.

(A) IF THE TRIBE IS AK-CHIN INDIAN COMMUNITY, FT. MCDOWELL YAVAPAI NATION, GILA RIVER INDIAN COMMUNITY, PASCUA YAQUI TRIBE, SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, OR TOHONO O'ODHAM NATION, THEN THE GAMING FACILITY OPERATOR SHALL PROVIDE THE STATE GAMING AGENCY WITH REAL TIME READ-ONLY ELECTRONIC ACCESS TO THE ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM FOR EACH GAMING FACILITY OF THE TRIBE THAT IS LOCATED WITHIN FORTY (40) MILES OF A MUNICIPALITY WITH A POPULATION OF MORE THAN FOUR HUNDRED THOUSAND (400,000), TO PROVIDE THE STATE GAMING AGENCY A MORE EFFECTIVE AND EFFICIENT MEANS OF REGULATING GAMING DEVICES AND TRACKING REVENUES.

1. THE STATE GAMING AGENCY'S REAL TIME READ-ONLY ELECTRONIC ACCESS SHALL BE LIMITED TO THE FOLLOWING DATA MAINTAINED BY THE ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM, PROVIDED THAT THE DATA IS AVAILABLE IN REAL-TIME AND PROVIDING REAL-TIME ACCESS DOES NOT RESULT IN THE LOSS OF ACCUMULATION OF DATA ELEMENTS: COIN IN; COIN OUT; DROP (BILLS AND COINS); INDIVIDUAL BILLS DENOMINATION; VOUCHERS; THEORETICAL HOLD; VARIANCES; JACKPOTS; MACHINE FILLS; TICKET IN; TICKET OUT; SLOT DOOR OPENING; DROP DOOR OPENING; CASH BOX OPENING; TICKET IN OPENING; TICKET OUT OPENING; AND NO-COMMUNICATION. IF PROVIDING THIS DATA IN REAL-TIME WOULD RESULT IN THE LOSS OF ACCUMULATION OF DATA ELEMENTS, THE GAMING FACILITY OPERATOR MUST PROVIDE THE STATE GAMING AGENCY WITH ACCESS TO THE DATA VIA END-OF-DAY REPORTS CONTAINING THE REQUIRED DATA.

2. THE STATE GAMING AGENCY SHALL PHASE IN THE SYSTEM TO PROVIDE IT WITH REAL TIME READ-ONLY ACCESS TO THE ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM OVER A THREE YEAR PERIOD. THE STATE GAMING AGENCY SHALL PAY THE COST OF:

A. CONSTRUCTING AND MAINTAINING A DEDICATED TELECOMMUNICATIONS CONNECTION BETWEEN THE GAMING FACILITY OPERATOR'S SERVER ROOM AND THE STATE GAMING AGENCY'S OFFICES;

B. OBTAINING, INSTALLING, AND MAINTAINING ANY HARDWARE OR SOFTWARE NECESSARY TO INTERFACE BETWEEN THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM AND THE DEDICATED TELECOMMUNICATIONS CONNECTION; AND

C. OBTAINING, INSTALLING, AND MAINTAINING ANY HARDWARE OR SOFTWARE REQUIRED IN THE STATE GAMING AGENCY'S OFFICES.

3. THE STATE GAMING AGENCY'S DEDICATED TELECOMMUNICATIONS CONNECTION FROM ITS OFFICES TO EACH GAMING FACILITY MUST MEET ACCEPTED INDUSTRY STANDARDS FOR SECURITY SUFFICIENT TO MINIMIZE THE POSSIBILITY OF ANY THIRD-PARTY INTERCEPTING ANY DATA TRANSMITTED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM OVER THE CONNECTION. THE STATE GAMING AGENCY'S SYSTEM SECURITY POL-

ICY MUST MEET ACCEPTED INDUSTRY STANDARDS TO ASSURE THAT DATA RECEIVED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM WILL NOT BE ACCESSIBLE TO UNAUTHORIZED PERSONS OR ENTITIES.

(B) THE STATE GAMING AGENCY (AND ITS OFFICERS, EMPLOYEES, AND AGENTS) ARE PROHIBITED FROM:

1. USING ANY INFORMATION OBTAINED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM FOR ANY PURPOSE OTHER THAN TO CARRY OUT ITS DUTIES UNDER THIS COMPACT; AND

2. DISCLOSING ANY INFORMATION OBTAINED FROM THE GAMING FACILITY OPERATOR'S ONLINE ELECTRONIC GAME MANAGEMENT SYSTEM TO ANY PERSON OUTSIDE THE STATE GAMING AGENCY, EXCEPT AS PROVIDED IN SECTION 7(B) AND SECTION 12(C).

(C) NUMBER OF GAMING DEVICE OPERATING RIGHTS AND NUMBER OF GAMING FACILITIES.

(1) NUMBER OF GAMING DEVICES. THE TRIBE'S GAMING DEVICE OPERATING RIGHTS ARE EQUAL TO THE SUM OF ITS CURRENT GAMING DEVICE ALLOCATION, PLUS ANY RIGHTS TO OPERATE ADDITIONAL GAMING DEVICES ACQUIRED BY THE TRIBE IN ACCORDANCE WITH AND SUBJECT TO THE PROVISIONS OF SECTION 3(D). THE TRIBE MAY OPERATE ONE CLASS III GAMING DEVICE FOR EACH OF THE TRIBE'S GAMING DEVICE OPERATING RIGHTS.

(2) CLASS II GAMING DEVICES. THE TRIBE MAY OPERATE UP TO FORTY (40) CLASS II GAMING DEVICES IN A GAMING FACILITY WITHOUT ACQUIRING GAMING DEVICE OPERATING RIGHTS UNDER SECTION 3(D), BUT SUCH CLASS II GAMING DEVICES SHALL BE COUNTED AGAINST THE TRIBE'S NUMBER OF ADDITIONAL GAMING DEVICES. EACH CLASS II GAMING DEVICE IN EXCESS OF FORTY (40) THAT THE TRIBE OPERATES WITHIN ITS INDIAN LANDS SHALL BE COUNTED AGAINST THE TRIBE'S CURRENT GAMING DEVICE ALLOCATION.

(3) NUMBER OF GAMING FACILITIES AND MAXIMUM DEVICES PER GAMING FACILITY. THE TRIBE MAY OPERATE GAMING DEVICES IN THE NUMBER OF GAMING FACILITIES IN COLUMN (3) OR (4) OF THE TRIBE'S ROW IN THE TABLE, WHICHEVER IS LOWER, BUT SHALL NOT OPERATE MORE THAN ITS MAXIMUM DEVICES PER GAMING FACILITY IN ANY ONE GAMING FACILITY. THE MAXIMUM DEVICES PER GAMING FACILITY FOR THE TRIBE IS THE SUM OF THE TRIBE'S CURRENT GAMING DEVICE ALLOCATION (INCLUDING AUTOMATIC PERIODIC INCREASES UNDER SECTION 3(C)(4)), PLUS THE TRIBE'S ADDITIONAL GAMING DEVICES, EXCEPT IF THE TRIBE IS SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY, GILA RIVER INDIAN COMMUNITY, PASCUA YAQUI TRIBE, TOHONO O'ODHAM NATION, OR NAVAJO NATION, THEN THE MAXIMUM DEVICES PER GAMING FACILITY IS THE SAME NUMBER AS THE MAXIMUM DEVICES PER GAMING FACILITY FOR AK-CHIN INDIAN COMMUNITY AND FT. MCDOWELL YAVAPAI NATION. IF THE TRIBE IS THE TOHONO O'ODHAM NATION, AND IF THE TRIBE OPERATES FOUR (4) GAMING FACILITIES, THEN AT LEAST ONE OF THE FOUR (4) GAMING FACILITIES SHALL: (I) BE AT LEAST FIFTY (50) MILES FROM THE EXISTING GAMING FACILITIES OF THE TRIBE IN THE TUCSON METROPOLITAN AREA AS OF THE EFFECTIVE DATE; (II) HAVE NO MORE THAN SIX HUNDRED FORTY-FIVE (645) GAMING DEVICES; AND (III) HAVE NO MORE THAN SEVENTY-FIVE (75) CARD GAME TABLES.

(4) PERIODIC INCREASE. DURING THE TERM OF THIS COMPACT, THE TRIBE'S CURRENT GAMING DEVICE ALLOCATION SHALL BE AUTOMATICALLY INCREASED (BUT NOT DECREASED), WITHOUT THE NEED TO AMEND THIS COMPACT ON EACH FIVE-YEAR ANNIVERSARY OF THE EFFECTIVE DATE, TO THE NUMBER EQUAL TO THE

CURRENT GAMING DEVICE ALLOCATION SPECIFIED IN THE TABLE MULTIPLIED BY THE POPULATION ADJUSTMENT RATE (WITH ANY FRACTIONS ROUNDED UP TO THE NEXT WHOLE NUMBER).

(5) GAMING DEVICE ALLOCATION TABLE.

GAMING DEVICE ALLOCATION TABLE

LISTED TRIBE	(1) CURRENT GAMING DEVICE ALLO- CATION	(2) ADDITIONAL GAMING DEVICES	(3) PREVIOUS GAMING FACILITY ALLOCATION	(4) REVISED GAMING FACILITY ALLOCATION
THE COCOPAH INDIAN TRIBE	475	170	2	2
FORT MOJAVE INDIAN TRIBE	475	370	2	2
QUECHAN TRIBE	475	370	2	2
TONTO APACHE TRIBE	475	170	2	1
YAVAPAI-APACHE NATION	475	370	2	1
YAVAPAI-PRESCOTT TRIBE	475	370	2	2
COLORADO RIVER INDIAN TRIBES	475	370	2	2
SAN CARLOS APACHE TRIBE	900	230	3	2
WHITE MOUNTAIN APACHE TRIBE	900	40	3	2
AK-CHIN INDIAN COMMUNITY	475	523	2	1
FT. MCDOWELL YAVAPAI NATION	475	523	2	1
SALT RIVER PIMA-MARICOPA INDIAN COMMUNITY	700	830	3	2
GILA RIVER INDIAN COMMUNITY	1400	1020	4	3
PASCUA YAQUI TRIBE	900	670	3	2
TOHONO O'ODHAM NATION	1400	1020	4	4
SUBTOTAL	10,475		38	29
NON-GAMING TRIBES (AS OF 5/1/02)				
HAVASUPAI TRIBE	475		2	
HUALAPAI TRIBE	475		2	
KAIBAB-PAIUTE TRIBE	475		2	
HOPI TRIBE	900		3	
NAVAJO NATION	2400		4	
SAN JUAN SOUTHERN PAIUTE TRIBE	475		2	
SUBTOTAL	5,200		15	
STATE TOTAL	15,675		53	

(6) IF THE TRIBE IS NOT LISTED ON THE TABLE, THE TRIBE'S CURRENT DEVICE ALLOCATION SHALL BE FOUR

HUNDRED SEVENTY-FIVE (475) GAMING DEVICES AND THE TRIBE'S REVISED GAMING FACILITY ALLOCATION SHALL BE TWO (2) GAMING FACILITIES.

(7) MULTI-STATION DEVICES. NO MORE THAN TWO AND ONE-HALF PERCENT (2.5%) OF THE GAMING DEVICES IN A GAMING FACILITY (ROUNDED OFF TO THE NEAREST WHOLE NUMBER) MAY BE MULTI-STATION DEVICES.

(D) TRANSFER OF GAMING DEVICE OPERATING RIGHTS.

(1) TRANSFER REQUIREMENTS. DURING THE TERM OF THIS COMPACT, THE TRIBE MAY ENTER INTO A TRANSFER AGREEMENT WITH ONE OR MORE INDIAN TRIBES TO ACQUIRE GAMING DEVICE OPERATING RIGHTS UP TO THE TRIBE'S NUMBER OF ADDITIONAL GAMING DEVICES OR TO TRANSFER SOME OR ALL THE TRIBE'S GAMING DEVICE OPERATING RIGHTS UP TO THE TRIBE'S CURRENT GAMING DEVICE ALLOCATION, EXCEPT THAT IF THE TRIBE IS NAVAJO NATION, THEN THE TRIBE MAY TRANSFER ONLY UP TO 1400 GAMING DEVICES OF ITS CURRENT GAMING DEVICE ALLOCATION. THE TRIBE'S ACQUISITION OR TRANSFER OF GAMING DEVICE OPERATING RIGHTS IS SUBJECT TO THE FOLLOWING CONDITIONS:

(A) GAMING COMPACT. EACH INDIAN TRIBE THAT IS A PARTY TO A TRANSFER AGREEMENT MUST HAVE A VALID AND EFFECTIVE NEW COMPACT AS DEFINED IN A.R.S. SECTION 5-601.02(I)(6) THAT CONTAINS A PROVISION SUBSTANTIALLY SIMILAR TO THIS SECTION 3(D) PERMITTING TRANSFERS OF THE INDIAN TRIBE'S GAMING DEVICE OPERATING RIGHTS.

(B) FORBEARANCE AGREEMENT. IF THE TRIBE ENTERS INTO A TRANSFER AGREEMENT TO TRANSFER SOME OR ALL OF ITS GAMING DEVICE OPERATING RIGHTS THE TRIBE SHALL ALSO EXECUTE A FORBEARANCE AGREEMENT WITH THE STATE. THE FORBEARANCE AGREEMENT SHALL INCLUDE:

1. A WAIVER OF ALL RIGHTS OF THE TRIBE TO PUT INTO PLAY OR OPERATE THE NUMBER OF GAMING DEVICE OPERATING RIGHTS TRANSFERRED DURING THE TERM OF THE TRANSFER AGREEMENT;

2. AN AGREEMENT BY THE TRIBE TO REDUCE ITS GAMING FACILITY ALLOCATION DURING THE TERM OF THE TRANSFER AGREEMENT AS FOLLOWS:

NUMBER OF TRANSFERRED GAMING DEVICE OPERATING RIGHTS	REDUCTIONS IN GAMING FACILITY ALLOCATION
1 - 475	1
476 - 1020	2
1021 - 1400	3

(I) IF THE TRIBE'S NUMBER UNDER COLUMN (4) OF THE TABLE IS LOWER THAN THE TRIBE'S NUMBER UNDER COLUMN (3), THEN THE TRIBE SHALL BE CREDITED FOR THE REDUCTION, IF THE TRIBE ENTERS INTO A TRANSFER AGREEMENT.

(II) THE NUMBERS IN THE COLUMN UNDER NUMBER OF TRANSFERRED GAMING DEVICE OPERATING RIGHTS SHALL BE INCREASED ON EACH FIVE-YEAR ANNIVERSARY OF THE

EFFECTIVE DATE BY MULTIPLYING EACH SUCH NUMBER, OTHER THAN ONE (1), BY THE POPULATION ADJUSTMENT RATE.

(III) REDUCTIONS IN THE GAMING FACILITY ALLOCATION WILL BE BASED ON THE CUMULATIVE TOTAL NUMBER OF GAMING DEVICE OPERATING RIGHTS TRANSFERRED BY THE TRIBE UNDER ALL TRANSFER AGREEMENTS THAT ARE IN EFFECT.

(IV) IF THE TRIBE IS THE NAVAJO NATION, THEN THE TRIBE'S GAMING FACILITY ALLOCATION SHALL BE TWO (2), EVEN IF THE TRIBE TRANSFERS UP TO 1400 GAMING DEVICE OPERATING RIGHTS.

(C) GAMING FACILITY NOT REQUIRED. THE TRIBE MAY TRANSFER UNUSED GAMING DEVICE OPERATING RIGHTS WHETHER OR NOT IT HAS A GAMING FACILITY ALLOCATION.

(D) CURRENT OPERATION. THE TRIBE MUST OPERATE GAMING DEVICES AT LEAST EQUAL TO ITS CURRENT GAMING DEVICE ALLOCATION BEFORE, OR SIMULTANEOUSLY WITH, THE TRIBE ACQUIRING THE RIGHT TO OPERATE ADDITIONAL GAMING DEVICES BY A TRANSFER AGREEMENT. THE TRIBE IS NOT REQUIRED TO UTILIZE ANY GAMING DEVICE OPERATING RIGHTS IT ACQUIRES, OR TO UTILIZE THEM PRIOR TO ACQUIRING ADDITIONAL GAMING DEVICE OPERATING RIGHTS.

(E) TRANSFER OF ACQUIRED GAMING DEVICE OPERATING RIGHTS PROHIBITED. THE TRIBE SHALL NOT AT ANY TIME SIMULTANEOUSLY ACQUIRE GAMING DEVICE OPERATING RIGHTS AND TRANSFER GAMING DEVICE OPERATING RIGHTS PURSUANT TO TRANSFER AGREEMENTS.

(2) TRANSFER AGREEMENTS. TRANSFERS OF GAMING DEVICE OPERATING RIGHTS MAY BE MADE PURSUANT TO A TRANSFER AGREEMENT BETWEEN TWO INDIAN TRIBES. A TRANSFER AGREEMENT MUST INCLUDE THE FOLLOWING PROVISIONS:

(A) NUMBER. THE NUMBER OF GAMING DEVICE OPERATING RIGHTS TRANSFERRED AND ACQUIRED.

(B) TERM. THE DURATION OF THE TRANSFER AGREEMENT.

(C) CONSIDERATION. THE CONSIDERATION TO BE PAID BY THE INDIAN TRIBE ACQUIRING THE GAMING DEVICE OPERATING RIGHTS TO THE INDIAN TRIBE TRANSFERRING THE GAMING DEVICE OPERATING RIGHTS AND THE METHOD OF PAYMENT.

(D) DISPUTE RESOLUTION. THE DISPUTE RESOLUTION AND ENFORCEMENT PROCEDURES, INCLUDING A PROVISION FOR THE STATE TO RECEIVE NOTICE OF ANY SUCH PROCEEDING.

(E) NOTICE. A PROCEDURE TO PROVIDE QUARTERLY NOTICE TO THE STATE GAMING AGENCY OF PAYMENTS MADE AND RECEIVED, AND TO PROVIDE TIMELY NOTICE OF DISPUTES, REVOCATION, AMENDMENT, AND TERMINATION.

(3) TRANSFER NOTICE. AT LEAST THIRTY (30) DAYS PRIOR TO THE EXECUTION OF A TRANSFER AGREEMENT, THE TRIBE MUST SEND TO THE STATE GAMING AGENCY A TRANSFER NOTICE OF ITS INTENT TO ACQUIRE OR TRANSFER GAMING DEVICE OPERATING RIGHTS. THE TRANSFER NOTICE SHALL INCLUDE A COPY OF THE PROPOSED TRANSFER AGREEMENT, THE PROPOSED FORBEARANCE AGREEMENT AND A COPY OF THE TRIBAL RESOLUTION AUTHORIZING THE ACQUISITION OR TRANSFER.

(4) STATE GAMING AGENCY DENIAL OF TRANSFER. THE STATE GAMING AGENCY MAY DENY A TRANSFER AS SET FORTH IN A TRANSFER NOTICE ONLY IF: (I) THE PROPOSED TRANSFER VIOLATES THE CONDITIONS SET FORTH IN SECTION 3(D)(1), OR (II) THE PROPOSED TRANSFER AGREEMENT DOES NOT CONTAIN THE MINIMUM REQUIREMENTS LISTED IN SECTION 3(D)(2). THE STATE GAMING AGENCY'S DENIAL OF A PROPOSED TRANSFER MUST BE IN WRITING, MUST

INCLUDE THE SPECIFIC REASON(S) FOR THE DENIAL (INCLUDING COPIES OF ALL DOCUMENTATION RELIED UPON BY THE STATE GAMING AGENCY TO THE EXTENT ALLOWED BY STATE LAW), AND MUST BE RECEIVED BY THE TRIBE WITHIN THIRTY (30) DAYS OF THE STATE GAMING AGENCY'S RECEIPT OF THE TRANSFER NOTICE. IF THE TRIBE DISPUTES THE STATE GAMING AGENCY'S DENIAL OF A PROPOSED TRANSFER, THE TRIBE SHALL HAVE THE RIGHT TO HAVE SUCH DISPUTE RESOLVED PURSUANT TO SECTION 15.

(5) EFFECTIVE DATE OF TRANSFER. IF THE TRIBE DOES NOT RECEIVE A NOTICE OF DENIAL OF THE TRANSFER FROM THE STATE GAMING AGENCY WITHIN THE TIME PERIOD SPECIFIED ABOVE, THE PROPOSED TRANSFER AGREEMENT SHALL BECOME EFFECTIVE ON THE LATER OF THE THIRTY-FIRST (31ST) DAY FOLLOWING THE STATE GAMING AGENCY'S RECEIPT OF THE TRANSFER NOTICE OR THE DATE SET FORTH IN THE TRANSFER AGREEMENT.

(6) USE OF BROKERS. THE TRIBE SHALL NOT CONTRACT WITH ANY PERSON TO ACT AS A BROKER IN CONNECTION WITH A TRANSFER AGREEMENT. NO PERSON SHALL BE PAID A PERCENTAGE FEE OR A COMMISSION AS A RESULT OF A TRANSFER AGREEMENT, NOR SHALL ANY PERSON RECEIVE A SHARE OF ANY FINANCIAL INTEREST IN THE TRANSFER AGREEMENT OR THE PROCEEDS GENERATED BY THE TRANSFER AGREEMENT. ANY PERSON ACTING AS A BROKER IN CONNECTION WITH A TRANSFER AGREEMENT IS PROVIDING GAMING SERVICES.

(7) REVENUE FROM TRANSFER AGREEMENTS. THE TRIBE AGREES THAT: (I) ALL PROCEEDS RECEIVED BY THE TRIBE AS A TRANSFEROR UNDER A TRANSFER AGREEMENT ARE NET REVENUES FROM TRIBAL GAMING AS DEFINED BY THE ACT AND THAT SUCH PROCEEDS SHALL BE USED FOR THE PURPOSES PERMITTED UNDER THE ACT; AND (II) THE TRIBE SHALL INCLUDE THE PROCEEDS IN AN ANNUAL AUDIT AND SHALL MAKE AVAILABLE TO THE STATE THAT PORTION OF THE AUDIT ADDRESSING PROCEEDS FROM TRANSFER AGREEMENTS.

(8) AGREED UPON PROCEDURES REPORT. THE TRIBE AGREES TO PROVIDE TO THE STATE GAMING AGENCY, EITHER SEPARATELY OR WITH THE OTHER PARTY TO THE TRANSFER AGREEMENT, AN AGREED UPON PROCEDURES REPORT FROM AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT. THE PROCEDURES TO BE EXAMINED AND REPORTED UPON ARE WHETHER PAYMENTS MADE UNDER THE TRANSFER AGREEMENT WERE MADE IN THE PROPER AMOUNT, MADE AT THE PROPER TIME, AND DEPOSITED IN AN ACCOUNT OF THE INDIAN TRIBE TRANSFERRING GAMING DEVICE OPERATING RIGHTS.

(9) STATE PAYMENT. PROCEEDS RECEIVED BY THE TRIBE AS A TRANSFEROR UNDER A TRANSFER AGREEMENT FROM THE TRANSFER OF GAMING DEVICE OPERATING RIGHTS ARE NOT SUBJECT TO ANY PAYMENT TO THE STATE UNDER THIS COMPACT OR OTHERWISE.

(10) COMPACT ENFORCEMENT; EFFECT ON TRANSFER AGREEMENTS. IF THE TRIBE ACQUIRES GAMING DEVICE OPERATING RIGHTS UNDER A TRANSFER AGREEMENT, NO DISPUTE BETWEEN THE STATE AND THE OTHER PARTY TO THE TRANSFER AGREEMENT SHALL AFFECT THE TRIBE'S RIGHTS UNDER THE TRANSFER AGREEMENT OR THE TRIBE'S OBLIGATIONS TO MAKE THE PAYMENTS REQUIRED UNDER THE TRANSFER AGREEMENT. IF THE TRIBE TRANSFERS GAMING DEVICE OPERATING RIGHTS UNDER A TRANSFER AGREEMENT, NO DISPUTE BETWEEN THE STATE AND THE OTHER PARTY TO THE TRANSFER AGREEMENT SHALL AFFECT THE TRIBE'S RIGHTS UNDER THE TRANSFER AGREEMENT OR THE OBLIGATIONS OF THE OTHER PARTY TO THE TRANSFER AGREEMENT TO MAKE THE PAYMENTS

REQUIRED UNDER THE TRANSFER AGREEMENT. THESE PROVISIONS SHALL NOT APPLY TO A DISPUTE AMONG THE STATE AND BOTH PARTIES TO A TRANSFER AGREEMENT REGARDING THE VALIDITY OF A TRANSFER AGREEMENT OR TO A DISPUTE BETWEEN THE PARTIES TO A TRANSFER AGREEMENT REGARDING A BREACH OF THE TRANSFER AGREEMENT.

(11) ACCESS TO RECORDS REGARDING TRANSFER AGREEMENT. THE STATE GAMING AGENCY SHALL HAVE ACCESS TO ALL RECORDS OF THE TRIBE DIRECTLY RELATING TO TRANSFER AGREEMENTS AND FORBEARANCE AGREEMENTS UNDER SECTION 7(B).

(12) TRANSFER AND ACQUISITION OF POOLED GAMING DEVICES.

(A) THE TRIBE IS AUTHORIZED TO JOIN WITH OTHER INDIAN TRIBES TO PERIODICALLY ESTABLISH A POOL TO COLLECT GAMING DEVICE OPERATING RIGHTS FROM INDIAN TRIBES THAT DESIRE TO TRANSFER GAMING DEVICE OPERATING RIGHTS AND TRANSFER THEM TO INDIAN TRIBES THAT DESIRE TO ACQUIRE GAMING DEVICE OPERATING RIGHTS. IF THE TRIBE IS OPERATING ALL OF ITS CURRENT GAMING DEVICE ALLOCATION AND, AFTER MAKING REASONABLE EFFORTS TO DO SO, THE TRIBE IS NOT ABLE TO ACQUIRE ADDITIONAL GAMING DEVICES PURSUANT TO AN AGREEMENT DESCRIBED IN SECTION 3(D)(2), THE TRIBE MAY ACQUIRE ADDITIONAL GAMING DEVICES UP TO THE NUMBER SPECIFIED IN THE TABLE FOR THE TRIBE FROM A TRANSFER POOL UNDER PROCEDURES AGREED TO BY INDIAN TRIBES PARTICIPATING IN THE TRANSFER POOL AND THE STATE.

(B) THE TRIBE AND THE STATE ARE AUTHORIZED TO ESTABLISH A POOLING MECHANISM, UNDER PROCEDURES AGREED TO BY THE TRIBE AND THE STATE, BY WHICH THE RIGHTS TO OPERATE GAMING DEVICES THAT ARE NOT IN OPERATION MAY BE ACQUIRED BY AN INDIAN TRIBE THROUGH AN AGREEMENT WITH THE STATE. IF THE TRIBE IS OPERATING ALL OF ITS CURRENT GAMING DEVICE ALLOCATION AND, AFTER MAKING REASONABLE EFFORTS TO DO SO, THE TRIBE IS NOT ABLE TO ACQUIRE ADDITIONAL GAMING DEVICES PURSUANT TO AN AGREEMENT DESCRIBED IN SECTION 3(D)(2) OR FROM ANY TRANSFER POOL ESTABLISHED PURSUANT TO SECTION 3(D)(12)(A) WITHIN 90 DAYS AFTER THE OPENING OF A TRANSFER POOL ESTABLISHED PURSUANT TO SECTION 3(D)(12)(A), THE TRIBE MAY ACQUIRE ADDITIONAL GAMING DEVICES FROM THE STATE UP TO THE NUMBER SPECIFIED IN THE TABLE FOR THE TRIBE AT A PRICE THAT IS AT LEAST ONE HUNDRED PERCENT (100%) OF THE HIGHEST PRICE PAID TO DATE FOR THE TRANSFER OF AT LEAST ONE HUNDRED (100) GAMING DEVICE OPERATING RIGHTS FOR A TERM OF AT LEAST FIVE (5) YEARS. THE MONIES PAID BY AN INDIAN TRIBE TO ACQUIRE ADDITIONAL GAMING DEVICES UNDER AN AGREEMENT PURSUANT TO THIS SECTION 3(D)(12)(B) SHALL BENEFIT INDIAN TRIBES THAT HAVE THE RIGHT TO OPERATE GAMING DEVICES THAT ARE ELIGIBLE TO BE TRANSFERRED AND ARE NOT IN OPERATION. THE STATE SHALL PROVIDE INDIAN TRIBES THAT ARE ELIGIBLE TO ENTER INTO AN AGREEMENT WITH THE STATE PURSUANT TO THIS SECTION 3(D)(12)(B) THE OPPORTUNITY TO PARTICIPATE IN THE POOL PURSUANT TO THE PROCEDURES AGREED TO BY THE TRIBE AND THE STATE.

(C) PRIOR TO AGREEING TO ANY PROCEDURES WITH ANY INDIAN TRIBE PURSUANT TO SECTIONS 3(D)(12)(A) OR (B), THE STATE SHALL PROVIDE NOTICE TO THE TRIBE OF THE PROPOSED PROCEDURES.

(E) NUMBER OF CARD GAME TABLES.

(1) NUMBER OF CARD GAME TABLES; NUMBER OF PLAYERS PER GAME. SUBJECT TO THE TERMS AND

CONDITIONS OF THIS COMPACT, THE TRIBE IS AUTHORIZED TO OPERATE UP TO SEVENTY-FIVE (75) CARD GAME TABLES WITHIN EACH GAMING FACILITY THAT IS LOCATED MORE THAN FORTY (40) MILES FROM ANY MUNICIPALITY WITH A POPULATION OF MORE THAN FOUR HUNDRED THOUSAND (400,000) PERSONS; AND UP TO ONE HUNDRED (100) CARD GAME TABLES WITHIN EACH GAMING FACILITY THAT IS LOCATED WITHIN FORTY (40) MILES OF A MUNICIPALITY WITH A POPULATION OF MORE THAN FOUR HUNDRED THOUSAND (400,000) PERSONS. EACH BLACKJACK TABLE SHALL BE LIMITED TO NO MORE THAN SEVEN (7) AVAILABLE PLAYER POSITIONS PLUS THE DEALER. EACH POKER TABLE SHALL BE LIMITED TO NO MORE THAN TEN (10) AVAILABLE PLAYER POSITIONS PLUS THE DEALER. THE TRIBE AGREES THAT IT WILL NOT OPERATE CARD GAMES OUTSIDE OF A GAMING FACILITY.

(2) PERIODIC INCREASES IN THE NUMBER OF CARD GAME TABLES. THE NUMBER OF CARD GAME TABLES THAT THE TRIBE IS AUTHORIZED TO OPERATE IN EACH GAMING FACILITY SHALL BE AUTOMATICALLY INCREASED (BUT NOT DECREASED), WITHOUT THE NEED TO AMEND THIS COMPACT ON EACH FIVE-YEAR ANNIVERSARY OF THE EFFECTIVE DATE, TO THE NUMBER THAT IS EQUAL TO THE NUMBER OF CARD GAME TABLES THE TRIBE IS AUTHORIZED TO OPERATE IN EACH GAMING FACILITY SET FORTH IN SECTION 3(E)(1) MULTIPLIED BY THE APPLICABLE POPULATION ADJUSTMENT RATE (WITH ANY FRACTION ROUNDED UP TO THE NEXT WHOLE NUMBER).

(F) NUMBER OF KENO GAMES. SUBJECT TO THE TERMS AND CONDITIONS OF THIS COMPACT, THE TRIBE IS AUTHORIZED TO OPERATE NO MORE THAN TWO (2) KENO GAMES PER GAMING FACILITY.

(G) INTER-TRIBAL PARITY PROVISIONS.

(1) GAMING DEVICES. EXCEPT AS PROVIDED IN SECTION 3(G)(5), IF, DURING THE TERM OF THIS COMPACT:

(A) AN INDIAN TRIBE LISTED ON THE TABLE IS AUTHORIZED OR PERMITTED TO OPERATE IN THE STATE:

1. MORE CLASS III GAMING DEVICES THAN THE TOTAL NUMBER OF THAT INDIAN TRIBE'S CURRENT GAMING DEVICE ALLOCATION IN COLUMN (1) OF THE TABLE, PLUS THE NUMBER OF THAT INDIAN TRIBE'S ADDITIONAL GAMING DEVICES IN COLUMN (2) OF THE TABLE; OR

2. MORE CLASS III GAMING DEVICES THAN THAT INDIAN TRIBE'S CURRENT GAMING DEVICE ALLOCATION IN COLUMN (1) OF THE TABLE WITHOUT ACQUIRING GAMING DEVICE OPERATING RIGHTS PURSUANT TO AND IN ACCORDANCE WITH SECTION 3(D); OR

3. MORE CLASS III GAMING DEVICES WITHIN A SINGLE GAMING FACILITY THAN THAT INDIAN TRIBE'S MAXIMUM DEVICES PER GAMING FACILITY (AS ADJUSTED IN ACCORDANCE WITH SECTION 3(C)(3)); OR

(B) ANY INDIAN TRIBE NOT LISTED ON THE TABLE IS AUTHORIZED OR PERMITTED AFTER THE EFFECTIVE DATE TO OPERATE IN THE STATE MORE THAN FOUR HUNDRED SEVENTY-FIVE (475) CLASS III GAMING DEVICES, OR MORE THAN FIVE HUNDRED TWENTY-THREE (523) ADDITIONAL GAMING DEVICES UNDER TERMS OTHER THAN SECTION 3(D); THEN

(C) THE FOLLOWING REMEDIES SHALL BE AVAILABLE TO THE TRIBE TO ELECT, AS THE TRIBE MAY DETERMINE IN ITS SOLE DISCRETION, FROM TIME TO TIME:

1. THE TRIBE SHALL AUTOMATICALLY BE ENTITLED TO A GREATER NUMBER OF GAMING DEVICE OPERATING RIGHTS, WITHOUT THE NEED TO AMEND THIS COMPACT AND WITHOUT THE NEED TO ACQUIRE ANY GAMING DEVICE OPERATING RIGHTS UNDER SECTION 3(D). THE GREATER NUMBER OF GAMING DEVICE OPERATING RIGHTS IS THE PRODUCT OF A RATIO (WHICH IS THE TOTAL NUMBER OF CLASS III GAMING DEVICES THE OTHER INDIAN TRIBE IS IN FACT AUTHORIZED OR PERMITTED TO OPERATE FOLLOWING THE OCCURRENCE OF ANY OF THE EVENTS SPECIFIED IN SUBSECTIONS (A) OR (B) OF THIS SECTION 3(G)(1) DIVIDED BY THE TOTAL NUMBER ASSIGNED TO THE OTHER INDIAN TRIBE UNDER COLUMN (1) PLUS COLUMN (2) OF THE TABLE) MULTIPLIED BY THE TOTAL NUMBER ASSIGNED TO THE TRIBE IN COLUMN (1) PLUS COLUMN (2) OF THE TABLE. IF THE TRIBE IS NOT LISTED ON THE TABLE, THEN THE RATIO DESCRIBED IN THE PREVIOUS SENTENCE IS MULTIPLIED BY THE TRIBE'S TOTAL NUMBER OF GAMING DEVICES AUTHORIZED IN THE COMPACT; AND

2. THE TRIBE SHALL AUTOMATICALLY BE ENTITLED TO IMMEDIATELY REDUCE ITS OBLIGATIONS TO MAKE CONTRIBUTIONS TO THE STATE UNDER SECTION 12. INSTEAD OF THE AMOUNTS PAYABLE UNDER SECTION 12(B), THE TRIBE SHALL MAKE QUARTERLY CONTRIBUTIONS TO THE STATE EQUAL TO SEVENTY-FIVE HUNDREDTHS OF ONE PERCENT (.75%) OF ITS CLASS III NET WIN FOR THE PRIOR QUARTER. THIS REMEDY WILL NOT BE AVAILABLE AFTER ANY INDIAN TRIBE WITH A NEW COMPACT AS DEFINED IN A.R.S. SECTION 5-601.02(1)(6) ENTERS ITS FINAL RENEWAL PERIOD AS DESCRIBED IN SECTION 23(B)(3).

(2) CONTRIBUTION TERMS. IF, DURING THE TERM OF THIS COMPACT ANY OTHER INDIAN TRIBE IS AUTHORIZED OR PERMITTED TO OPERATE GAMING DEVICES IN THE STATE AND THE TERMS OF THE OTHER INDIAN TRIBE'S OBLIGATION TO MAKE CONTRIBUTIONS TO THE STATE ARE MORE FAVORABLE TO THE OTHER INDIAN TRIBE THAN THE OBLIGATION OF THE TRIBE TO MAKE CONTRIBUTIONS TO THE STATE UNDER THE TERMS OF SECTION 12, THEN THE TRIBE MAY ELECT TO HAVE SECTION 12 AUTOMATICALLY AMENDED TO CONFORM TO THOSE MORE FAVORABLE TERMS.

(3) ADDITIONAL CLASS III GAMING. EXCEPT AS PROVIDED IN SECTION 3(G)(5), IF DURING THE TERM OF THIS COMPACT, ANY INDIAN TRIBE IS AUTHORIZED TO OPERATE:

(A) A FORM OF CLASS III GAMING IN THE STATE THAT IS NOT LISTED IN SECTION 3(A), THEN THE TRIBE SHALL BE ENTITLED TO OPERATE THE ADDITIONAL FORM OF GAMING THAT THE OTHER INDIAN TRIBE IS AUTHORIZED TO OPERATE, WITHOUT THE NEED TO AMEND THIS COMPACT.

(B) BLACKJACK ON MORE CARD GAME TABLES PER GAMING FACILITY THAN AUTHORIZED UNDER THIS COMPACT, THEN THE TRIBE SHALL BE ENTITLED TO OPERATE BLACKJACK ON THE ADDITIONAL NUMBER OF CARD GAME TABLES THAT THE OTHER INDIAN TRIBE IS AUTHORIZED TO OPERATE, WITHOUT THE NEED TO AMEND THIS COMPACT.

(4) WAGER LIMITS. EXCEPT AS PROVIDED IN SECTION 3(G)(5), IF, DURING THE TERM OF THIS COMPACT, ANY INDIAN TRIBE IS AUTHORIZED OR PERMITTED TO OPERATE IN THE STATE ANY CLASS III GAMING DEVICES OR CARD GAME TABLES WITH HIGHER WAGER LIMITS THAN THE WAGER LIMITS SPECIFIED IN SECTION 3, THEN THE TRIBE IS ALSO AUTHORIZED TO OPERATE ITS

GAMING DEVICES AND/OR CARD GAME TABLES WITH THE SAME HIGHER WAGER LIMITS, WITHOUT THE NEED TO AMEND THIS COMPACT.

(5) EXCEPTIONS. THE PROVISIONS OF SECTION 3(G) SHALL NOT BE TRIGGERED:

(A) BY THE AUTOMATIC PERIODIC INCREASES IN: (I) THE CURRENT GAMING DEVICE ALLOCATION PROVIDED IN SECTION 3(C)(4), OR THE RESULTING INCREASE IN THE MAXIMUM DEVICE PER GAMING FACILITY; (II) THE NUMBER OF AUTHORIZED CARD GAME TABLES PROVIDED IN SECTION 3(E)(2); OR (III) THE AUTHORIZED WAGER LIMITS FOR GAMING DEVICES OR CARD GAME TABLES PROVIDED IN SECTION 3(M)(4);

(B) IF THE STATE ENTERS INTO A COMPACT WITH AN INDIAN TRIBE LISTED AS A NON-GAMING TRIBE ON THE TABLE THAT PROVIDES A NUMBER OF ADDITIONAL GAMING DEVICES THAT IS NO GREATER THAN THE LARGEST NUMBER OF ADDITIONAL GAMING DEVICES SHOWN ON THE TABLE FOR ANOTHER INDIAN TRIBE WITH THE SAME CURRENT GAMING DEVICE ALLOCATION AS SHOWN ON THE TABLE FOR SUCH NON-GAMING TRIBE; AND

(C) BY THE PROVISIONS OF A PRE-EXISTING COMPACT AS DEFINED IN A.R.S. SECTION 5-601.02(I)(5).

(H) ADDITIONAL GAMING DUE TO CHANGES IN STATE LAW WITH RESPECT TO PERSONS OTHER THAN INDIAN TRIBES.

(1) IF, ON OR AFTER MAY 1, 2002, STATE LAW CHANGES OR IS INTERPRETED IN A FINAL JUDGMENT OF A COURT OF COMPETENT JURISDICTION OR IN A FINAL ORDER OF A STATE ADMINISTRATIVE AGENCY TO PERMIT EITHER A PERSON OR ENTITY OTHER THAN AN INDIAN TRIBE TO OPERATE GAMING DEVICES; ANY FORM OF CLASS III GAMING (INCLUDING VIDEO LOTTERY TERMINALS) THAT IS NOT AUTHORIZED UNDER THIS COMPACT, OTHER THAN GAMBLING THAT IS LAWFUL ON MAY 1, 2002 PURSUANT TO A.R.S. SECTION 13-3302; OR POKER, OTHER THAN POKER THAT IS LAWFUL ON MAY 1, 2002 PURSUANT TO A.R.S. SECTION 13-3302, THEN, UPON THE EFFECTIVE DATE OF SUCH STATE LAW, FINAL JUDGMENT, OR FINAL ORDER:

(A) THE TRIBE SHALL BE AUTHORIZED UNDER THIS COMPACT TO OPERATE CLASS III GAMING DEVICES WITHOUT LIMITATIONS ON THE NUMBER OF GAMING DEVICES, THE NUMBER OF GAMING FACILITIES, OR THE MAXIMUM GAMING DEVICES PER GAMING FACILITY, AND WITHOUT THE NEED TO AMEND THIS COMPACT;

(B) THE TRIBE SHALL BE AUTHORIZED UNDER THIS COMPACT TO OPERATE TABLE GAMES, WITHOUT LIMITATIONS ON THE NUMBER OF CARD GAME TABLES, ON WAGERS, OR ON THE TYPES OF GAMES, AND WITHOUT THE NEED TO AMEND THIS COMPACT, SUBJECT TO THE PROVISIONS OF 3(B)(3); AND

(C) IN ADDITION TO SECTIONS 3(H)(1)(A) AND (B), THE TRIBE'S OBLIGATION UNDER SECTION 12 TO MAKE CONTRIBUTIONS TO THE STATE SHALL BE IMMEDIATELY REDUCED. INSTEAD OF THE AMOUNTS PAYABLE UNDER SECTION 12(B), THE TRIBE SHALL MAKE QUARTERLY CONTRIBUTIONS TO THE STATE EQUAL TO SEVENTY-FIVE HUNDREDTHS OF ONE PERCENT (.75%) OF ITS CLASS III NET WIN FOR THE PRIOR QUARTER.

(2) THE PROVISIONS OF THIS SECTION 3(H) SHALL NOT APPLY TO CASINO NIGHTS OPERATED BY NON-PROFIT OR CHARITABLE ORGANIZATIONS PURSUANT TO AND QUALIFIED UNDER A.R.S. SECTION 13-3302(B); TO SOCIAL GAMBLING AS DEFINED IN A.R.S. SECTION 13-3301(7); TO ANY PAPER PRODUCT LOTTERY GAMES,

INCLUDING TICKET DISPENSING DEVICES OF THE NATURE USED PRIOR TO MAY 1, 2002, BY THE ARIZONA LOTTERY; OR TO LOW-WAGER, NON-BANKED RECREATIONAL POOLS OR SIMILAR ACTIVITIES OPERATED BY AND ON THE PREMISES OF RETAILERS LICENSED UNDER TITLE 4, ARIZONA REVISED STATUTES, AS MAY BE AUTHORIZED BY STATE LAW.

(I) NOTICE. PRIOR TO THE TRIBE OBTAINING RIGHTS UNDER SECTIONS 3(G) OR (H), EITHER THE TRIBE OR THE STATE MUST FIRST GIVE WRITTEN NOTICE TO THE OTHER DESCRIBING THE FACTS WHICH THE TRIBE OR THE STATE CONTEND EITHER DO OR MAY SATISFY THE ELEMENTS OF SECTIONS 3(G) OR (H). THE RECEIVING PARTY SHALL SERVE A WRITTEN RESPONSE ON THE OTHER PARTY WITHIN THIRTY (30) DAYS OF RECEIPT OF THE NOTICE. IF THE PARTIES DO NOT AGREE ON WHETHER SECTIONS 3(G) OR (H) HAVE BEEN TRIGGERED, THE DISPUTE MAY BE SUBMITTED TO DISPUTE RESOLUTION UNDER SECTION 15 BY EITHER THE TRIBE OR THE STATE.

(J) LOCATION OF GAMING FACILITY.

(1) ALL GAMING FACILITIES SHALL BE LOCATED ON THE INDIAN LANDS OF THE TRIBE. ALL GAMING FACILITIES OF THE TRIBE SHALL BE LOCATED NOT LESS THAN ONE AND ONE-HALF (1 1/2) MILES APART UNLESS THE CONFIGURATION OF THE INDIAN LANDS OF AN INDIAN TRIBE MAKES THIS REQUIREMENT IMPRACTICABLE. THE TRIBE SHALL NOTIFY THE STATE GAMING AGENCY OF THE PHYSICAL LOCATION OF ANY GAMING FACILITY A MINIMUM OF THIRTY (30) DAYS PRIOR TO COMMENCING GAMING ACTIVITIES AT SUCH LOCATION. GAMING ACTIVITY ON LANDS ACQUIRED AFTER THE ENACTMENT OF THE ACT ON OCTOBER 17, 1988 SHALL BE AUTHORIZED ONLY IN ACCORDANCE WITH 25 U.S.C. § 2719.

(2) NOTICE TO SURROUNDING COMMUNITIES. THE TRIBE SHALL NOTIFY SURROUNDING COMMUNITIES REGARDING NEW OR SUBSTANTIAL MODIFICATIONS TO GAMING FACILITIES AND SHALL DEVELOP PROCEDURES FOR CONSULTATION WITH SURROUNDING COMMUNITIES REGARDING NEW OR SUBSTANTIAL MODIFICATIONS TO GAMING FACILITIES.

(K) FINANCIAL SERVICES IN GAMING FACILITIES. THE TRIBE SHALL ENACT A TRIBAL ORDINANCE ESTABLISHING RESPONSIBLE RESTRICTIONS ON THE PROVISION OF FINANCIAL SERVICES AT GAMING FACILITIES. AT A MINIMUM, THE ORDINANCE SHALL PROHIBIT:

(1) LOCATING AN AUTOMATIC TELLER MACHINE ("ATM") ADJACENT TO, OR IN CLOSE PROXIMITY TO, ANY GAMING DEVICE;

(2) LOCATING IN A GAMING FACILITY AN ATM THAT ACCEPTS ELECTRONIC BENEFIT TRANSFER CARDS ISSUED PURSUANT TO A STATE OR FEDERAL PROGRAM THAT IS INTENDED TO PROVIDE FOR NEEDY FAMILIES OR INDIVIDUALS;

(3) ACCEPTING CHECKS OR OTHER NON-CASH ITEMS ISSUED PURSUANT TO A STATE OR FEDERAL PROGRAM THAT IS INTENDED TO PROVIDE FOR NEEDY FAMILIES OR INDIVIDUALS; AND

(4) THE GAMING FACILITY OPERATOR FROM EXTENDING CREDIT TO ANY PATRON OF A GAMING FACILITY FOR GAMING ACTIVITIES.

(L) FORMS OF PAYMENT FOR WAGERS. ALL PAYMENT FOR WAGERS MADE FOR GAMING ACTIVITIES CONDUCTED BY THE TRIBE ON ITS INDIAN LANDS, INCLUDING THE PURCHASE OF TOKENS FOR USE IN WAGERING, SHALL BE MADE BY CASH, CASH EQUIVA-

LENT, CREDIT CARD OR PERSONAL CHECK. AUTOMATIC TELLER MACHINES (ATMS) MAY BE INSTALLED AT A GAMING FACILITY.

(M) WAGER LIMITATIONS.

(1) FOR GAMING DEVICES. THE MAXIMUM WAGER AUTHORIZED FOR ANY SINGLE PLAY OF A GAMING DEVICE IS TWENTY FIVE DOLLARS (\$25.00).

(2) FOR BLACKJACK. THE MAXIMUM WAGER AUTHORIZED FOR ANY SINGLE INITIAL WAGER ON A HAND OF BLACKJACK BY EACH INDIVIDUAL PLAYER SHALL BE (A) FIVE HUNDRED DOLLARS (\$500.00) AT UP TO TEN (10) CARD GAME TABLES PER GAMING FACILITY, AND (B) TWO HUNDRED AND FIFTY DOLLARS (\$250.00) FOR ALL OTHER CARD GAME TABLES IN A GAMING FACILITY. THE FOREGOING MAXIMUM WAGER LIMITS SHALL APPLY TO EACH SUBSEQUENT WAGER THAT AN INDIVIDUAL PLAYER SHALL BE ENTITLED TO MAKE ON THE SAME HAND AS THE RESULT OF "SPLITS" AND/OR "DOUBLING DOWN" DURING THE PLAY OF SUCH HAND.

(3) FOR POKER. THE WAGER LIMITS FOR A HAND OF POKER SHALL BE (A) \$75.00/\$150.00 AT UP TO TEN (10) CARD GAME TABLES PER GAMING FACILITY, AND (B) \$20.00/\$40.00 FOR ALL OTHER CARD GAME TABLES IN A GAMING FACILITY.

(4) PERIODIC INCREASES IN WAGER LIMITATIONS. DURING THE TERM OF THIS COMPACT, THE WAGER LIMITATIONS SET FORTH IN THIS SECTION 3(M) SHALL EACH BE AUTOMATICALLY INCREASED (BUT NOT DECREASED) WITHOUT THE NEED TO AMEND THIS COMPACT ON EACH FIVE-YEAR ANNIVERSARY OF THE EFFECTIVE DATE TO AN AMOUNT EQUAL TO THE WAGER LIMITATIONS SPECIFIED IN SECTIONS 3(M)(1), (2) AND (3) MULTIPLIED BY THE CPI ADJUSTMENT RATE (WITH ALL AMOUNTS ROUNDED UP TO THE NEXT WHOLE DOLLAR). THE TRIBE WILL NOTIFY THE STATE GAMING AGENCY OF SUCH WAGER LIMITATION ADJUSTMENTS AS SOON AS REASONABLY POSSIBLE AFTER THE CPI ADJUSTMENT RATE HAS BEEN DETERMINED.

(N) HOURS OF OPERATION. THE TRIBE MAY ESTABLISH BY ORDINANCE OR REGULATION THE PERMISSIBLE HOURS AND DAYS OF OPERATION OF GAMING ACTIVITIES; PROVIDED, HOWEVER, THAT WITH RESPECT TO THE SALE OF LIQUOR THE TRIBE SHALL COMPLY WITH ALL APPLICABLE STATE LIQUOR LAWS AT ALL GAMING FACILITIES.

(O) OWNERSHIP OF GAMING FACILITIES AND GAMING ACTIVITIES. THE TRIBE SHALL HAVE THE SOLE PROPRIETARY INTEREST IN THE GAMING FACILITIES AND GAMING ACTIVITIES. THIS PROVISION SHALL NOT BE CONSTRUED TO PREVENT THE TRIBE FROM GRANTING SECURITY INTERESTS OR OTHER FINANCIAL ACCOMMODATIONS TO SECURED PARTIES, LENDERS, OR OTHERS, OR TO PREVENT THE TRIBE FROM ENTERING INTO LEASES OR FINANCING ARRANGEMENTS.

(P) PROHIBITED ACTIVITIES. ANY CLASS III GAMING NOT SPECIFICALLY AUTHORIZED IN THIS SECTION 3 IS PROHIBITED. EXCEPT AS PROVIDED HEREIN, NOTHING IN THIS COMPACT IS INTENDED TO PROHIBIT OTHERWISE LAWFUL AND AUTHORIZED CLASS II GAMING UPON THE TRIBE'S INDIAN LANDS OR WITHIN THE GAMING FACILITIES.

(Q) OPERATION AS PART OF A NETWORK. GAMING DEVICES AUTHORIZED PURSUANT TO THIS COMPACT MAY BE OPERATED TO OFFER AN AGGREGATE PRIZE OR PRIZES AS PART OF A NETWORK, INCLUDING A NETWORK:

(1) WITH THE GAMING DEVICES OF OTHER INDIAN TRIBES LOCATED WITHIN THE STATE THAT HAVE

ENTERED INTO TRIBAL-STATE GAMING COMPACTS WITH THE STATE, OR

(2) BEYOND THE STATE PURSUANT TO A MUTUALLY-AGREED APPENDIX CONTAINING TECHNICAL STANDARDS FOR WIDE AREA NETWORKS.

(R) PROHIBITION ON FIREARMS. THE POSSESSION OF FIREARMS BY ANY PERSON WITHIN A GAMING FACILITY SHALL BE STRICTLY PROHIBITED. THIS PROHIBITION SHALL NOT APPLY TO CERTIFIED LAW ENFORCEMENT OFFICERS AUTHORIZED TO BE ON THE PREMISES AS WELL AS ANY PRIVATE SECURITY SERVICE RETAINED TO PROVIDE SECURITY AT A GAMING FACILITY, OR ARMORED CAR SERVICES.

(S) FINANCING. ANY THIRD-PARTY FINANCING EXTENDED OR GUARANTEED FOR THE GAMING OPERATION AND GAMING FACILITIES SHALL BE DISCLOSED TO THE STATE GAMING AGENCY, AND ANY PERSON EXTENDING SUCH FINANCING SHALL BE REQUIRED TO BE LICENSED BY THE TRIBE AND ANNUALLY CERTIFIED BY THE STATE GAMING AGENCY, UNLESS SAID PERSON IS AN AGENCY OF THE UNITED STATES OR A LENDING INSTITUTION LICENSED AND REGULATED BY THE STATE OR THE UNITED STATES.

(T) RECORD-KEEPING. THE GAMING FACILITY OPERATOR OR THE TRIBAL GAMING OFFICE, WHICHEVER CONDUCTS SURVEILLANCE, SHALL MAINTAIN THE FOLLOWING LOGS AS WRITTEN OR COMPUTERIZED RECORDS WHICH SHALL BE AVAILABLE FOR INSPECTION BY THE STATE GAMING AGENCY IN ACCORDANCE WITH SECTION 7(B): A SURVEILLANCE LOG RECORDING ALL MATERIAL SURVEILLANCE ACTIVITIES IN THE MONITORING ROOM OF THE GAMING FACILITIES; AND A SECURITY LOG RECORDING ALL UNUSUAL OCCURRENCES INVESTIGATED BY THE TRIBAL GAMING OFFICE. THE GAMING FACILITY OPERATOR OR THE TRIBAL GAMING OFFICE, WHICHEVER CONDUCTS SURVEILLANCE, SHALL RETAIN VIDEO RECORDINGS MADE IN ACCORDANCE WITH APPENDIX C FOR AT LEAST SEVEN (7) DAYS FROM THE DATE OF ORIGINAL RECORDING.

(U) BARRED PERSONS. THE TRIBAL GAMING OFFICE SHALL ESTABLISH A LIST OF PERSONS BARRED FROM THE GAMING FACILITIES BECAUSE THEIR CRIMINAL HISTORY OR ASSOCIATION WITH CAREER OFFENDERS OR CAREER OFFENDER ORGANIZATIONS POSES A THREAT TO THE INTEGRITY OF THE GAMING ACTIVITIES OF THE TRIBE. THE TRIBAL GAMING OFFICE SHALL EMPLOY ITS BEST EFFORTS TO EXCLUDE PERSONS ON SUCH LIST FROM ENTRY INTO ITS GAMING FACILITIES. TO THE EXTENT NOT PREVIOUSLY PROVIDED, THE TRIBAL GAMING OFFICE SHALL SEND A COPY OF ITS LIST ON A MONTHLY BASIS TO THE STATE GAMING AGENCY, ALONG WITH DETAILED INFORMATION REGARDING WHY THE PERSON HAS BEEN BARRED AND, TO THE EXTENT AVAILABLE, THE BARRED PERSON'S PHOTOGRAPH, DRIVER'S LICENSE INFORMATION, AND/OR FINGERPRINTS, TO THE EXTENT THESE ITEMS ARE IN THE POSSESSION OF THE TRIBAL GAMING OFFICE. THE STATE GAMING AGENCY WILL ESTABLISH A LIST WHICH WILL CONTAIN THE NAMES, AND TO THE EXTENT AVAILABLE, PHOTOGRAPHS OF, AND OTHER RELEVANT INFORMATION REGARDING, PERSONS WHOSE REPUTATIONS, CONDUCT, OR CRIMINAL HISTORY IS SUCH THAT THEIR PRESENCE WITHIN A GAMING FACILITY MAY POSE A THREAT TO THE PUBLIC HEALTH, SAFETY, OR WELFARE. SUCH PERSONS WILL BE BARRED FROM ALL TRIBAL GAMING FACILITIES WITHIN THE STATE. THE TRIBE AGREES THAT THE

STATE GAMING AGENCY MAY DISSEMINATE THIS LIST, WHICH SHALL CONTAIN DETAILED INFORMATION ABOUT WHY EACH PERSON IS BARRED, TO ALL OTHER TRIBAL GAMING OFFICES.

(V) PROBLEM GAMBLING.

(1) SIGNAGE. AT ALL PUBLIC ENTRANCES AND EXITS OF EACH GAMING FACILITY, THE GAMING FACILITY OPERATOR SHALL POST SIGNS STATING THAT HELP IS AVAILABLE IF A PERSON HAS A PROBLEM WITH GAMBLING AND, AT A MINIMUM, PROVIDE THE STATEWIDE TOLL FREE CRISIS HOTLINE TELEPHONE NUMBER ESTABLISHED BY THE ARIZONA STATE LOTTERY COMMISSION.

(2) SELF-EXCLUSION. THE STATE GAMING AGENCY AND THE TRIBE SHALL COMPLY WITH THE FOLLOWING PROVISIONS:

(A) THE STATE GAMING AGENCY SHALL ESTABLISH A LIST OF PERSONS WHO, BY ACKNOWLEDGING IN A MANNER TO BE ESTABLISHED BY THE STATE GAMING AGENCY THAT THEY ARE PROBLEM GAMBLERS, VOLUNTARILY SEEK TO EXCLUDE THEMSELVES FROM GAMING FACILITIES. THE STATE GAMING AGENCY SHALL ESTABLISH PROCEDURES FOR THE PLACEMENT ON AND REMOVAL FROM THE LIST OF SELF-EXCLUDED PERSONS. NO PERSON OTHER THAN THE PERSON SEEKING VOLUNTARY SELF-EXCLUSION SHALL BE ALLOWED TO INCLUDE ANY PERSON'S NAME ON THE SELF-EXCLUSION LIST OF THE STATE GAMING AGENCY.

(B) THE TRIBE SHALL ESTABLISH PROCEDURES FOR ADVISING PERSONS WHO INQUIRE ABOUT SELF-EXCLUSION ABOUT THE STATE GAMING AGENCY'S PROCEDURES.

(C) THE STATE GAMING AGENCY SHALL COMPILE IDENTIFYING INFORMATION CONCERNING SELF-EXCLUDED PERSONS. SUCH INFORMATION SHALL CONTAIN, AT A MINIMUM, THE FULL NAME AND ANY ALIASES OF THE PERSON, A PHOTOGRAPH OF THE PERSON, THE SOCIAL SECURITY OR DRIVER'S LICENSE NUMBER OF THE PERSON, AND THE MAILING ADDRESS OF THE PERSON.

(D) THE STATE GAMING AGENCY SHALL, ON A MONTHLY BASIS, PROVIDE THE COMPILED INFORMATION TO THE TRIBAL GAMING OFFICE. THE TRIBE SHALL TREAT THE INFORMATION RECEIVED FROM THE STATE GAMING AGENCY UNDER THIS SECTION AS CONFIDENTIAL AND SUCH INFORMATION SHALL NOT BE DISCLOSED EXCEPT TO OTHER TRIBAL GAMING OFFICES FOR INCLUSION ON THEIR LISTS, OR TO APPROPRIATE LAW ENFORCEMENT AGENCIES IF NEEDED IN THE CONDUCT OF AN OFFICIAL INVESTIGATION OR UNLESS ORDERED BY A COURT OF COMPETENT JURISDICTION.

(E) THE TRIBAL GAMING OFFICE SHALL ADD THE SELF-EXCLUDED PERSONS FROM THE LIST PROVIDED BY THE STATE GAMING AGENCY TO THEIR OWN LIST OF SELF-EXCLUDED PERSONS.

(F) THE TRIBAL GAMING OFFICE SHALL REQUIRE THE GAMING FACILITY OPERATOR TO REMOVE ALL SELF-EXCLUDED PERSONS FROM ALL MAILING LISTS AND TO REVOKE ANY SLOT OR PLAYER'S CARDS. THE TRIBAL GAMING OFFICE SHALL REQUIRE THE GAMING FACILITY OPERATOR TO TAKE REASONABLE STEPS TO ENSURE THAT CAGE PERSONNEL CHECK A PERSON'S IDENTIFICATION AGAINST THE STATE GAMING AGENCY'S LIST OF SELF-EXCLUDED PERSONS BEFORE ALLOWING THE PERSON TO CASH A CHECK OR COMPLETE A CREDIT CARD CASH ADVANCE TRANSACTION.

(G) THE TRIBAL GAMING OFFICE SHALL REQUIRE THE GAMING FACILITY OPERATOR TO TAKE REASONABLE STEPS TO IDENTIFY SELF-EXCLUDED PERSONS WHO MAY BE IN A GAMING FACILITY AND, ONCE IDENTIFIED, PROMPTLY ESCORT THE SELF-EXCLUDED PERSON FROM THE GAMING FACILITY.

(H) THE TRIBAL GAMING OFFICE SHALL PROHIBIT THE GAMING FACILITY OPERATOR FROM PAYING ANY HAND-PAID JACKPOT TO A PERSON WHO IS ON THE TRIBAL OR STATE GAMING AGENCY SELF-EXCLUSION LIST. ANY JACKPOT WON BY A PERSON ON THE SELF-EXCLUSION LIST SHALL BE DONATED BY THE GAMING FACILITY OPERATOR TO AN ARIZONA-BASED NON-PROFIT CHARITABLE ORGANIZATION.

(I) NEITHER THE TRIBE, THE GAMING FACILITY OPERATOR, THE TRIBAL GAMING OFFICE, NOR ANY EMPLOYEE THEREOF SHALL BE LIABLE TO ANY SELF-EXCLUDED PERSON OR TO ANY OTHER PARTY IN ANY PROCEEDING AND NEITHER THE TRIBE, THE GAMING FACILITY OPERATOR, NOR THE TRIBAL GAMING OFFICE SHALL BE DEEMED TO HAVE WAIVED ITS SOVEREIGN IMMUNITY WITH RESPECT TO ANY PERSON FOR ANY HARM, MONETARY OR OTHERWISE, WHICH MAY ARISE AS A RESULT OF:

1. THE FAILURE OF THE GAMING FACILITY OPERATOR OR THE TRIBAL GAMING OFFICE TO WITHHOLD OR RESTORE GAMING PRIVILEGES FROM OR TO A SELF-EXCLUDED PERSON; OR

2. OTHERWISE PERMITTING A SELF-EXCLUDED PERSON TO ENGAGE IN GAMING ACTIVITY IN A GAMING FACILITY WHILE ON THE LIST OF SELF-EXCLUDED PERSONS.

(J) NEITHER THE TRIBE, THE GAMING FACILITY OPERATOR, THE TRIBAL GAMING OFFICE, NOR ANY EMPLOYEE THEREOF SHALL BE LIABLE TO ANY SELF-EXCLUDED PERSON OR TO ANY OTHER PARTY IN ANY PROCEEDING, AND NEITHER THE TRIBE, THE GAMING FACILITY OPERATOR, NOR THE TRIBAL GAMING OFFICE SHALL BE DEEMED TO HAVE WAIVED ITS SOVEREIGN IMMUNITY WITH RESPECT TO ANY PERSON FOR ANY HARM, MONETARY OR OTHERWISE, WHICH MAY ARISE AS A RESULT OF DISCLOSURE OR PUBLICATION IN ANY MANNER, OTHER THAN A WILLFULLY UNLAWFUL DISCLOSURE OR PUBLICATION, OF THE IDENTITY OF ANY SELF-EXCLUDED PERSON OR PERSONS.

(K) NOTWITHSTANDING ANY OTHER PROVISION OF THIS COMPACT, THE STATE GAMING AGENCY'S LIST OF SELF-EXCLUDED PERSONS SHALL NOT BE OPEN TO PUBLIC INSPECTION.

(W) RESTRICTION ON MINORS.

(1) UNTIL MAY 31, 2003, NO PERSON UNDER 18 YEARS OF AGE SHALL BE PERMITTED TO PLACE ANY WAGER, DIRECTLY OR INDIRECTLY, IN ANY GAMING ACTIVITY.

(2) PRIOR TO MAY 31, 2003, THE TRIBE SHALL ENACT, AS TRIBAL LAW, A REQUIREMENT THAT BEGINNING JUNE 1, 2003, NO PERSON UNDER 21 YEARS OF AGE SHALL BE PERMITTED TO PLACE ANY WAGER, DIRECTLY OR INDIRECTLY, IN ANY GAMING ACTIVITY.

(3) IF, DURING THE TERM OF THE COMPACT, THE STATE AMENDS ITS LAW TO PERMIT WAGERING BY PERSONS UNDER 21 YEARS OF AGE IN ANY GAMING ACTIVITY BY A PERSON OR ENTITY OTHER THAN AN INDIAN TRIBE, THE TRIBE MAY AMEND TRIBAL LAW TO REDUCE THE LAWFUL GAMING AGE UNDER THIS COMPACT TO CORRESPOND TO THE LAWFUL GAMING AGE UNDER STATE LAW.

(4) NO PERSON UNDER 18 YEARS OF AGE SHALL BE EMPLOYED AS A GAMING EMPLOYEE. NO PERSON UNDER 21 YEARS OF AGE SHALL BE EMPLOYED IN THE SERVICE OF ALCOHOLIC BEVERAGES AT ANY GAMING FACILITY, UNLESS SUCH EMPLOYMENT WOULD BE OTHERWISE PERMITTED UNDER STATE LAW.

(X) ADVERTISING.

(1) RIGHT TO ADVERTISE. THE STATE AND THE TRIBE RECOGNIZE THE TRIBE'S CONSTITUTIONAL RIGHT TO ENGAGE IN ADVERTISING OF LAWFUL GAMING ACTIVITIES AND NOTHING IN THIS COMPACT SHALL BE DEEMED TO ABROGATE OR DIMINISH THAT RIGHT.

(2) PROHIBITION ON ADVERTISING DIRECTED TO MINORS. THE GAMING FACILITY OPERATOR SHALL NOT ADVERTISE OR MARKET GAMING ACTIVITIES IN A MANNER THAT SPECIFICALLY APPEALS TO MINORS.

(3) ADVERTISING GUIDELINES. WITHIN THIRTY DAYS AFTER THE EFFECTIVE DATE, THE GAMING FACILITY OPERATOR SHALL ADOPT GUIDELINES FOR THE ADVERTISING AND MARKETING OF GAMING ACTIVITIES THAT ARE NO LESS STRINGENT THAN THOSE CONTAINED IN THE AMERICAN GAMING ASSOCIATION'S GENERAL ADVERTISING GUIDELINES.

(4) CONTENT OF ADVERTISING. IN RECOGNITION OF THE TRIBE'S CONSTITUTIONAL RIGHT TO ADVERTISE GAMING ACTIVITIES, THE SPECIFIC CONTENT OF ADVERTISING AND MARKETING MATERIALS SHALL NOT BE SUBJECT TO THE PROVISIONS OF SECTION 15 OF THIS COMPACT.

(Y) INTERNET GAMING. THE TRIBE SHALL NOT BE PERMITTED TO CONDUCT GAMING ON THE INTERNET UNLESS PERSONS OTHER THAN INDIAN TRIBES WITHIN THE STATE OR THE STATE ARE AUTHORIZED BY STATE LAW TO CONDUCT GAMING ON THE INTERNET.

(Z) LOTTERY PRODUCTS. THE TRIBE WILL NOT OFFER PAPER LOTTERY PRODUCTS IN COMPETITION WITH THE ARIZONA LOTTERY'S PICK OR POWERBALL GAMES.

(AA) ANNUAL STATEMENT. THE TRIBE SHALL SUBMIT TO THE STATE GAMING AGENCY EITHER AN ANNUAL STATEMENT OF COMPLIANCE WITH THE ACT REGARDING THE USE OF NET GAMING REVENUES OR A COPY OF ITS CURRENT GAMING ORDINANCE REQUIRING THAT NET GAMING REVENUES BE USED ACCORDING TO THE ACT."

(IV) THE FOLLOWING PROVISIONS SHALL REPLACE THE CORRESPONDING PROVISIONS IN SECTION 4 OF THE PRE-EXISTING COMPACT:

"(B) GAMING EMPLOYEES. EVERY GAMING EMPLOYEE SHALL BE LICENSED BY THE TRIBAL GAMING OFFICE AND EVERY EMPLOYEE OF THE TRIBAL GAMING OFFICE SHALL BE LICENSED BY THE TRIBE. ANY GAMING EMPLOYEE OR TRIBAL GAMING OFFICE EMPLOYEE THAT IS NOT AN ENROLLED TRIBAL MEMBER SHALL ALSO BE CERTIFIED BY THE STATE GAMING AGENCY PRIOR TO COMMENCEMENT OF EMPLOYMENT, AND ANNUALLY THEREAFTER, SUBJECT TO THE TEMPORARY CERTIFICATION PROVIDED IN SECTION 5(N). ENROLLED TRIBAL MEMBERS ARE NOT REQUIRED TO BE CERTIFIED BY THE STATE AS A CONDITION OF EMPLOYMENT. GAMING EMPLOYEES THAT HOLD THE FOLLOWING POSITIONS ARE ALSO NOT REQUIRED TO BE CERTIFIED BY THE STATE, SO LONG AS THEY DO NOT HAVE UNESCORTED ACCESS TO SECURE AREAS SUCH AS GAMING DEVICE STORAGE AND REPAIR AREAS, COUNT ROOMS, VAULTS, CAGES, CHANGE BOOTHS, CHANGE BANKS/CABINETS, SECURITY OFFICES AND SURVEILLANCE ROOMS, REVENUE

ACCOUNTING OFFICES, AND ROOMS CONTAINING INFORMATION SYSTEMS THAT MONITOR OR CONTROL GAMING ACTIVITIES (OR, AS MAY BE AGREED TO BY THE STATE GAMING AGENCY AND THE TRIBAL GAMING OFFICE IN A SEPARATE AGREEMENT DELINEATING THE SECURE AREAS IN THE TRIBE'S GAMING FACILITIES):

(1) FOOD AND BEVERAGE SERVICE PERSONNEL SUCH AS CHEFS, COOKS, WAITERS, WAITRESSES, BUS PERSONS, DISHWASHERS, FOOD AND BEVERAGE CASHIERS, AND HOSTS;

(2) GIFT SHOP MANAGERS, ASSISTANT MANAGERS, CASHIERS, AND CLERKS;

(3) GREETERS;

(4) LANDSCAPERS, GARDENERS, AND GROUND-KEEPERS;

(5) MAINTENANCE, CLEANING, AND JANITORIAL PERSONNEL;

(6) STEWARDS AND VALETS;

(7) WARDROBE PERSONNEL;

(8) WAREHOUSE PERSONNEL; AND

(9) HOTEL PERSONNEL.

(D) MANUFACTURERS AND SUPPLIERS OF GAMING DEVICES AND GAMING SERVICES. EACH MANUFACTURER AND DISTRIBUTOR OF GAMING DEVICES, AND EACH PERSON PROVIDING GAMING SERVICES, WITHIN OR WITHOUT THE GAMING FACILITY, SHALL BE LICENSED BY THE TRIBAL GAMING OFFICE AND SHALL BE CERTIFIED BY THE STATE GAMING AGENCY PRIOR TO THE SALE OR LEASE OF ANY GAMING DEVICES OR GAMING SERVICES. THE TRIBE SHALL PROVIDE TO THE STATE GAMING AGENCY A LIST OF THE NAMES AND ADDRESSES OF ALL VENDORS PROVIDING GAMING SERVICES ON A PERIODIC BASIS AT THE TIME OF THE MEETINGS REQUIRED PURSUANT TO SECTION 6(H) OF THIS COMPACT. UTILITIES WHICH ARE THE SOLE AVAILABLE SOURCE OF ANY PARTICULAR SERVICE TO A GAMING FACILITY ARE NOT REQUIRED TO BE CERTIFIED. A VENDOR LICENSED AND REGULATED BY ANOTHER GOVERNMENTAL AGENCY MAY SUBMIT A SUPPLEMENT TO THE APPLICATION ON FILE WITH THE OTHER AGENCY. THE STATE GAMING AGENCY MAY WAIVE THE REQUIREMENT THAT A VENDOR BE CERTIFIED IF IT DETERMINES THAT CERTIFYING THE VENDOR IS NOT NECESSARY TO PROTECT THE PUBLIC INTEREST."

(V) THE FOLLOWING PROVISION SHALL REPLACE THE CORRESPONDING PROVISIONS IN SECTION 5 OF THE PRE-EXISTING COMPACT:

"(P) STATE ADMINISTRATIVE PROCESS; CERTIFICATIONS. ANY APPLICANT FOR STATE CERTIFICATION AGREES BY MAKING SUCH APPLICATION TO BE SUBJECT TO STATE JURISDICTION TO THE EXTENT NECESSARY TO DETERMINE THE APPLICANT'S QUALIFICATION TO HOLD SUCH CERTIFICATION, INCLUDING ALL NECESSARY ADMINISTRATIVE PROCEDURES, HEARINGS AND APPEALS PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT, TITLE 41, CHAPTER 6, ARIZONA REVISED STATUTES AND THE ADMINISTRATIVE RULES OF THE STATE GAMING AGENCY.

(Q) ADMINISTRATIVE PROCESS; LICENSES.

(1) ANY PERSON APPLYING FOR LICENSE BY THE TRIBAL GAMING OFFICE ACKNOWLEDGES THAT BY MAKING SUCH APPLICATION, THE STATE GAMING AGENCY, AS SET FORTH HEREIN, MAY BE HEARD CONCERNING THE APPLICANT'S QUALIFICATIONS TO HOLD SUCH LICENSE. IF THE STATE RECOMMENDS REVOCATION, SUSPENSION, OR DENIAL OF A LICENSE, AND THE TRIBAL GAMING OFFICE REVOKES, SUSPENDS, OR DENIES THE LICENSE BASED ON THE STATE GAMING

AGENCY'S RECOMMENDATION, THE PERSON MAY APPEAL THAT ACTION TO THE TRIBE, TO THE EXTENT ANY SUCH RIGHT EXISTS.

(2) IF THE TRIBAL GAMING OFFICE TAKES ANY ACTION WITH RESPECT TO A LICENSE DESPITE A STATE RECOMMENDATION TO THE CONTRARY, THE TRIBAL GAMING OFFICE SHALL AFFORD THE STATE AN OPPORTUNITY FOR A HEARING BEFORE AN APPROPRIATE TRIBAL FORUM TO CONTEST THE TRIBAL GAMING OFFICE LICENSING DECISION. THE DECISION OF THE TRIBAL FORUM SHALL BE FINAL, EXCEPT AS PROVIDED IN SECTION 5(Q)(4).

(3) THE TRIBAL GAMING OFFICE SHALL AFFORD THE STATE GAMING AGENCY THE OPPORTUNITY TO BE HEARD IN AN APPROPRIATE TRIBAL FORUM ON ITS RECOMMENDATION TO SUSPEND OR REVOKE THE LICENSE OF ANY PERSON IN THE SAME MANNER AS IF THE STATE GAMING AGENCY HAD RECOMMENDED DENIAL OF THE LICENSE IN THE FIRST INSTANCE.

(4) INDEPENDENT TRIBUNAL REVIEW OF TRIBAL FORUM.

(A) TRIBUNAL APPOINTMENT AND PROCESS. IF THE TRIBAL FORUM UPHOLDS A DECISION NOT TO FOLLOW A GAMING EMPLOYEE LICENSE RECOMMENDATION, THE STATE GAMING AGENCY MAY APPEAL TO AN INDEPENDENT THREE MEMBER TRIBUNAL BY PROVIDING WRITTEN NOTICE TO THE TRIBAL GAMING OFFICE WITHIN TEN (10) DAYS AFTER RECEIVING THE TRIBAL FORUM'S DECISION. WITHIN TWENTY (20) DAYS THEREAFTER, THE CPR OR A SIMILAR DISPUTE RESOLUTION SERVICE ACCEPTABLE TO THE PARTIES (THE "DISPUTE RESOLUTION SERVICE"), SHALL SELECT THE TRIBUNAL MEMBERS, EXCEPT THAT UPON AGREEMENT BY THE PARTIES, IN LIEU OF SELECTION BY THE DISPUTE RESOLUTION SERVICE, EACH PARTY MAY SELECT A TRIBUNAL MEMBER, AND THE TWO MEMBERS SHALL SELECT A THIRD MEMBER. IF, WITHIN FIVE (5) DAYS AFTER THEIR APPOINTMENT, THE TRIBUNAL MEMBERS APPOINTED BY THE PARTIES HAVE NOT AGREED UPON A THIRD TRIBUNAL MEMBER, THE DISPUTE RESOLUTION SERVICE SHALL SELECT THE THIRD MEMBER. ALL TRIBUNAL MEMBERS, WHETHER APPOINTED BY THE DISPUTE RESOLUTION SERVICE OR THE PARTIES, SHALL BE (A) IMPARTIAL, (B) LICENSED BY AND IN GOOD STANDING WITH A STATE BAR ASSOCIATION, AND (C) INDEPENDENT FROM THE STATE, THE STATE GAMING AGENCY, THE TRIBE, AND THE TRIBAL GAMING OFFICE. THE TRIBUNAL SHALL HOLD A HEARING AND ISSUE ITS DECISION WITHIN NINETY (90) DAYS AFTER THE STATE GAMING AGENCY DELIVERS ITS WRITTEN NOTICE OF APPEAL TO THE TRIBAL GAMING OFFICE.

(B) TRIBUNAL AUTHORITY. THE TRIBUNAL'S SOLE AUTHORITY SHALL BE TO REVIEW THE DECISION OF THE TRIBAL FORUM AND DETERMINE WHETHER THE DECISION IS SUPPORTED BY SUBSTANTIAL EVIDENCE BASED ON THE RECORD AS A WHOLE. THE TRIBUNAL'S HEARING SHALL BE CONDUCTED IN A FAIR AND IMPARTIAL MANNER. THE HEARING SHALL BE HELD ON THE ADMINISTRATIVE RECORD PRESENTED TO THE TRIBAL FORUM. THE TRIBUNAL'S DECISION SHALL BE FINAL AND NOT SUBJECT TO FURTHER APPEAL OR TO SECTION 15 DISPUTE RESOLUTION PROCEDURES. IF THE TRIBUNAL DETERMINES THE EMPLOYEE SHOULD NOT BE LICENSED, THE TRIBAL GAMING OFFICE SHALL PROMPTLY REVOKE THE DISPUTED LICENSE. THE COST OF THE TRIBUNAL AND THE HEARING SHALL BE BORNE EQUALLY BETWEEN THE STATE AND THE TRIBE."

(VI) THE FOLLOWING PROVISION SHALL BE ADDED TO SECTION 7 OF THE PRE-EXISTING COMPACT:

"(G) COMPACT COMPLIANCE REVIEW. THE STATE GAMING AGENCY IS AUTHORIZED TO CONDUCT AN ANNUAL, COMPREHENSIVE COMPACT COMPLIANCE REVIEW OF THE GAMING OPERATION, GAMING FACILITIES, AND THE GAMING ACTIVITIES OF THE GAMING FACILITY OPERATOR TO MONITOR COMPLIANCE WITH THIS COMPACT, ANY AMENDMENTS OR APPENDICES TO THIS COMPACT, AND OTHER AGREEMENTS RELATING TO THIS COMPACT."

(VII) SECTION 12 OF THE PRE-EXISTING COMPACT SHALL BE REPLACED WITH THE FOLLOWING:

"SECTION 12. PAYMENT OF REGULATORY COSTS; TRIBAL CONTRIBUTIONS

(A) PAYMENT OF REGULATORY COSTS. THE TRIBE AGREES TO PAY THE STATE THE NECESSARY COSTS INCURRED BY THE STATE AS A RESULT OF THE STATE'S PERFORMANCE OF ITS RIGHTS OR DUTIES UNDER THE TERMS OF THIS COMPACT. THE TRIBE'S CONTRIBUTIONS UNDER THIS SECTION 12 SHALL SATISFY THE AGREEMENT TO PAY THOSE COSTS.

(B) TRIBAL CONTRIBUTIONS. IN CONSIDERATION FOR THE SUBSTANTIAL EXCLUSIVITY COVENANTS BY THE STATE IN SECTION 3(H), THE TRIBE SHALL CONTRIBUTE FOR THE BENEFIT OF THE PUBLIC A PERCENTAGE OF THE TRIBE'S CLASS III NET WIN FOR EACH FISCAL YEAR OF THE GAMING FACILITY OPERATOR AS FOLLOWS:

(1) ONE PERCENT (1%) OF THE FIRST TWENTY-FIVE MILLION DOLLARS (\$25,000,000.00);

(2) THREE PERCENT (3%) OF THE NEXT FIFTY MILLION DOLLARS (\$50,000,000.00);

(3) SIX PERCENT (6%) OF THE NEXT TWENTY-FIVE MILLION DOLLARS (\$25,000,000.00); AND

(4) EIGHT PERCENT (8%) OF CLASS III NET WIN IN EXCESS OF ONE HUNDRED MILLION DOLLARS (\$100,000,000.00).

(C) ARIZONA BENEFITS FUND. THE TRIBE SHALL MAKE EIGHTY-EIGHT PERCENT (88%) OF ITS TOTAL ANNUAL CONTRIBUTION UNDER SECTION 12(B) TO THE ARIZONA BENEFITS FUND ESTABLISHED BY A.R.S. 5-601.02(H). THE STATE AGREES THAT THE ARIZONA BENEFITS FUND SHALL BE USED FOR THE PURPOSE OF ADMINISTERING THE CONTRIBUTIONS MADE BY THE TRIBE TO THE STATE IN ACCORDANCE WITH THE PROVISIONS OF SECTION 12(B). ALL CONTRIBUTIONS TO THE STATE FROM THE TRIBE PURSUANT TO THIS SECTION 12(C), AND ALL CONTRIBUTIONS TO THE STATE FROM OTHER INDIAN TRIBES THAT HAVE ENTERED INTO TRIBAL-STATE GAMING COMPACTS WITH THE STATE THAT CONTAIN SIMILAR PROVISIONS, SHALL BE DEPOSITED IN THE ARIZONA BENEFITS FUND ADMINISTERED BY THE STATE GAMING AGENCY. THE STATE AGREES TO INVEST ALL MONIES IN THE ARIZONA BENEFITS FUND IN ACCORDANCE WITH A.R.S. SECTION 35-313; MONIES EARNED FROM SUCH INVESTMENT MAY ONLY BE CREDITED TO THE ARIZONA BENEFITS FUND. THE STATE AGREES THAT CONTRIBUTIONS PAID TO THE STATE BY THE TRIBE UNDER THIS SECTION 12(C) SHALL ONLY BE DISTRIBUTED AS PROVIDED IN A.R.S. SECTION 5-601.02, AS ADOPTED BY THE PEOPLE OF THE STATE AT THE NOVEMBER 5, 2002 ELECTION, AND THE STATE SHALL NOT IMPOSE ANY TAX, FEE, CHARGE, OR OTHER ASSESSMENT UPON THE TRIBE'S GAMING OPERATIONS.

(D) DISTRIBUTIONS BY TRIBE TO CITIES, TOWNS AND COUNTIES. THE TRIBE SHALL MAKE TWELVE PERCENT (12%) OF ITS TOTAL ANNUAL CONTRIBUTION UNDER SECTION 12(B) IN EITHER OR BOTH OF THE FOLLOWING FORMS:

(1) DISTRIBUTIONS TO CITIES, TOWNS OR COUNTIES FOR GOVERNMENT SERVICES THAT BENEFIT THE GENERAL PUBLIC, INCLUDING PUBLIC SAFETY, MITIGATION OF IMPACTS OF GAMING, OR PROMOTION OF COMMERCE AND ECONOMIC DEVELOPMENT;

(2) DEPOSITS TO THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND ESTABLISHED BY A.R.S. SECTION 41-1505.12.

(E) CONTRIBUTION SCHEDULE.

(1) TRIBAL CONTRIBUTIONS PURSUANT TO SECTION 12(B) SHALL BE PAID QUARTERLY TO THE STATE GAMING AGENCY, OTHER THAN THE AMOUNTS DISTRIBUTED OR DEPOSITED TO BENEFIT CITIES, TOWNS AND COUNTIES UNDER SECTION 12(D). THE CONTRIBUTIONS SHALL BE CALCULATED BASED ON THE TRIBE'S CLASS III NET WIN FOR EACH QUARTER OF THE GAMING FACILITY OPERATOR'S FISCAL YEAR. CONTRIBUTIONS SHALL BE MADE NO LATER THAN TWENTY-FIVE (25) DAYS AFTER THE LAST DAY OF EACH FISCAL QUARTER.

(2) AT THE TIME EACH QUARTERLY CONTRIBUTION IS MADE, THE TRIBE SHALL SUBMIT TO THE STATE GAMING AGENCY A REPORT INDICATING THE CLASS III NET WIN BY GAMING ACTIVITY FOR THE QUARTER, AND THE AMOUNTS PAID UNDER SECTIONS 12(C) AND (D).

(3) THE TRIBE'S FIRST QUARTERLY CONTRIBUTION WILL BE CALCULATED BASED ON THE TRIBE'S CLASS III NET WIN FOR THE FIRST FULL FISCAL QUARTER AFTER THE EFFECTIVE DATE.

(4) FOLLOWING THE STATE GAMING AGENCY'S RECEIPT OF THE ANNUAL AUDIT PURSUANT TO SECTION 11(C), ANY OVERPAYMENT OF MONIES BY THE TRIBE PURSUANT TO THIS SECTION SHALL BE CREDITED TO THE TRIBE'S NEXT QUARTERLY CONTRIBUTION. ANY UNDERPAYMENT OF MONIES SHALL BE PAID BY THE TRIBE WITHIN THIRTY (30) DAYS OF THE STATE GAMING AGENCY'S RECEIPT OF THE ANNUAL AUDIT.

(F) REDUCTION OF TRIBAL CONTRIBUTIONS. IN THE EVENT THAT TRIBAL CONTRIBUTIONS ARE REDUCED PURSUANT TO SECTIONS 3(G) OR (H), THE TRIBE SHALL MAKE THE REDUCED CONTRIBUTIONS UNDER THE TERMS OF THIS SECTION 12, AND THESE MONIES SHALL BE USED IN THE MANNER SET FORTH IN A.R.S. SECTION 5-601.02(H)(3)(A) AS ADOPTED BY THE PEOPLE OF THE STATE AT THE NOVEMBER 5, 2002 ELECTION."

(VIII) THE FOLLOWING PROVISIONS SHALL REPLACE THE CORRESPONDING PROVISIONS, OR BE ADDED TO THE PROVISIONS, AS THE CASE MAY BE, IN SECTION 13 OF THE PRE-EXISTING COMPACT:

"(B) EMERGENCY SERVICE ACCESSIBILITY. THE TRIBE SHALL REQUIRE THE GAMING FACILITY OPERATOR TO MAKE PROVISIONS FOR ADEQUATE EMERGENCY ACCESSIBILITY AND SERVICE. MUTUAL AID AND EMERGENCY RESPONSE SERVICE AGREEMENTS WILL BE ENTERED AS NEEDED WITH ENTITIES FROM THE SURROUNDING COMMUNITIES.

(E) LAW ENFORCEMENT. THE TRIBE SHALL IMPLEMENT A WRITTEN LAW ENFORCEMENT SERVICES PLAN THAT PROVIDES A COMPREHENSIVE AND EFFECTIVE MEANS TO ADDRESS CRIMINAL AND UNDESIRABLE ACTIVITY AT THE GAMING FACILITIES. THIS PLAN SHALL PROVIDE THAT SUFFICIENT LAW ENFORCEMENT RESOURCES ARE AVAILABLE TWENTY-FOUR HOURS A DAY SEVEN DAYS PER WEEK TO PROTECT THE PUBLIC

HEALTH, SAFETY, AND WELFARE AT THE GAMING FACILITIES. THE TRIBE AND THE STATE SHALL INVESTIGATE VIOLATIONS OF STATE GAMBLING STATUTES AND OTHER CRIMINAL ACTIVITIES AT THE GAMING FACILITIES. TO ACCOMMODATE INVESTIGATIONS AND INTELLIGENCE SHARING, THE TRIBE WILL PROVIDE THAT A POLICE OFFICER HOLDING CURRENT ARIZONA POLICE OFFICER STANDARDS AND TRAINING (POST) CERTIFICATION IS EMPLOYED BY THE GAMING FACILITY OPERATOR, TRIBAL GAMING OFFICE, OR TRIBAL POLICE DEPARTMENT, AND ASSIGNED TO HANDLE GAMING-RELATED MATTERS WHEN THEY ARISE. INTELLIGENCE LIAISONS WILL BE ESTABLISHED AT THE TRIBAL POLICE DEPARTMENT OR TRIBAL GAMING OFFICE AND ALSO AT THE STATE GAMING AGENCY. THERE WILL BE FEDERAL, TRIBAL, AND STATE COOPERATION IN TASK FORCE INVESTIGATIONS. THE STATE GAMING AGENCY'S INTELLIGENCE UNIT WILL GATHER, COORDINATE, CENTRALIZE, AND DISSEMINATE ACCURATE AND CURRENT INTELLIGENCE INFORMATION PERTAINING TO CRIMINAL AND UNDESIRABLE ACTIVITY THAT MAY THREATEN PATRONS, EMPLOYEES, OR ASSETS OF THE GAMING INDUSTRY. THE STATE AND THE TRIBE WILL COORDINATE THE USE OF RESOURCES, AUTHORITY, AND PERSONNEL OF THE STATE AND THE TRIBE FOR THE SHARED GOAL OF PREVENTING AND PROSECUTING CRIMINAL OR UNDESIRABLE ACTIVITY BY PLAYERS, EMPLOYEES, OR BUSINESSES IN CONNECTION WITH TRIBAL GAMING FACILITIES. VIOLATIONS OF STATE CRIMINAL GAMBLING STATUTES ON TRIBAL LANDS MAY BE PROSECUTED AS FEDERAL CRIMES IN FEDERAL COURT."

(IX) SECTION 15 OF THE PRE-EXISTING COMPACT SHALL BE REPLACED WITH THE FOLLOWING:

"SECTION 15. DISPUTE RESOLUTION

(A) NOTICE/NEGOTIATION. IF EITHER THE TRIBE OR THE STATE BELIEVES THE OTHER HAS FAILED TO COMPLY WITH THE REQUIREMENTS SET FORTH IN THIS COMPACT, OR IF A DISPUTE ARISES AS TO THE PROPER INTERPRETATION OF THOSE REQUIREMENTS, THEN EITHER PARTY MAY SERVE A WRITTEN NOTICE ON THE OTHER IDENTIFYING THE SPECIFIC PROVISION OR PROVISIONS OF THE COMPACT IN DISPUTE AND SPECIFYING IN DETAIL THE FACTUAL BASES FOR ANY ALLEGED NON-COMPLIANCE AND/OR THE INTERPRETATION OF THE PROVISION OF THE COMPACT PROPOSED BY THE PARTY PROVIDING NOTICE. WITHIN TEN (10) DAYS FOLLOWING DELIVERY OF THE WRITTEN NOTICE OF DISPUTE, THE EXECUTIVE DIRECTOR OF THE TRIBAL GAMING OFFICE AND THE DIRECTOR OF THE STATE GAMING AGENCY SHALL MEET IN AN EFFORT TO VOLUNTARILY RESOLVE THE COMPLIANCE OR INTERPRETATION DISPUTE THROUGH NEGOTIATION. IF THOSE NEGOTIATIONS FAIL TO RESOLVE THE DISPUTE, THE EXECUTIVE DIRECTOR OF THE TRIBAL GAMING OFFICE, THE DIRECTOR OF THE STATE GAMING AGENCY, AND REPRESENTATIVES DESIGNATED BY THE GOVERNOR OF ARIZONA AND THE CHAIRMAN OF THE TRIBE SHALL MEET IN A FURTHER EFFORT TO VOLUNTARILY RESOLVE THE DISPUTE THROUGH FURTHER NEGOTIATION.

(B) MEDIATION. IF THE TRIBE AND THE STATE ARE UNABLE TO RESOLVE BY NEGOTIATION ANY DISPUTE REGARDING COMPLIANCE WITH THE REQUIREMENTS OF THE COMPACT, OR THE PROPER INTERPRETATION OF THOSE REQUIREMENTS, WITHIN THIRTY (30) DAYS AFTER DELIVERY OF THE WRITTEN NOTICE OF DISPUTE, THE TRIBE AND THE STATE SHALL, UPON THE

REQUEST OF EITHER PARTY, ENDEAVOR TO SETTLE THE DISPUTE IN AN AMICABLE MANNER BY NON-BINDING MEDIATION ADMINISTERED BY THE CPR UNDER ITS MEDIATION PROCEDURES DATED APRIL 1, 1998 (UNLESS OTHERWISE AGREED TO BY THE PARTIES), AND THE PROCEDURES SET FORTH BELOW. ALTHOUGH THE PARTIES SHALL BE REQUIRED TO PARTICIPATE IN THE MEDIATION PROCESS IF REQUESTED, A REQUEST FOR MEDIATION SHALL NOT PRECLUDE EITHER PARTY FROM PURSUING ANY OTHER AVAILABLE REMEDY.

(1) SELECTION OF MEDIATOR. IF THE PARTIES AGREE UPON A MEDIATOR, THAT PERSON SHALL SERVE AS THE MEDIATOR. IF THE PARTIES ARE UNABLE TO AGREE ON A MEDIATOR WITHIN TEN (10) DAYS OF A REQUEST FOR MEDIATION, THEN THE CPR (I) SHALL SELECT AN ATTORNEY FROM THE CPR PANEL OF DISTINGUISHED NEUTRALS TO BE THE MEDIATOR OR (II) IF REQUESTED BY THE PARTIES, SHALL SELECT THE MEDIATOR FROM A LIST OF POTENTIAL MEDIATORS APPROVED BY THE PARTIES.

(2) CONDUCT OF MEDIATION. THE MEDIATOR SHALL CONTROL THE PROCEDURAL ASPECTS OF THE MEDIATION AND SHALL BE GUIDED BY THE MEDIATION PROCEDURES PROMULGATED BY THE CPR.

(3) COSTS OF MEDIATION. THE COSTS OF MEDIATION SHALL BE BORNE EQUALLY BY THE PARTIES, WITH ONE-HALF (1/2) OF THE EXPENSES CHARGED TO THE TRIBE AND ONE-HALF (1/2) OF THE EXPENSES CHARGED TO THE STATE.

(C) ARBITRATION. IF THE TRIBE AND THE STATE FAIL TO RESOLVE SUCH A DISPUTE REGARDING COMPLIANCE WITH THE REQUIREMENTS OF THE COMPACT OR THE PROPER INTERPRETATION OF THOSE REQUIREMENTS THROUGH NEGOTIATION OR MEDIATION UNDER SECTIONS 15(A) OR (B) WITHIN THIRTY (30) DAYS AFTER DELIVERY OF THE WRITTEN NOTICE OF DISPUTE, UPON A DEMAND BY EITHER PARTY, THE DISPUTE SHALL BE SETTLED THROUGH BINDING ARBITRATION AT A NEUTRAL LOCATION AND, UNLESS OTHERWISE AGREED TO BY THE PARTIES, THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES, AS MODIFIED BY THE FOLLOWING:

(1) DEMAND FOR ARBITRATION. NO EARLIER THAN THIRTY (30) DAYS AFTER THE DELIVERY OF THE NOTICE REQUIRED UNDER SECTION 15(A), EITHER PARTY MAY SERVE ON THE OTHER A WRITTEN DEMAND FOR ARBITRATION OF THE DISPUTE, IN ACCORDANCE WITH CPR RULE 3. THE DEMAND SHALL CONTAIN A STATEMENT SETTING FORTH THE NATURE OF THE DISPUTE AND THE REMEDY SOUGHT. THE OTHER PARTY SHALL FILE A NOTICE OF DEFENSE AND ANY COUNTERCLAIM WITHIN TWENTY (20) DAYS, IN ACCORDANCE WITH CPR RULE 3. FAILURE TO PROVIDE A NOTICE OF DEFENSE SHALL NOT DELAY THE ARBITRATION. IN THE ABSENCE OF A NOTICE OF DEFENSE, ALL CLAIMS SET FORTH IN THE DEMAND SHALL BE DEEMED DENIED.

(2) ARBITRATORS. UNLESS THE PARTIES AGREE IN WRITING TO THE APPOINTMENT OF A SINGLE ARBITRATOR, THE ARBITRATION SHALL BE CONDUCTED BEFORE A PANEL OF THREE (3) ARBITRATORS. IN THE ABSENCE OF AN AGREEMENT TO A SINGLE ARBITRATOR, WITHIN TWENTY (20) DAYS OF THE DEFENDING PARTY'S RECEIPT OF THE DEMAND, EACH PARTY SHALL SELECT AN ARBITRATOR. AS SOON AS POSSIBLE THEREAFTER, BUT IN NO EVENT MORE THAN FORTY (40) DAYS FOLLOWING DELIVERY OF THE DEMAND, THE PARTY-APPOINTED ARBITRATORS SHALL DISCUSS AND

SELECT A THIRD (3RD) ARBITRATOR FROM THE PANEL OF DISTINGUISHED NEUTRALS, WHO SHALL CHAIR THE TRIBUNAL. ALTERNATIVELY, IF THE PARTIES HAVE AGREED UPON A LIST OF ARBITRATORS ACCEPTABLE TO BOTH PARTIES, THE CPR SHALL SELECT THE THIRD (3RD) ARBITRATOR FROM THAT LIST. UNLESS THE PARTIES AGREE OTHERWISE, AT LEAST ONE (1) OF THE ARBITRATORS ON THE TRIBUNAL SHALL BE AN ATTORNEY OR RETIRED JUDGE KNOWLEDGEABLE ABOUT THE ACT, FEDERAL INDIAN LAW, AND JURISDICTION WITHIN INDIAN COUNTRY. IF THE PARTIES DO NOT APPOINT AN ARBITRATOR WITH THOSE QUALIFICATIONS, THE PARTY-APPOINTED ARBITRATORS OR THE CPR SHALL DO SO. ONCE THE TRIBUNAL IS IMPANELED, THERE SHALL BE NO EX PARTE CONTACT WITH THE ARBITRATORS, EXCEPT FOR CONTACTS WITH THE OFFICE OF THE TRIBUNAL CHAIR REGARDING SCHEDULING OR OTHER PURELY ADMINISTRATIVE MATTERS THAT DO NOT DEAL WITH SUBSTANTIVE MATTERS OR THE MERITS OF THE ISSUES.

(3) SELECTION OF ARBITRATOR(S) BY THE CPR. IF A PARTY FAILS TO APPOINT AN ARBITRATOR, OR IF THE PARTY-APPOINTED ARBITRATORS HAVE FAILED TO APPOINT A THIRD (3RD) ARBITRATOR WITHIN THE TIME PERIOD PROVIDED IN SECTION 15(C)(2), EITHER PARTY MAY REQUEST APPOINTMENT OF THE ARBITRATOR BY THE CPR. THE REQUEST SHALL BE MADE IN WRITING AND SERVED ON THE OTHER PARTY. CPR SHALL FILL ANY VACANCIES ON THE TRIBUNAL WITHIN TEN (10) DAYS OF A REQUEST IN ACCORDANCE WITH CPR RULE 6.

(4) NEUTRALITY OF THE ARBITRATORS. ALL ARBITRATORS SHALL BE INDEPENDENT AND IMPARTIAL. UPON SELECTION, EACH ARBITRATOR SHALL PROMPTLY DISCLOSE IN WRITING TO THE TRIBUNAL AND THE PARTIES ANY CIRCUMSTANCES THAT MIGHT CAUSE DOUBT REGARDING THE ARBITRATOR'S INDEPENDENCE OR IMPARTIALITY. SUCH CIRCUMSTANCES MAY INCLUDE, BUT SHALL NOT BE LIMITED TO, BIAS, INTEREST IN THE RESULT OF THE ARBITRATION, AND PAST OR PRESENT RELATIONS WITH A PARTY OR ITS COUNSEL. FOLLOWING SUCH DISCLOSURE, ANY ARBITRATOR MAY BE CHALLENGED IN ACCORDANCE WITH CPR RULE 7.

(5) COST OF ARBITRATION. THE COSTS OF ARBITRATION SHALL BE BORNE EQUALLY BY THE PARTIES, WITH ONE-HALF (1/2) OF THE EXPENSES CHARGED TO THE TRIBE AND ONE-HALF (1/2) OF THE EXPENSES CHARGED TO THE STATE.

(6) PRELIMINARY CONFERENCE/HEARING. THE TRIBUNAL SHALL HOLD AN INITIAL PRE-HEARING CONFERENCE NO LATER THAN THIRTY (30) DAYS FOLLOWING THE SELECTION OF THE MEMBERS OF THE TRIBUNAL AND SHALL PERMIT DISCOVERY AND MAKE OTHER APPLICABLE DECISIONS IN ACCORDANCE WITH CPR RULES 9 THROUGH 12. UNLESS THE PARTIES AGREE OTHERWISE, OR UNLESS THE TRIBUNAL DETERMINES THAT COMPELLING CIRCUMSTANCES EXIST WHICH DEMAND OTHERWISE, THE ARBITRATION SHALL BE COMPLETED WITHIN ONE HUNDRED AND EIGHTY (180) DAYS OF THE INITIAL PRE-HEARING CONFERENCE.

(7) DISCOVERY.

(A) DOCUMENTS. CONSISTENT WITH THE EXPEDITED NATURE OF ARBITRATION, EACH PARTY WILL, UPON THE WRITTEN REQUEST OF THE OTHER PARTY, PROMPTLY PROVIDE THE OTHER WITH COPIES OF DOCUMENTS RELEVANT TO THE ISSUES RAISED BY ANY

CLAIM OR COUNTERCLAIM OR ON WHICH THE PRODUCING PARTY MAY RELY IN SUPPORT OF OR IN OPPOSITION TO ANY CLAIM OR DEFENSE. EXCEPT AS PERMITTED BY THE TRIBUNAL, ALL WRITTEN DISCOVERY SHALL BE COMPLETED WITHIN NINETY (90) DAYS FOLLOWING THE INITIAL PRE-HEARING CONFERENCE. ANY DISPUTE REGARDING DISCOVERY, OR THE RELEVANCE OR SCOPE THEREOF, SHALL BE DETERMINED BY THE TRIBUNAL, WHOSE DETERMINATION SHALL BE CONCLUSIVE.

(B) DEPOSITIONS. CONSISTENT WITH THE EXPEDITED NATURE OF ARBITRATION AND UNLESS THE PARTIES AGREE OTHERWISE, A PARTY, UPON PROVIDING WRITTEN NOTICE TO THE OTHER PARTY, SHALL HAVE THE RIGHT TO TAKE THE DEPOSITIONS OF UP TO FIVE (5) WITNESSES, EACH OF WHICH SHALL LAST NO LONGER THAN ONE (1) DAY. UNLESS THE PARTIES AGREE OTHERWISE, ADDITIONAL DEPOSITIONS SHALL BE SCHEDULED ONLY WITH THE PERMISSION OF THE TRIBUNAL AND FOR GOOD CAUSE SHOWN. A PARTY'S NEED TO TAKE THE DEPOSITION OF A WITNESS WHO IS NOT EXPECTED TO BE AVAILABLE FOR AN ARBITRATION HEARING SHALL BE DEEMED TO BE GOOD CAUSE. EXCEPT AS PERMITTED BY THE TRIBUNAL, ALL DEPOSITIONS SHALL BE CONCLUDED WITHIN ONE HUNDRED AND TWENTY (120) DAYS FOLLOWING THE INITIAL PRE-HEARING CONFERENCE. ALL OBJECTIONS THAT MIGHT BE RAISED TO DEPOSITION TESTIMONY SHALL BE RESERVED FOR THE ARBITRATION HEARING, EXCEPT FOR OBJECTIONS BASED ON PRIVILEGE, PROPRIETARY OR CONFIDENTIAL INFORMATION, AND OBJECTIONS TO FORM OR FOUNDATION THAT COULD BE CURED IF RAISED AT THE DEPOSITION.

(8) INJUNCTIVE RELIEF IN AID OF ARBITRATION. THE TRIBE OR THE STATE MAY SEEK IN A COURT OF COMPETENT JURISDICTION (A) PROVISIONAL OR ANCILLARY REMEDIES, INCLUDING PRELIMINARY INJUNCTIVE RELIEF, PENDING THE OUTCOME OF AN ARBITRATION PROCEEDING, OR (B) PERMANENT INJUNCTIVE RELIEF TO ENFORCE AN ARBITRATION AWARD.

(9) ARBITRATION HEARING.

(A) NOTICE/TRANSCRIPT. UNLESS THE PARTIES AGREE OTHERWISE, THE TRIBUNAL SHALL PROVIDE THE PARTIES WITH AT LEAST SIXTY (60) DAYS NOTICE OF THE DATE OF THE ARBITRATION HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THERE SHALL BE A STENOGRAPHIC RECORD MADE OF THE HEARING, WITH THE COST TO BE SHARED BY THE TRIBE AND THE STATE. THE TRANSCRIPT SHALL BE THE OFFICIAL RECORD OF THE PROCEEDING.

(B) LAST, BEST OFFER FORMAT. THE ARBITRATORS SHALL CONDUCT EACH ARBITRATION PROCEEDING USING THE "LAST, BEST OFFER" FORMAT, UNLESS ANY PARTY TO AN ARBITRATION PROCEEDING OPTS OUT OF THE "LAST, BEST OFFER" ARBITRATION FORMAT IN THE MANNER SET FORTH IN SECTION 15(C)(9)(C).

1. NO LATER THAN FORTY (40) DAYS BEFORE THE ARBITRATION HEARING (OR FORTY (40) DAYS BEFORE THE DATE THE DISPUTE IS TO BE SUBMITTED TO THE TRIBUNAL FOR DECISION IF ORAL HEARINGS HAVE BEEN WAIVED), EACH PARTY SHALL SUBMIT TO THE OTHER PARTY OR PARTIES TO THE ARBITRATION A PRELIMINARY LAST, BEST OFFER FOR THOSE ISSUES THAT WILL BE DECIDED USING THE LAST, BEST OFFER FORMAT.

2. NO LATER THAN TWENTY (20) DAYS BEFORE THE ARBITRATION HEARING (OR TWENTY (20) DAYS BEFORE THE DATE THE DISPUTE IS TO BE SUBMITTED TO THE

TRIBUNAL FOR DECISION IF ORAL HEARINGS HAVE BEEN WAIVED), EACH PARTY SHALL SUBMIT TO THE TRIBUNAL AND THE OTHER PARTY OR PARTIES TO THE ARBITRATION ITS PRE-HEARING LAST, BEST OFFER FOR THOSE ISSUES THAT WILL BE DECIDED USING THE LAST, BEST OFFER FORMAT.

3. NO LATER THAN TEN (10) DAYS AFTER THE CONCLUSION OF THE ARBITRATION HEARING (OR TEN (10) DAYS BEFORE THE DATE THE DISPUTE IS TO BE SUBMITTED TO THE TRIBUNAL FOR DECISION IF ORAL HEARINGS HAVE BEEN WAIVED), EACH PARTY SHALL SUBMIT TO THE TRIBUNAL AND THE OTHER PARTY OR PARTIES TO THE ARBITRATION ITS FINAL LAST, BEST OFFER FOR THOSE ISSUES THAT WILL BE DECIDED USING THE LAST, BEST OFFER FORMAT.

4. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 15(C)(9)(B)(4), FOR EACH ISSUE TO BE DECIDED USING THE LAST, BEST OFFER FORMAT, THE TRIBUNAL SHALL, FOR ITS DECISION ON THE ISSUE, ADOPT ONE OF THE LAST, BEST OFFERS SUBMITTED UNDER SECTION 15(C)(9)(B)(3) AND NO OTHER REMEDY (EXCEPTING ONLY REMEDIES IN AID OF THE TRIBUNAL'S DECISION). IF THE TRIBUNAL EXPRESSLY DETERMINES THAT A LAST, BEST OFFER SUBMITTED BY A PARTY WITH RESPECT TO AN ISSUE OR ISSUES IS NOT CONSISTENT WITH OR DOES NOT COMPLY WITH THE ACT AND/OR THE COMPACT, AS THEY MAY BE AMENDED AND AS THEY ARE INTERPRETED BY COURTS OF COMPETENT JURISDICTION, THEN THE TRIBUNAL SHALL REJECT THAT LAST, BEST OFFER AND SHALL NOT CONSIDER IT IN RENDERING ITS DECISION. IF THE TRIBUNAL EXPRESSLY DETERMINES THAT ALL THE LAST, BEST OFFERS SUBMITTED BY THE PARTIES WITH RESPECT TO AN ISSUE OR ISSUES ARE NOT CONSISTENT WITH OR DO NOT COMPLY WITH THE ACT AND/OR THE COMPACT, AS THEY MAY BE AMENDED AND AS THEY ARE INTERPRETED BY COURTS OF COMPETENT JURISDICTION, THEN THE TRIBUNAL SHALL REJECT ALL THE LAST, BEST OFFERS AND SHALL DECIDE THE RELATED ISSUE OR ISSUES AS IF THE PARTIES HAD ELECTED TO HAVE THE ISSUE OR THOSE ISSUES DECIDED WITHOUT USING THE "LAST, BEST OFFER" FORMAT. IN ADDITION, THE TRIBUNAL SHALL HAVE NO AUTHORITY TO AWARD MONEY DAMAGES AGAINST EITHER PARTY, REGARDLESS OF WHETHER A LAST, BEST OFFER PROPOSES AN AWARD OF DAMAGES.

(C) OPTING OUT OF LAST, BEST OFFER FORMAT. UNLESS THE PARTIES AGREE OTHERWISE, A PARTY DESIRING TO OPT OUT OF THE "LAST, BEST OFFER" ARBITRATION FORMAT SHALL SERVE A WRITTEN NOTICE OF ITS ELECTION NO LATER THAN FIFTY (50) DAYS BEFORE THE ARBITRATION HEARING (OR FIFTY (50) DAYS BEFORE THE DATE THE DISPUTE IS TO BE SUBMITTED TO THE TRIBUNAL FOR DECISION IF ORAL HEARINGS HAVE BEEN WAIVED). THE NOTICE SHALL:

1. IDENTIFY WITH SPECIFICITY THE ISSUE OR ISSUES THAT THE ARBITRATORS WILL DECIDE WITHOUT USING THE "LAST, BEST OFFER" ARBITRATION FORMAT, OR

2. STATE THAT THE ARBITRATORS WILL NOT USE THE "LAST, BEST OFFER" ARBITRATION FORMAT.

(10) DECISION OF THE TRIBUNAL. THE DECISION OF THE TRIBUNAL SHALL BE IN WRITING, SETTING FORTH DETAILED FINDINGS OF FACT AND CONCLUSIONS OF LAW AND A STATEMENT REGARDING THE REASONS FOR THE DISPOSITION OF EACH CLAIM. IF THE TRIBUNAL DETERMINES THAT A LAST, BEST OFFER IS NOT CONSISTENT WITH OR DOES NOT COMPLY WITH THE

ACT AND/OR THE COMPACT, THE DECISION OF THE TRIBUNAL SHALL SET FORTH DETAILED FINDINGS OF FACT AND CONCLUSIONS OF LAW AND A STATEMENT REGARDING THE REASONS FOR THE TRIBUNAL'S DETERMINATION. THE WRITTEN DECISION OF THE TRIBUNAL SHALL BE MADE PROMPTLY AND, UNLESS OTHERWISE AGREED TO BY THE PARTIES, NO LATER THAN FORTY (40) DAYS FROM THE DATE OF THE CLOSING OF THE HEARING OR, IF ORAL HEARINGS HAVE BEEN WAIVED, NO LATER THAN FORTY (40) DAYS FROM THE DATE THE DISPUTE IS SUBMITTED TO THE TRIBUNAL FOR DECISION. THE TRIBUNAL MAY TAKE ADDITIONAL TIME TO RENDER ITS DECISION IF THE TRIBUNAL DETERMINES THAT COMPELLING CIRCUMSTANCES REQUIRE ADDITIONAL TIME. THE TRIBUNAL MAY ISSUE AWARDS IN ACCORDANCE WITH CPR RULE 13, TO THE EXTENT THAT RULE IS CONSISTENT WITH SECTION 15(C). THE DECISION OF THE MAJORITY OF THE ARBITRATORS SHALL BE FINAL, BINDING, AND NON-APPEALABLE, EXCEPT FOR A CHALLENGE TO A DECISION ON THE GROUNDS SET FORTH IN 9 U.S.C. § 10. THE FAILURE TO COMPLY WITH A JUDGMENT UPON THE AWARD OF THE ARBITRATORS SHALL BE A BREACH OF THIS COMPACT.

(11) GOVERNING LAW/JURISDICTION. TITLE 9 OF THE UNITED STATES CODE (THE UNITED STATES ARBITRATION ACT) AND THE RULES SHALL GOVERN THE INTERPRETATION AND ENFORCEMENT OF SECTION 15(C), BUT NOTHING IN SECTION 15(C) SHALL BE INTERPRETED AS A WAIVER OF THE STATE'S TENTH AMENDMENT OR ELEVENTH AMENDMENT IMMUNITY OR AS A WAIVER OF THE TRIBE'S SOVEREIGN IMMUNITY. THE TRIBUNAL SHALL RESOLVE THE DISPUTES SUBMITTED FOR ARBITRATION IN ACCORDANCE WITH, AND EVERY DECISION OF THE TRIBUNAL MUST COMPLY AND BE CONSISTENT WITH, THE ACT AND THE COMPACT, AS THEY MAY BE AMENDED AND AS THEY ARE INTERPRETED BY COURTS OF COMPETENT JURISDICTION. THE TRIBUNAL SHALL HAVE NO AUTHORITY TO AWARD MONEY DAMAGES AGAINST EITHER PARTY.

(12) JUDICIAL CONFIRMATION. JUDGMENT UPON ANY AWARD RENDERED BY THE TRIBUNAL MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION.

(D) INJUNCTIVE RELIEF. THE PARTIES ACKNOWLEDGE THAT, ALTHOUGH NEGOTIATION FOLLOWED BY MEDIATION AND ARBITRATION ARE THE PREFERRED METHODS OF DISPUTE RESOLUTION, COMPACT SECTION 15 SHALL NOT IMPAIR ANY RIGHTS TO SEEK IN ANY COURT OF COMPETENT JURISDICTION INJUNCTIVE RELIEF PURSUANT TO 25 U.S.C. § 2710(D)(7)(A)(II), OR A JUDGMENT UPON AN AWARD RENDERED BY AN ARBITRATION TRIBUNAL IN ACCORDANCE WITH SECTIONS 15(C)(10) AND 15(C)(11). IN AN ACTION BROUGHT BY THE TRIBE AGAINST THE STATE, ONE COURT OF COMPETENT JURISDICTION IS THE ARIZONA SUPERIOR COURT. IN AN ACTION BROUGHT BY THE STATE AGAINST THE TRIBE, ONE COURT OF COMPETENT JURISDICTION IS THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA. NOTHING IN THIS COMPACT IS INTENDED TO PREVENT EITHER PARTY FROM SEEKING RELIEF IN SOME OTHER COURT OF COMPETENT JURISDICTION, OR TO CONSTITUTE AN ACKNOWLEDGEMENT THAT THE STATE COURTS HAVE JURISDICTION OVER THE TRIBE OR THE TRIBAL COURTS HAVE JURISDICTION OVER THE STATE."

(X) SECTION 17 OF THE PRE-EXISTING COMPACT SHALL BE REPLACED WITH THE FOLLOWING:

"SECTION 17. AMENDMENTS

(A) PROPOSED COMPACT AMENDMENTS. TO CONTINUE TO ENSURE THE FAIR AND HONEST OPERATION OF INDIAN GAMING, NO LATER THAN ONE HUNDRED EIGHTY (180) DAYS AFTER THE EFFECTIVE DATE, THE STATE OR THE TRIBE MAY PROPOSE AMENDMENTS TO ENHANCE THE FOLLOWING REGULATORY PROVISIONS OF THIS COMPACT:

(1) THE PROCESS FOR TRIBAL JUDICIAL REVIEW OF DISPUTES REGARDING THE NONPAYMENT OF ALLEGED WINNINGS TO PATRONS;

(2) COMPLIANCE WITH UNITED STATES PUBLIC HEALTH SERVICE REQUIREMENTS REGARDING FOOD AND BEVERAGE HANDLING;

(3) COMPLIANCE WITH BUILDING CODES AND FIRE SAFETY STANDARDS IN THE CONSTRUCTION OF NEW GAMING FACILITIES AND SIGNIFICANT MODIFICATIONS TO EXISTING GAMING FACILITIES;

(4) THE AVAILABILITY OF ADEQUATE POLICE, FIRE AND EMERGENCY MEDICAL SERVICES TO SERVE EACH GAMING FACILITY;

(5) REMEDIES FOR VIOLATIONS OF THIS COMPACT, THE GAMING ORDINANCE, FEDERAL LAW, OR STATE RULES FOR CERTIFICATION HOLDERS;

(6) LIABILITY INSURANCE FOR GAMING FACILITIES AND PROCEDURES FOR THE DISPOSITION OF TORT CLAIMS THAT ARISE FROM PERSONAL INJURIES OR PROPERTY DAMAGE SUFFERED AT GAMING FACILITIES BY PATRONS OF THE GAMING FACILITIES;

(7) STANDARDS FOR BACKGROUND INVESTIGATIONS, LICENSING AND CERTIFICATION OF GAMING EMPLOYEES BY THE TRIBE OR THE STATE GAMING AGENCY, OR BOTH;

(8) STANDARDS FOR BACKGROUND INVESTIGATIONS, LICENSING, AND CERTIFICATION BY THE TRIBE OR THE STATE GAMING AGENCY, OR BOTH, OF PERSONS OR ENTITIES THAT PROVIDE GAMING GOODS OR SERVICES ON A SIGNIFICANT BASIS;

(9) REPORTS AND AUDITS OF REVENUE FROM GAMING ACTIVITIES TO ALLOW TRACKING AND CONFIRMATION OF SUCH REVENUE;

(10) MINIMUM INTERNAL CONTROL STANDARDS, TECHNICAL STANDARDS, TESTING PROCEDURES, AND INSPECTION PROCEDURES FOR CLASS III GAMING DEVICES AND THE ONLINE ELECTRONIC GAME MANAGEMENT SYSTEMS TO WHICH THEY ARE LINKED;

(11) MINIMUM INTERNAL CONTROL STANDARDS, OPERATIONAL STANDARDS, SPECIFICATIONS, AND REGULATIONS FOR OTHER GAMING ACTIVITIES PERMITTED UNDER THIS COMPACT, INCLUDING RULES FOR GAME PLAY AND DEALING PROCEDURES FOR BLACKJACK AND POKER; AND

(12) SURVEILLANCE REQUIREMENTS.

(B) NEGOTIATIONS/MEDIATION. WITHIN NINETY (90) DAYS OF RECEIPT BY THE TRIBE OR THE STATE OF PROPOSED AMENDMENTS DESCRIBED IN SECTION 17(A), THE TRIBE AND THE STATE SHALL ENTER INTO GOOD FAITH NEGOTIATIONS REGARDING THE PROPOSED AMENDMENTS. IF GOOD FAITH NEGOTIATIONS FAIL TO RESULT IN A MUTUALLY-AGREED UPON AMENDMENT TO THIS COMPACT REGARDING ANY OF THE ISSUES LISTED IN SECTION 17(A), THE PARTIES SHALL PARTICIPATE IN GOOD FAITH IN A MEDIATION CONDUCTED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 15(B) IN AN EFFORT TO RESOLVE THEIR DIF-

FERENCES. THE REMAINING PROVISIONS OF SECTION 15 SHALL NOT APPLY TO SECTIONS 17(A) OR (B). WITHIN THIRTY (30) DAYS AFTER THE CONCLUSION OF A MEDIATION, THE PARTIES SHALL CONCLUDE NEGOTIATIONS AND DOCUMENT ANY AMENDMENTS CONSISTENT WITH SECTION 17(C).

(C) EFFECT. ANY AMENDMENT TO THIS COMPACT SHALL BE IN WRITING AND SIGNED BY BOTH PARTIES. THE TERMS AND CONDITIONS OF THIS COMPACT SHALL REMAIN IN EFFECT UNTIL AMENDED, MODIFIED, OR TERMINATED."

(XI) SECTION 23 OF THE PRE-EXISTING COMPACT SHALL BE REPLACED WITH THE FOLLOWING:

"SECTION 23. EFFECTIVE DATE AND DURATION

(A) REPLACEMENT OF OTHER GAMING COMPACTS. ON THE EFFECTIVE DATE, THIS COMPACT SHALL REPLACE AND SUPERSEDE ANY OTHER TRIBAL-STATE GAMING COMPACT BETWEEN THE STATE AND THE TRIBE. THE TRIBE AND THE STATE SHALL EXECUTE AN ACKNOWLEDGEMENT OF THE EFFECTIVE DATE.

(B) DURATION.

(1) THE INITIAL TERM OF THIS COMPACT SHALL COMMENCE ON THE EFFECTIVE DATE. THE INITIAL TERM OF THIS COMPACT SHALL BE THE REMAINDER OF THE TERM UNDER SECTION 23(B)(1) OF THE TRIBE'S PRE-EXISTING COMPACT AS DEFINED IN A.R.S. SECTION 5-601.02(I)(5), IF ANY, PROVIDED THAT SUCH PRE-EXISTING COMPACT WAS IN EFFECT ON MAY 1, 2002, PLUS TEN (10) YEARS.

(2) THIS COMPACT SHALL THEREAFTER BE EXTENDED FOR A RENEWAL TERM OF TEN (10) YEARS, UNLESS THE STATE OR THE TRIBE NOTIFIES THE OTHER IN WRITING, NOT LESS THAN ONE HUNDRED EIGHTY (180) DAYS PRIOR TO THE EXPIRATION OF THE INITIAL TERM, THAT IT DOES NOT INTEND TO RENEW THE COMPACT BECAUSE OF SUBSTANTIAL NON-COMPLIANCE.

(3) THIS COMPACT SHALL THEREAFTER BE EXTENDED FOR AN ADDITIONAL RENEWAL TERM OF THREE (3) YEARS IN ORDER TO PROVIDE THE PARTIES WITH AN OPPORTUNITY TO NEGOTIATE NEW OR AMENDED COMPACT TERMS, UNLESS THE STATE OR THE TRIBE NOTIFIES THE OTHER IN WRITING, NOT LESS THAN ONE HUNDRED EIGHTY (180) DAYS PRIOR TO THE EXPIRATION OF THE RENEWAL TERM, THAT IT DOES NOT INTEND TO RENEW THE COMPACT BECAUSE OF SUBSTANTIAL NON-COMPLIANCE.

(4) FOR PURPOSES OF THIS SECTION 23, SUBSTANTIAL NON-COMPLIANCE MEANS THE WILLFUL FAILURE OR REFUSAL TO REASONABLY COMPLY WITH THE MATERIAL TERMS OF A FINAL, NON-APPEALABLE COURT ORDER, OR A FINAL, NON-APPEALABLE AWARD OF AN ARBITRATOR OR ARBITRATORS UNDER SECTION 15. SUBSTANTIAL NON-COMPLIANCE DOES NOT INCLUDE TECHNICAL INADVERTENCE OR NON-MATERIAL VARIATIONS OR OMISSIONS IN COMPLIANCE WITH ANY SUCH AWARD OR JUDGMENT. IF EITHER PARTY CONTENTS THAT THE OTHER IS IN SUBSTANTIAL NON-COMPLIANCE, THE PARTY SO CONTENDING SHALL PROVIDE IMMEDIATE WRITTEN NOTICE TO THE OTHER, INCLUDING THE SPECIFIC REASON(S) FOR THE CONTENTION AND COPIES OF ALL DOCUMENTATION RELIED UPON TO THE EXTENT ALLOWED BY LAW.

(5) A DISPUTE OVER WHETHER THE STATE OR THE TRIBE HAS ENGAGED IN SUBSTANTIAL NON-COMPLIANCE SHALL BE RESOLVED UNDER SECTION 15. THE COMPACT SHALL REMAIN IN EFFECT UNTIL THE DISPUTE HAS BEEN RESOLVED BY A FINAL, NON-APPEAL-

ABLE DECISION UNDER SECTION 15. IN ANY SECTION 15 PROCEEDING TO DETERMINE SUBSTANTIAL NON-COMPLIANCE, THE BURDEN OF PROOF SHALL BE ON THE PARTY ALLEGING SUBSTANTIAL NON-COMPLIANCE.

(6) THE TRIBE MAY OPERATE CLASS III GAMING ONLY WHILE THIS COMPACT, OR ANY EXTENSION THEREOF, IS IN EFFECT. PRIOR TO THE END OF THE FINAL RENEWAL TERM OF THIS COMPACT, THE STATE AND THE TRIBE SHALL NEGOTIATE UNDER 25 U.S.C. SECTION 2710(D)(3)(A), OR OTHER APPLICABLE FEDERAL LAW, FOR A SUCCESSOR COMPACT OR OTHER SIMILAR AGREEMENT."

Sec. 4. Repeal

Section 5-601.01, Arizona Revised Statutes, is repealed.

~~5-601.01. Standard form of tribal state compact; eligible tribes; limitation on time for execution of compact~~

~~A. Notwithstanding any other law or the provisions of section 5-601, the state, through the governor, shall enter into the state's standard form of gaming compact with any eligible Indian tribe that requests it.~~

~~B. For the purposes of this section:~~

~~1. The state's standard form of gaming compact is the form of compact that contains provisions limiting types of gaming, the number of gaming devices, the number of gaming locations, and other provisions, that are common to the compacts entered into by this state with Indian tribes in this state on June 24, 1993, and approved by the United States secretary of the interior on July 30, 1993.~~

~~2. An eligible Indian tribe is an Indian tribe in this state that has not entered into a gaming compact with the state.~~

~~C. The state, through the governor, shall execute the compact required by this section within thirty days after written request by the governing body of an eligible tribe.~~

Sec. 5. Section 13-3301, Arizona Revised Statutes, is amended to read:

13-3301. Definitions

In this chapter, unless the context otherwise requires:

1. "Amusement gambling" means gambling involving a device, game or contest which is played for entertainment if all of the following apply:

(a) The player or players actively participate in the game or contest or with the device.

(b) The outcome is not in the control to any material degree of any person other than the player or players.

(c) The prizes are not offered as a lure to separate the player or players from their money.

(d) Any of the following:

(i) No benefit is given to the player or players other than an immediate and unrecorded right to replay which is not exchangeable for value.

(ii) The gambling is an athletic event and no person other than the player or players derives a profit or chance of a profit from the money paid to gamble by the player or players.

(iii) The gambling is an intellectual contest or event, the money paid to gamble is part of an established purchase price for a product, no increment has been added to the price in connection with the gambling event and no drawing or lottery is held to determine the winner or winners.

(iv) Skill and not chance is clearly the predominant factor in the game and the odds of winning the game based upon chance cannot be altered, provided the game complies with any licensing or regulatory requirements by the jurisdiction in which it is operated, no benefit for a single win is given to the player or players other than a merchandise prize which has a wholesale fair market value of less than

four (4) dollars or coupons which are redeemable only at the place of play and only for a merchandise prize which has a fair market value of less than four (4) dollars and, regardless of the number of wins, no aggregate of coupons may be redeemed for a merchandise prize with a wholesale fair market value of greater than thirty-five (35) dollars.

2. "Conducted as a business" means gambling that is engaged in with the object of gain, benefit or advantage, either direct or indirect, realized or unrealized, but not when incidental to a bona fide social relationship.

3. "Crane game" means an amusement machine which is operated by player controlled buttons, control sticks or other means, or a combination of the buttons or controls, which is activated by coin insertion into the machine and where the player attempts to successfully retrieve prizes with a mechanical or electromechanical claw or device by positioning the claw or device over a prize.

4. "Gambling" or "gamble" means one act of risking or giving something of value for the opportunity to obtain a benefit from a game or contest of chance or skill or a future contingent event but does not include bona fide business transactions which are valid under the law of contracts including contracts for the purchase or sale at a future date of securities or commodities, contracts of indemnity or guarantee and life, health or accident insurance.

5. "Player" means a natural person who participates in gambling.

6. "Regulated gambling" means EITHER:

(A) GAMBLING CONDUCTED IN ACCORDANCE WITH A TRIBAL-STATE GAMING COMPACT OR OTHERWISE IN ACCORDANCE WITH THE REQUIREMENTS OF THE INDIAN GAMING REGULATORY ACT OF 1988 (P.L. 100-497; 102 STAT. 2467; 25 UNITED STATES CODE SECTIONS 2701 THROUGH 2721 AND 18 UNITED STATES CODE SECTIONS 1166 THROUGH 1168); OR

(B) gambling to which all of the following apply:

~~(a)~~-(I) It is operated and controlled in accordance with a statute, rule or order of this state or of the United States.

~~(b)~~-(II) All federal, state or local taxes, fees and charges in lieu of taxes have been paid by the authorized person or entity on any activity arising out of or in connection with the gambling.

~~(c)~~-(III) If conducted by an organization which is exempt from taxation of income under section 43-1201, the organization's records are open to public inspection.

~~(d)~~-(IV) Beginning on June 1, 2003, none of the players is under twenty-one years of age.

7. "Social gambling" means gambling that is not conducted as a business and that involves players who compete on equal terms with each other in a gamble if all of the following apply:

(a) No player receives, or becomes entitled to receive, any benefit, directly or indirectly, other than the player's winnings from the gamble.

(b) No other person receives or becomes entitled to receive any benefit, directly or indirectly, from the gambling activity, including benefits of proprietorship, management or unequal advantage or odds in a series of gambles.

(c) Until June 1, 2003, none of the players is below the age of majority. Beginning on June 1, 2003, none of the players is under twenty-one years of age.

(d) Players "compete on equal terms with each other in a gamble" when no player enjoys an advantage over any other player in the gamble under the conditions or rules of the game or contest.

Sec. 6. Title 15, Chapter 9, Article 5, Arizona Revised Statutes, is amended by adding a new section 15-978 as follows:

15-978. INSTRUCTIONAL IMPROVEMENT FUND

A. THE INSTRUCTIONAL IMPROVEMENT FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTIONS 5-601.02(H)(3)(A)(I) AND 5-601.02(H)(3)(B)(I), AND INTEREST EARNED ON THOSE MONIES. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY.

B. MONIES RECEIVED PURSUANT TO SECTION 5-601.02 SHALL BE DEPOSITED DIRECTLY WITH THE INSTRUCTIONAL IMPROVEMENT FUND. ON NOTICE FROM THE DEPARTMENT OF EDUCATION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE INSTRUCTIONAL IMPROVEMENT FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THE INSTRUCTIONAL IMPROVEMENT FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE INSTRUCTIONAL IMPROVEMENT FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING STATE AND LOCAL MONIES.

C. THE DEPARTMENT OF EDUCATION SHALL PAY THE MONIES IN THE FUND TO SCHOOL DISTRICTS AND CHARTER SCHOOLS. THE DEPARTMENT OF EDUCATION SHALL DETERMINE THE AMOUNT OF MONIES FROM THE FUND TO BE PAID TO EACH SCHOOL DISTRICT AND CHARTER SCHOOL AS FOLLOWS:

1. DETERMINE THE STUDENT COUNT FOR EACH SCHOOL DISTRICT AND CHARTER SCHOOL AS PROVIDED IN SECTION 15-943.

2. DETERMINE THE STUDENT COUNT FOR ALL SCHOOL DISTRICTS AND CHARTER SCHOOLS AS PROVIDED IN SECTION 15-943.

3. DIVIDE THE AMOUNT DETERMINED IN PARAGRAPH 1 OF THIS SUBSECTION BY THE TOTAL AMOUNT DETERMINED IN PARAGRAPH 2 OF THIS SUBSECTION.

4. MULTIPLY THE QUOTIENT DETERMINED IN PARAGRAPH 3 OF THIS SUBSECTION BY THE TOTAL AMOUNT OF INSTRUCTIONAL IMPROVEMENT FUND MONIES AVAILABLE TO BE DISTRIBUTED TO SCHOOL DISTRICTS AND CHARTER SCHOOLS UNDER THIS SECTION.

D. EACH SCHOOL DISTRICT AND CHARTER SCHOOL MAY UTILIZE UP TO FIFTY PERCENT OF THE AMOUNT OF MONIES DETERMINED PURSUANT TO SUBSECTION C FOR TEACHER COMPENSATION INCREASES AND CLASS SIZE REDUCTION AS PROVIDED IN SECTION 15-977.

E. MONIES THAT ARE NOT UTILIZED AS PROVIDED IN SUBSECTION D SHALL BE UTILIZED FOR THE FOLLOWING MAINTENANCE AND OPERATION PURPOSES:

1. DROPOUT PREVENTION PROGRAMS.

2. INSTRUCTIONAL IMPROVEMENT PROGRAMS INCLUDING PROGRAMS TO DEVELOP MINIMUM READING SKILLS FOR STUDENTS BY THE END OF THIRD GRADE.

F. SCHOOL DISTRICTS AND CHARTER SCHOOLS THAT RECEIVE MONIES FROM THE INSTRUCTIONAL IMPROVEMENT FUND SHALL SUBMIT A REPORT BY NOVEMBER 15 OF

Proposition 202

EACH YEAR TO THE DEPARTMENT OF EDUCATION THAT PROVIDES AN ACCOUNTING OF THE EXPENDITURE OF MONIES DISTRIBUTED FROM THE FUND DURING THE PREVIOUS FISCAL YEAR. THE DEPARTMENT OF EDUCATION IN CONJUNCTION WITH THE AUDITOR GENERAL SHALL PRESCRIBE THE FORMAT OF THE REPORT UNDER THIS SUBSECTION.

Sec 7. Title 17, Chapter 2, Arizona Revised Statutes, is amended by adding a new Article 7 as follows:

ARTICLE 7. ARIZONA WILDLIFE CONSERVATION FUND
17-299. ARIZONA WILDLIFE CONSERVATION FUND

A. THE ARIZONA WILDLIFE CONSERVATION FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 5-601.02(H)(3)(B)(III) AND INTEREST EARNED ON THOSE MONIES. THE ARIZONA STATE GAME AND FISH COMMISSION SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY PROVISION OF SECTIONS 17-241 OR 17-261 OR ANY OTHER STATUTORY PROVISIONS TO THE CONTRARY.

B. MONIES RECEIVED PURSUANT TO SECTION 5-601.02 SHALL BE DEPOSITED DIRECTLY WITH THE ARIZONA WILDLIFE CONSERVATION FUND. ON NOTICE FROM THE ARIZONA STATE GAME AND FISH COMMISSION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE ARIZONA WILDLIFE CONSERVATION FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THE ARIZONA WILDLIFE CONSERVATION FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE ARIZONA WILDLIFE CONSERVATION FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING MONIES.

C. ALL MONIES IN THE ARIZONA WILDLIFE CONSERVATION FUND SHALL BE SPENT BY THE ARIZONA STATE GAME AND FISH COMMISSION TO CONSERVE, ENHANCE, AND RESTORE ARIZONA'S DIVERSE WILDLIFE RESOURCES AND HABITATS FOR PRESENT AND FUTURE GENERATIONS, AND WHICH MAY INCLUDE THE ACQUISITION OF REAL PROPERTY. THE COMMISSION MAY GRANT MONIES TO ANY AGENCY OF THE STATE OR ANY POLITICAL SUBDIVISION, INDIAN TRIBE, OR NON-PROFIT ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(C) OF THE INTERNAL REVENUE CODE FOR THE PURPOSE OF CONSERVATION OF WILDLIFE OR WILDLIFE HABITAT OR ACQUISITION OF REAL PROPERTY OR INTEREST IN REAL PROPERTY THAT IS WILDLIFE HABITAT. A GRANT OF MONEY UNDER THIS SUBSECTION TO A NONPROFIT ORGANIZATION IS CONDITIONED ON THE ORGANIZATION PROVIDING REASONABLE PUBLIC ACCESS TO ANY LAND THAT IS WHOLLY OR PARTLY PURCHASED WITH THAT MONEY.

Sec. 8. Title 36, Chapter 29, Article 1, Arizona Revised Statutes, is amended by adding a new section 36-2903.07 as follows:

36-2903.07. TRAUMA AND EMERGENCY SERVICES FUND

A. THE TRAUMA AND EMERGENCY SERVICES FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTION 5-601.02(H)(3)(B)(II) AND INTEREST EARNED ON THOSE MONIES. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY.

B. MONIES RECEIVED PURSUANT TO SECTION 5-601.02 SHALL BE DEPOSITED DIRECTLY WITH THE TRAUMA AND EMERGENCY SERVICES FUND. ON NOTICE FROM THE

ADMINISTRATION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE TRAUMA AND EMERGENCY SERVICES FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THE TRAUMA AND EMERGENCY SERVICES FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE TRAUMA AND EMERGENCY SERVICES FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING MONIES.

C. MONIES IN THE FUND SHALL ONLY BE USED TO REIMBURSE HOSPITALS IN ARIZONA FOR UNRECOVERED TRAUMA CENTER READINESS COSTS AND UNRECOVERED EMERGENCY SERVICES COSTS AS PROVIDED FOR IN THIS SECTION.

D. FOR PURPOSES OF THIS SECTION:

1. "TRAUMA CENTER READINESS COSTS" MEANS CLINICAL, PROFESSIONAL AND OPERATIONAL COSTS THAT ARE INCURRED BY A LEVEL I TRAUMA CENTER AND THAT ARE NECESSARY FOR THE PROVISION OF LEVEL I TRAUMA CARE ON A TWENTY-FOUR HOUR, SEVEN DAYS PER WEEK BASIS. TRAUMA CENTER READINESS COSTS INCLUDE ONLY THOSE ADMINISTRATIVE AND OVERHEAD COSTS THAT ARE DIRECTLY ASSOCIATED WITH PROVIDING LEVEL I TRAUMA CARE.

2. "EMERGENCY SERVICES COSTS" MEANS CLINICAL, PROFESSIONAL AND OPERATIONAL COSTS THAT ARE NECESSARILY INCURRED BY A HOSPITAL IN PROVIDING EMERGENCY SERVICES.

3. "UNRECOVERED" MEANS THE DIFFERENCE BETWEEN THE COSTS INCURRED BY A HOSPITAL IN PROVIDING THE SERVICE AND THE AMOUNT THAT THE HOSPITAL HAS BEEN PAID FOR PROVIDING THE SERVICE.

E. WITHIN SIX MONTHS OF THE EFFECTIVE DATE OF THIS SECTION, THE ADMINISTRATION SHALL PROMULGATE RULES PURSUANT TO ARIZONA REVISED STATUTES TITLE 42, CHAPTER 6, EXCEPT THAT THE RULES SHALL NOT BE SUBJECT TO ARTICLE 5 OF THAT CHAPTER. THE RULES SHALL SET FORTH:

1. A METHODOLOGY TO DETERMINE ARIZONA HOSPITALS' UNRECOVERED TRAUMA CENTER READINESS COSTS AND UNRECOVERED EMERGENCY SERVICES COSTS;

2. A PROCEDURE TO DISTRIBUTE ALL MONIES FROM THE TRAUMA AND EMERGENCY SERVICES FUND TO ARIZONA HOSPITALS IN PROPORTION TO THOSE HOSPITALS' UNRECOVERED TRAUMA CENTER READINESS COSTS AND UNRECOVERED EMERGENCY SERVICES COSTS.

F. THE ADMINISTRATION SHALL DISTRIBUTE ALL MONIES FROM THE TRAUMA AND EMERGENCY SERVICES FUND TO ARIZONA HOSPITALS IN ACCORDANCE WITH THE RULES PROMULGATED PURSUANT TO THIS SECTION.

Sec. 9. Title 41, Chapter 10, Article 1, Arizona Revised Statutes, is amended by adding a new section 41-1505.12 as follows:

41-1505.12. COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND

A. THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SECTIONS 5-601.02(H)(4)(B) AND 5-601.02(I)(6)(B)(VII), AND INTEREST EARNED ON THOSE MONIES. THE DIRECTOR SHALL ADMINISTER THE FUND. THE FUND IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE

NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY.

B. MONIES RECEIVED PURSUANT TO SECTIONS 5-601.02(H)(4)(B) AND 5-601.02(I)(6)(B)(VII) SHALL BE DEPOSITED DIRECTLY WITH THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND. ON NOTICE FROM THE DEPARTMENT OF COMMERCE, THE STATE TREASURER MAY INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. NO MONIES IN THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO THE LAPSING OF APPROPRIATIONS. MONIES PROVIDED FROM THE COMMERCE AND ECONOMIC DEVELOPMENT COMMISSION LOCAL COMMUNITIES FUND SHALL SUPPLEMENT, NOT SUPPLANT, EXISTING MONIES.

C. ALL MONIES IN THE FUND SHALL BE USED BY THE COMMISSION TO PROVIDE GRANTS TO CITIES, TOWNS AND COUNTIES AS DEFINED IN TITLE 11, ARIZONA REVISED STATUTES, FOR GOVERNMENT SERVICES THAT BENEFIT THE GENERAL PUBLIC, INCLUDING PUBLIC SAFETY, MITIGATION OF IMPACTS OF GAMING, OR PROMOTION OF COMMERCE AND ECONOMIC DEVELOPMENT. ALL GRANT APPLICATIONS MUST HAVE A WRITTEN ENDORSEMENT OF A NEARBY INDIAN TRIBE TO RECEIVE AN AWARD OF FUNDS FROM THE COMMISSION.

Sec. 10. Section 41-2306, Arizona Revised Statutes, as amended by Laws 2000, chapter 375, section 3, is amended to read:

41-2306. Tourism fund

A. The tourism fund is established consisting of separate accounts derived from:

1. Revenues deposited pursuant to section 42-5029, subsection D, paragraph 4, subdivision (f). The legislature shall appropriate all monies in this account to the office of tourism for the purposes of operations and statewide tourism promotion.

2. Revenues deposited pursuant to section 5-835, subsection B or C. The legislature shall appropriate all monies in this account to the office of tourism which, in consultation with a consortium of destination marketing organizations in the county in which the tourism and sports authority is established, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.

3. Revenues deposited pursuant to section 42-6108.01. The legislature shall appropriate all monies in this account to the office of tourism which, in conjunction with the destination marketing organization in the county in which the tax revenues are collected, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.

4. REVENUES DEPOSITED PURSUANT TO SECTION 5-601.02(H)(3)(B)(IV). THE OFFICE OF TOURISM SHALL ADMINISTER THE ACCOUNT. THE ACCOUNT IS NOT SUBJECT TO APPROPRIATION, AND EXPENDITURES FROM THE FUND ARE NOT SUBJECT TO OUTSIDE APPROVAL NOTWITHSTANDING ANY STATUTORY PROVISION TO THE CONTRARY. MONIES RECEIVED PURSUANT TO SECTION 5-601.02 SHALL BE DEPOSITED DIRECTLY WITH THIS ACCOUNT. ON NOTICE FROM THE OFFICE OF TOURISM, THE STATE TREASURER MAY INVEST AND

DIVEST MONIES IN THE ACCOUNT AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE ACCOUNT. NO MONIES IN THE ACCOUNT SHALL REVERT TO OR BE DEPOSITED IN ANY OTHER FUND, INCLUDING THE STATE GENERAL FUND. MONIES IN THIS ACCOUNT SHALL SUPPLEMENT, NOT SUPPLANT, CURRENT FUNDS IN OTHER ACCOUNTS OF THE TOURISM FUND. MONIES IN THIS ACCOUNT SHALL BE SPENT ONLY TO PROMOTE TOURISM WITHIN THE STATE AND SHALL NOT BE USED FOR ADMINISTRATIVE OR OVERHEAD EXPENSES.

B. Monies in the fund are exempt from section 35-190 relating to lapsing of appropriations.

Sec. 11. Repeal

Section 41-2306, Arizona Revised Statutes, as amended by Laws 2000, chapter 372, section 3, is repealed.

41-2306. Tourism fund

A. ~~The tourism fund is established consisting of separate accounts derived from:~~

~~1. Revenues deposited pursuant to section 42-5029, subsection D, paragraph 4, subdivision (f). The legislature shall appropriate all monies in this account to the office of tourism for the purposes of operations and statewide tourism promotion.~~

~~2. Revenues deposited pursuant to section 5-835, subsection B or C. The legislature shall appropriate all monies in this account to the office of tourism which, in consultation with a consortium of destination marketing organizations in the county in which the tourism and sports authority is established, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.~~

~~3. Revenues deposited pursuant to section 42-6108.01. The legislature shall appropriate all monies in this account to the office of tourism which, in conjunction with the destination marketing organization in the county in which the tax revenues are collected, shall be spent only to promote tourism within that county and shall not be spent for administrative or overhead expenses.~~

~~B. Monies in the fund are exempt from section 35-190 relating to lapsing of appropriations.~~

Sec. 12. Ratification

The people of the state hereby ratify the new standard form of tribal-state gaming compact.

Sec. 13. Conflicting Initiative

This initiative measure constitutes a comprehensive regulatory scheme for the conduct of tribal gaming in this state. Among other things, this measure retains the right of tribes to conduct gaming in the state with substantial exclusivity, as expressly provided in this measure. This measure fundamentally conflicts in its entirety with any initiative, referendum, or other measure to be considered by the people of the State of Arizona at the November 5, 2002 election concerning tribal gaming or other gaming by any non-governmental entity. If this measure receives more votes than any other initiative, referendum, or other measure concerning tribal gaming or other gaming by any non-governmental entity, including without limitation initiatives numbered I-09-2002 and I-13-2002, the people intend that this measure prevail and take effect in its entirety and that no provision of any other such measure concerning tribal gaming or other gaming by any non-governmental entity take effect.

Sec. 14. Severability

If any provision of this initiative measure is declared invalid, such invalidity shall not affect other provisions of this initiative measure which can be given effect without the invalid provision. To this end, the provisions of this initiative measure are declared to be severable.

ANALYSIS BY LEGISLATIVE COUNCIL

Spelling, grammar, and punctuation were reproduced as submitted in the "for" and "against" arguments.

GENERAL ELECTION NOVEMBER 5, 2002

Proposition 202 directs the Governor to enter into tribal gaming compacts allowing Indian tribes to operate slot machines and card and table games on tribal land. Tribes would contribute 1% to 8% of "gross gaming revenue" (defined as the difference between gaming wins and losses, before deducting costs and expenses) to the state to fund programs for problem gambling, classroom size reduction, teacher salary increases, dropout prevention, instructional improvement, trauma and emergency services, wildlife conservation, tourism and local government programs benefiting the general public. These distributions are outside the regular legislative process.

Arizona has entered into gaming compacts with 17 of the state's 21 Indian tribes. These compacts permit the tribes to operate specific gaming activities, including slot machines, that are, according to a federal court decision on appeal, illegal off of Indian reservations. These compacts begin to expire in the summer of 2003.

Proposition 202 directs the Governor to enter into a new gaming compact with each Indian tribe that requests it. All compacts must have the following provisions:

Term - Remainder of the tribe's current compact plus 10 years. Will be renewed for 10 years (unless the state or tribe notify the other of cancellation due to substantial noncompliance) plus an additional 3 years to provide an opportunity for negotiation of a new compact.

Facilities - Each tribe may operate 1 to 4 gaming facilities. The exact number that each tribe may operate is set forth in Proposition 202.

Games - Tribes may offer slot machines, blackjack, poker, wagering on horse and dog races, lottery games, bingo and keno. Each tribe may operate 475 to 1400 slot machines. Each tribe's allotment of slot machines is set forth in Proposition 202. Each tribe may operate 75 to 100 gaming tables at each facility, depending on how close the facility is to a heavily populated city. Tribes may offer no more than 2 keno games at each facility. The number of slot machines and gaming tables allowed increases every 5 years based on changes in the state's population.

Transfer provisions - Tribes may transfer a portion or all of their slot machine allotments to other tribes.

Revenue - Each tribe must contribute 1% to 8% of the tribe's gross gaming revenue to the state. 88% of each tribe's contribution will go to the Arizona Benefits Fund. Monies in the fund are to be used for reimbursement of administrative and regulatory expenses incurred by the Arizona Department of Gaming, to combat problem gambling, for distribution to school districts for classroom size reduction, teacher salary increases, dropout prevention programs and instructional improvement programs, for distribution to hospitals to reimburse them for unrecovered costs for trauma and emergency services, for wildlife conservation and for statewide tourism promotion. 12% of each tribe's contribution will be distributed to cities, towns and counties to provide government services that benefit the general public.

Disclosure - The director of the Arizona Department of Gaming will make an annual report each year which includes the aggregate gross gaming revenue for all tribes, the aggregate of all revenues deposited in the Arizona Benefits Fund and aggregate amounts contributed by tribes to cities, towns and counties.

Regulation - All gaming activities must comply with technical standards set forth in each compact. Tribes must maintain surveillance and security logs that are open to inspection by the Arizona Department of Gaming. Tribes must license all gaming employees, but the Arizona Department of Gaming may make a recommendation on whether a person should be licensed. Tribes must maintain a list of persons barred from gaming facilities because of their criminal history or associations. Gaming employees who are not enrolled tribal members must also be certified by the state. Manufacturers, distributors and suppliers of gaming devices must be both licensed by the tribe and certified by the state. The Arizona Department of Gaming is authorized to conduct an annual compact compliance review of each tribe's gaming operations and facilities.

Results of Statewide Expansion of Gambling - If state law changes to allow anyone other than Indian tribes to offer slot machines or other gambling that is currently prohibited off of reservations, tribal obligations to make contributions to the state are reduced and the limits on slot machines, gaming facilities and gaming tables become null and void.

Fiscal Impact Summary

Proposition 202 allows an increase in the number of slot machines at Indian casinos. Tribes that choose to participate would share from 1% to 8% of their gaming revenue with the state. Several issues could affect the actual level of revenues generated by this proposition. It is difficult to predict in advance how these issues will affect the earnings per machine and the level of participation. The following fiscal estimate, therefore, represents a potential maximum impact, rather than a specific prediction of the ultimate outcome.

This proposition could possibly generate state and local government revenues of up to \$102 million from the Indian tribes for specific purposes.

ARGUMENTS "FOR" PROPOSITION 202

Proposition 202: The 17-Tribe Initiative Is Needed So We May Continue on the Path To Self-Reliance

We, tribal leaders representing 90% of Indians living on Arizona reservations, ask for your help in passing Proposition 202, to preserve Indian gaming.

Since 1992, we have worked cooperatively with the state to build gaming facilities on our tribal lands. Today, we are gratified that funds from limited gaming have significantly improved the quality of life for all Arizonans.

However, these benefits are now threatened by a legal technicality exploited by the racetrack industry. Proposition 202 is needed to clarify state law and allow all Arizonans to share in the economic and social benefits provided by limited Indian gaming.

By voting **YES** on Proposition 202:

- members of gaming and non-gaming tribes will receive vital housing, education, health care, clean water and other basic services so vital to achieving Indian self-reliance;
- local schools, emergency services and trauma centers, wildlife and habitat conservation programs, state tourism promotion and a range of local public safety and economic development services will receive needed funding directly from gaming revenues; and
- the state's economy will be bolstered by the hundreds of millions of dollars generated by Indian gaming each year.

We are very appreciative of the more than 200,000 Arizona voters who signed the petition to place Proposition 202 on the ballot and the individuals, businesses and organizations throughout the state who stand with us as members of Arizonans for Fair Gaming and Indian Self-Reliance.

Now, we ask you to vote **YES** on Proposition 202 to preserve Indian gaming and the benefits it provides for us all. Thank you.

Governor Donald R. Antone, Sr., Gila River Indian Community, Chairperson Louise Benson, Hualapai Tribe, Peach Springs Sacaton

Chairperson Carmen Bradley, Kaibab-Paiute Tribe, Fredonia
 Chairperson Sherry Cordova, Cocopah Tribe, Somerton
 Chairperson Nora Helton, Fort Mojave Indian Tribe, Needles
 President Ivan Makil, Salt River Pima-Maricopa Indian Community, Scottsdale
 Chairman Dallas Massey, White Mountain Apache Tribe, Whiteriver
 Chairman Aaron Russell, Yavapai Apache Nation, Camp Verde

 Chairman Robert Valencia, Pascua Yaqui Tribe, Tucson
 Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Chairperson Vivan Burdette, Tonto Apache Tribe, Payson
 Chairman Terry O. Enos, Ak-Chin Indian Community, Maricopa
 President Mike Jackson, Sr., Quechan Indian Tribe, Yuma
 Chairman Edward D. Manuel, Tohono O'odham Nation, Sells

 President Clinton Pattea, Fort McDowell Yavapai Nation, Fountain Hills
 Vice Chairman Velasquez Sneezy, San Carlos Apache Tribe, San Carlos

I strongly urge you to vote "YES" on Proposition 202, the "17 Tribe" Initiative. Proposition 202 keeps casinos limited to Indian reservations and limits the number of casinos on reservations. It also provides for strong regulation of Indian casinos by both the State and tribes.

Voting "yes" on Proposition 202 ensures that no new casinos will be built in the Phoenix metropolitan area and only one in the Tucson area for at least 23 years. Proposition 202 keeps gaming on Indian Reservations and does not allow it to move into our neighborhoods.

Voting "yes" on Proposition 202 also allows poor rural tribes the option to transfer their gaming machines to tribes in urban areas thus giving these poor tribes millions of dollars in revenue for services they desperately need.

Voting "yes" on Proposition 202 will strengthen the State's regulatory role in Indian Casinos, insuring safe, clean operations.

Proposition 202 is the only Initiative on the ballot that will provide legally enforceable limits on class 2 "look alike" slot machines — those that play like a regular slot machine but escape regulation because of a technicality. It is also the only Initiative on the ballot that has the support of the vast majority of Arizona Indian tribes.

Proposition 202 is the only alternative that limits gaming, offers fair revenue sharing and ensures strong regulation. Plain and simple, this is the best gaming proposal for all Arizona citizens.

Please vote "YES" on Proposition 202.

Jane Dee Hull, Governor, Phoenix

Here in Arizona, our natural landscape allows for many forms of outdoor recreation. Examples include hiking, boating and several types of **wildlife recreational opportunities**. It is critically important that these treasured wildlife resources and their habitat be conserved for our and future generations enjoyment.

Proposition 202 establishes the **Arizona Wildlife Conservation Fund**, to be administered by the Arizona Game and Fish Commission. The Wildlife Conservation Fund will provide dedicated revenue to conserve, enhance, and restore Arizona's diverse wildlife resources and habitats for present and future generations.

Two other gaming propositions on the November 5th ballot provides no funding for any wildlife conservation programs. That makes our decisions easy.

Vote No on Prop 200 and 201. **Vote YES on Prop 202.**

Arizona Game and Fish Commission

Michael M. Golightly, Chair, Arizona Game and Fish Commission, Flagstaff

Joe Carter, Arizona Game and Fish Commission, Safford

W. Hays Gilstrap, Arizona Game and Fish Commission, Phoenix

Joe Melton, Arizona Game and Fish Commission, Yuma

Paid for by "W. Hays Gilstrap"

Statement of Arizona Attorney General Janet Napolitano Regarding Yes on Proposition 202

I urge you to join me in voting yes for Proposition 202: The 17-Tribe Indian Self-Reliance Initiative. Proposition 202 will allow continued limited gaming by Arizona's Indian tribes in a way that will benefit tribal, state and local governments.

Tribal gaming has created thousands of jobs, supported rural economies, and allowed Arizona tribes to fund their governments and essential services for such things as housing, education, and health care. For many tribes, gaming has offered the first real opportunity for economic development after decades of poverty. These important benefits have occurred without negatively impacting local communities. Tribal casinos have also created jobs and generated tourism outside of tribal lands throughout Arizona.

Most Arizonans believe casino gaming should be limited to reservations. I agree. This approach ensures that gaming proceeds will be used for governmental purposes and will have the greatest benefit in terms of promoting tribal economic development and self-sufficiency. It also prevents the introduction of casino gaming, such as slot machines, by private operators into our neighborhoods and helps ensure that gaming continues to be closely and effectively regulated. I oppose allowing private interests — many of which are out-of-state corporations — to own and operate casino-style gaming in Arizona.

Proposition 202 will allow Arizona's Indian tribes to continue limited gaming under close regulatory oversight by the Arizona Department of Gaming and federal agencies. Under Proposition 202, the Tribes will also share a portion of their gaming revenues with the State and local governments to pay for schools, emergency health care, conservation, and tourism promotion throughout the State.

A vote YES on Proposition 202 is a vote for the Tribes and all of Arizona.

Janet Napolitano, Phoenix

The Navajo Nation Supports a YES Vote on Prop 202

The Navajo Nation supports a YES vote on Proposition 202: The 17-Tribe Indian Self-Reliance Initiative because it is the product of a true government-to-government negotiation. The fact that the Navajo Nation, a non-gaming tribe, could participate and possibly realize the



benefits of Indian gaming was the principle factor that attracted our Nation to the negotiations with 16 other tribes 2 years ago. We support Proposition 202 because it recognizes the needs of many rather than the wants of a few.

In order to meet the needs of over 200,000 Navajos and to provide services to those members of the Nation across 25,000 square miles requires us to expand and diversify our revenue sources. This needed stream of revenue can be achieved through Proposition 202, which will allow non-gaming tribes to benefit from gaming through Inter-tribal transfer agreements.

The Navajo Nation recognizes the benefits, both to the State and to the Tribes, embodied in Proposition 202. We are proud to stand with the 16 other Arizona tribes and respectfully ask that you vote YES on Proposition 202: The 17-Tribe Indian Self-Reliance Initiative.

Honorable Edward T. Begay, Speaker, Navajo Nation Council, Navajo Nation (Arizona), Window Rock

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

STATEMENT OF SENATOR JOHN MCCAIN ENDORSING PROPOSITION 202

"I have long held that Indian gaming is an important economic vehicle for tribes to become self-sufficient. I believe the best plan for Indian gaming is one that provides regulation, while also recognizing the rights of the tribes to seek self-sufficiency as intended under the Indian Gaming Regulatory Act. That is why I am endorsing Proposition 202: The 17-Tribe Indian Self-Reliance Initiative, sponsored by tribal governments representing more than 90% of tribal members living on reservations in Arizona. It represents a balanced approach for the continuation of Indian gaming in Arizona.

I commend the 17 Tribes for designing this initiative after years of negotiations and deliberations among tribal governments, state officials, legal and economic experts. This measure provides reasonable limitations and regulations for Indian gaming on tribal lands. It also shares revenues from gaming with the state for education, healthcare and local government services throughout Arizona.

I urge voters to vote YES on Proposition 202: The 17-Tribe Indian Self-Reliance Initiative on November 5th."

John McCain, United States Senator, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Firefighters: YES on Prop 202

Indian Gaming in Arizona provides a critically needed economic engine for tribes. Because of gaming revenues, tribes have been able to work towards better education, health care and a better way of life for their members. The community also benefits through jobs, shared revenues and improved partnerships with our tribal neighbors. That is why I support Proposition 202: The 17-Tribe Indian Self Reliance Initiative.

The cooperative relationship between tribes and communities is good for all of us. Proposition 202 will make these partnerships stronger. Under Prop 202, twelve percent of gaming revenues will be dedicated to cities, towns and counties to provide government services, such as public safety, that benefit the general public.

The other gaming measures do not measure up to Prop 202. **Vote YES on Proposition 202: The 17-Tribe Indian Self Reliance Initiative.**

Billy Shields, United Phoenix Fire Fighters, Phoenix

Superintendent of Arizona Schools Endorses YES on Prop 202

I unequivocally support Proposition 202 because it represents what America and Arizona are all about: giving all people an opportunity to build economic and social well being free from government dependency.

Proposition 202 will create meaningful economic development while providing our education system with an unprecedented revenue stream targeted to where it matters most — the classroom. By focusing dollars to teacher pay, K-3 reading, and dropout prevention programs, we can help **all** children have an opportunity to meet high academic standards.

Moreover, by voting YES on Proposition 202, Arizona's schools can help attract and retain quality teachers. While the preservation of Indian gaming will benefit Arizona's school children, it also supports the efforts of all tribes, gaming and non-gaming, to achieve self-reliance. Arizona has a strong history of doing what is fair and equitable on behalf of her citizens and of future generations, your support of Proposition 202 will continue our tradition to do what is right.

I urge you to vote YES on Proposition 202, the 17 Tribe Initiative.

Jaime A. Molera, Superintendent of Public Instruction, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Indian Gaming has generated a lot of controversy over the last year. But one thing is certain: tough regulation of gambling is critical for public safety, and a "yes" vote for Proposition 202 is the only way to ensure that regulation.

As Director of the Arizona Department of Gaming, I participated in negotiations between Governor Hull's Office and the 17 tribes that form the Arizona Indian Gaming Association. During those negotiations, we established a solid, tough regulatory structure that is incorporated into Proposition 202.

Solid, tough regulation of gambling is important to protect the public, making sure that casino operations are free of criminal and corrupt activity. Proposition 202 has provisions requiring state regulation of card rooms, computer monitoring of slot machines and increased law enforcement.

I know that, as a voter, you are facing several different options relating to gaming in Arizona. From everything I have learned as Director of the Arizona Department of Gaming, I believe that Proposition 202 is the only choice for Arizona.

Please vote "yes" for Proposition 202.

Stephen Hart, Director, Arizona Department of Gaming, Cave Creek

Educators Urge a YES Vote on Proposition 202

The ability to provide our students with a foundation for their futures is a top concern for all Arizonans. Just as important for Indian tribes is the ability to provide basic services for their tribal members. For these two reasons, we are urging a YES vote on Proposition 202.

Students equipped with solid skills gained in primary and secondary school are better prepared to meet the challenges of higher education. The instructional programs funded under Proposition 202, the 17-Tribe Initiative, will help Arizona students gain these skills.

More than 50% of the gaming revenues directly allocated to the Arizona Benefits Fund are earmarked for Arizona school programs. Proposition 202's revenue sharing assures that these funds supplement -- not replace --- state funds. And, it guarantees that the revenues cannot be redirected to any other programs.

The competing Proposition 200, the Single Tribe Initiative, does provide limited revenues for community college scholarships. However, more students -- and more Arizonans of all ages -- will benefit from the educational, health care, community service and public safety programs funded under Proposition 202, the 17-Tribe Initiative.

Prop 202 is the investment in Arizona and its students that we support. Please join us in voting YES on Proposition 202 and NO on Proposition 200.

Jack Jewett, Tucson

Laurence Gishey, Board Member, Coconino County Community College Foundation, Flagstaff

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Teachers: YES on 202 is a Vote for Better Public Education

In classrooms across Arizona, teachers are hampered by large classroom sizes and insufficient resources for basic reading and other instructional programs. Prop 202, the 17-Tribe Initiative, helps us help our students.

Each year, millions of dollars from continued Indian gaming are earmarked for reducing classroom size and improving instructional programs for our students. The revenues go directly to these designated programs; they cannot be used to supplant state education funding and they are not subject to appropriation by the state government.

In addition, Indian gaming revenues support education and other important services for tribal members struggling to achieve self-reliance.

We support Indian self-reliance and improved public education. That's why we support YES on Prop 202.

Linda Gaumer, Teacher, Rio Rico

Roseann Dugnas-Gonzalez, Teacher, Tucson

Jan Snyder, Teacher, Scottsdale

Sara Wilson, Teacher, Tempe

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Local Small Business Owners Support Continued Indian Gaming Under Prop 202

As small business owners, we can appreciate the value of tribal casinos in Arizona. And, as Arizona residents, we value the revenues from Indian gaming that are shared with tribal members and all Arizonans.

Proposition 202 is the balanced approach to insure the continuation of regulated gaming on tribal lands.

The preservation of Indian gaming is good for small business and good for the state. Join us in voting YES on Proposition 202, the 17-Tribe Initiative.

James Babbitt, Babbitt Wholesale & Mercantile, Flagstaff

Ken Koehler, Fast Signs on Central, Phoenix

John Martinson, China Mist Company, Scottsdale

Dan Ward, Kona Grill, Inc., Cave Creek

Larry Williams, Oasis Offset, Inc., Chandler

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Sheriff Joe Arpaio Urges YES on 202

Prop 202, the 17-Tribe Indian Self-Reliance Initiative, offers a balanced approach to preserving the benefits of tribal gaming without sacrificing needed regulation. That is an approach I support.

The other propositions just don't measure up. From a law enforcement perspective, CRIT's Single Tribe Initiative takes Indian gaming in the wrong direction. Under Prop 200, gaming regulation would be weakened while limits on gaming would be reduced. These provisions could open the door to less control on more high stakes gambling. That's a chance I don't want to take.

Prop 201, the Racetrack Casino Gambling Proposition, not only prohibits the Arizona Department of Gaming from regulating gaming at racetracks, it puts the racing commission in charge — despite the fact that the commission has no experience regulating casino gambling. That makes no sense.

I hope you'll carefully consider these three propositions. After you do, I ask you to join me in voting NO on Prop 200 and 201 and YES on Prop 202.

Joe Arpaio, Sheriff, Maricopa County, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Proposition 202 Increases Funding for Law Enforcement While Limiting Gaming

Our job as law enforcement officials is to serve and protect. Prop 202, the 17-Tribe Initiative, helps us do our job while preserving and enhancing the benefits of Indian gaming.

YES on Prop 202 helps law enforcement by preserving:

- existing regulatory oversight by the FBI, IRS, National Indian Gaming Commission, U.S. departments of Justice and the Interior, Arizona Department of Gaming and the Tribal Gaming Offices;
- limited gaming on Indian lands; and
- solid relationships between local law enforcement and tribal governments working under one fair and balanced approach.

YES on Prop 202 further helps us by providing:

- needed funds to support local law enforcement; and

- additional regulatory oversight.

These and other provisions of the 17-Tribe Initiative strengthen our ability to serve and protect the people of Arizona. That's why law enforcement officials throughout Arizona urge you to vote **YES** on Prop 202.

Tony Estrada, Sheriff, Santa Cruz County, Nogales

James A. Keyes, Watch Commander, Department of Public Safety, State of Arizona, Flagstaff

Thomas H. Milldebrandt, Major (Ret.), Arizona Department of Public Safety, Phoenix

Seymour S. Nealis, Chief of Police (Ret.), City of Goodyear, Goodyear

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Preservation of Indian Gaming is Vital to Local Economies

As active citizens in our communities, we value the contributions Indian gaming makes to our state's economy. That is why we support a YES vote on Proposition 202: The 17-Tribe Indian Self-Reliance Initiative.

Proposition 202 will allow Indian gaming to continue on tribal lands, providing jobs and generating revenues for tribal members and local communities. Prop 202 also dedicates a portion of gaming revenues to vital programs for all Arizona residents.

Proposition 202 is a balanced measure that is supported by businesses throughout Arizona. Please join us and vote YES on Proposition 202, the 17-Tribe Indian Self-Reliance Initiative.

Eddie Basha, Chairman, Basha's, Chandler

Karl Eller, CEO, The Eller Company, Phoenix

Dorothy Finley, Chairman & CEO, Finley Distributing Company, Tucson

Dan Lewis, Senior Vice President, Banker, Phoenix

Steve Stallings, Senior Vice President, Wells Fargo Bank, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Hispanic Leaders Endorse YES on Prop 202

Self-reliance is part of our collective history. We have all worked hard for our communities and our children to provide opportunities that provide jobs and vital services for all people. Self-reliance is not just about one ethnic sector of our economy. It is about a critical economic sector of our nation and a reflection of who we are as a people. We are all in this together.

Preservation of Indian gaming on Arizona reservations supports the efforts of both gaming and non-gaming communities to achieve self-reliance. It is what our country was founded upon and we should not give up our inherent right to want the very best for our families and future generations, which is why we are asking you to vote **YES** on Proposition 202, the 17-Tribe Initiative.

Proposition 202 will help Arizonans in all communities -- not just a few -- by providing millions of dollars each year for education, health care, our elderly communities, public safety and other important community and economic development programs.

Proposition 202 is about fairness and balancing our vision of what makes Arizona great. Please join us in supporting self-reliance for all people and in preserving our country's integrity and her promise of justice and liberty for all. Vote **YES** on Proposition 202.

Malena Albo, Member, Coalition for Latino Political Action, Phoenix

Annette Alvarez, President, Alvarez, Inc., Phoenix

Senator Linda Aguirre, District 23, Arizona State Legislature, Phoenix

Ray & Ernestina Arvizu, Arvizu Advertising & Promotions, Phoenix

Representative Carlos Avelar, District 23, Arizona State Legislature, Phoenix

Rosa Cantor, President, Creative Human Resources Concepts, LLC, Mesa

Representative Mark Clark, District 7, Arizona State Legislature, Phoenix

Senator Joe Eddie Lopez, District 22, Arizona State Legislature, Phoenix

Ronnie Lopez, Phoenix

Representative John A. Loreda, District 22, Arizona State Legislature, Phoenix

Dr. Patrick Maloney, Maloney Chiropractic, Phoenix

Jaime Molera, Superintendent of Public Instruction, State of Arizona, Department of Education, Phoenix

Arthur B. Othon, Senior Public Relations Representative Government Affairs, Phoenix

John L. Ramos, Member, Coalition for Latino Political Action, Phoenix

Senator Pete Rios, District 7, Arizona State Legislature, Phoenix

Representative Jim Sedillo, District 3, Member, Arizona State Legislature, Hispanic Caucus, Phoenix

Representative Albert Tom, District 3, Member, Arizona State Legislature, Hispanic Caucus, Phoenix

Senator Ramon O. Valadez, District 10, Arizona State Legislature, Hispanic Caucus, Phoenix

Senator Virginia Yrun, District 13, Member, Arizona State Legislature, Hispanic Caucus, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Prop 202 is good for business

I believe in fairness and what is in the interest of the "greater good." I have always advocated for what I believe is right which is why I am asking for you to vote yes on Proposition 202. Proposition 202 is about what is fair and in the best interest for all the people in Arizona not just a few.

All of us individually and collectively want the same things. We want economic opportunity for all people and the right to believe and work towards our vision for a bright future. Proposition 202 embodies what is in the best interest for all of Arizona. Proposition 202 will exponentially create opportunity by increasing the available monies which will go towards education, health care, public safety and many community and economic development programs.

Proposition 202 is visionary. Keep Arizona great. Vote YES on Proposition 202.

Annette Alvarez, Immediate Past President NAWBO, Vice Chair, Arizona Hispanic Chamber of Commerce, CEO Alvarez Inc., Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Funds from Prop. 202 Support Life-Saving Emergency Care

Emergency rooms and trauma centers must be prepared at all times to provide life-saving care.

As healthcare costs continue to rise, these facilities need additional funds to ensure Arizonans receive state-of-the-art emergency services.

Prop. 202, the 17-tribe initiative, establishes a Trauma and Emergency Services Fund to support:

- Trauma centers that deliver care 24 hours a day, seven days a week; and
- Emergency services provided in Arizona hospitals.

The earmarked revenue goes directly to Arizona's emergency facilities. This money is critical to provide the emergency services on which our patients depend.

We urge you to support Arizona's emergency medical services by voting YES on Prop. 202.

John R. Rivers, President and Chief Executive Officer, Arizona Hospital and Healthcare Association, Phoenix *Laurie Lange, Vice President, Public Affairs, Arizona Hospital and Healthcare Association, Phoenix*

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Arizona Seniors Directly Benefit from Indian Gaming Under Prop 202

Prop 202 -- the 17-Tribe Initiative that preserves Indian gaming -- directly benefits Arizona seniors.

By providing funds earmarked for improved hospital emergency services, Prop 202 helps ensure that we receive the emergency medical care we need at well-equipped trauma centers and hospital emergency rooms throughout Arizona.

By providing thousands of jobs, tribal casinos save our taxpayer dollars by reducing welfare and unemployment on and near reservations. Plus, Indian casinos generate over \$40 million each year in state and local tax revenues.

Prop 202 also shares revenues from Indian gaming to help improve public safety, education, health care and other community services for all Arizonans. And, Prop 202 helps Indians living on all reservations in Arizona with the services and opportunities they need to become self-reliant.

Prop 202 is good for seniors and good for Arizonans of all ages. Vote **YES** on Prop 202.

Patricia Carus, Board Member, Arizona Silver Haired Legislature, Patrick Lavin, Delegate, Arizona Silver Haired Legislature, Tucson Williams

Robert B. Morehouse, Arizona State Senior Council, Senior Citizens Council of Maricopa County, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Study Proves Indian Gaming Boosts the State and Local Economies

A recent study by researchers at the University of Arizona's Udall Center for Studies in Public Policy found that limited Indian gaming is a vital contributor to the state and local economies. Specifically, the study found that:

Jobs & Economic Activity. "In 2000, at least 17,784 in-state jobs were attributable to Indian casino operations, and those operations directly and indirectly generated at least \$468 million in economic activity within the state."

Tax Revenues. "Arizona Indian casinos generated an additional \$40 million in state and local taxes [in 2000]."

Community Services. "Many Indian gaming operations, both within Arizona and elsewhere, employ significant numbers of former welfare recipients. In particular, some tribal gaming operations are closely associated with reductions in the number of persons on welfare rolls in counties where those operations are located. This reduces state and federal taxpayer burdens. In addition, Indian nations with significant net gaming revenue obviously spend much of that revenue in numerous ways in state and local economies as they (for example) send young people to college, build houses, construct infrastructure, invest in enterprises, and work to improve the quality of reservation life."

Stephen Cornell, Ph.D. Director, Udall Center for Studies in Public Policy, University of Arizona, Tucson

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

YES on Proposition 202 for Local Communities

For the past century, Indian tribes have been our neighbors and worked to create partnerships with local communities. These partnerships have been enhanced over the past 10 years as gaming revenues have begun lifting the tribes from poverty and putting them on a path of self-reliance. The continuation of these partnerships is a fundamental part of Proposition 202.

Public safety and economic development are among the essential services provided by local and county government in Arizona. Our cities and towns need additional funds to provide a range of services that benefit people of all ages in our communities.

Proposition 202 will help us help local residents. Under the 17-Tribe Initiative, revenues from continued regulated gaming on Indian lands will be used to provide important services in our communities.

At the same time, members of both gaming and non-gaming tribes will share funds for improving housing, education, clean water and health care services on their reservations.

That's why we support a **YES** vote on Prop 202.

Jackie Baker, Town Councilor, Camp Verde

Sharon Bronson, Pima County Supervisor, Tucson

Mitchel D. Dickinson, Council Member, Camp Verde Town Council, Camp Verde

Lionel Ruiz, Pinal County Supervisor, Mammoth

Mary Rose Garrido Wilcox, Maricopa County Supervisor, District 5, Phoenix

Richard Elias, Pima County Supervisor, Tucson

Neil Giuliano, Mayor, City of Tempe, Tempe

John Kavanaugh, Vice Mayor, Town of Fountain Hills, Fountain Hills

Michael Bluff, Mayor, City of Clarkdale, Clarkdale

Joseph Donaldson, Mayor, City of Flagstaff, Flagstaff

Ruben Jauregui, Mayor, City of Cottonwood, Cottonwood

Cruz Salas, Chairman, Gila County Board of Supervisors, Globe

Tom Sockwell, Supervisor, District II, Mohave County Board of Supervisors, Bullhead City

Lenore Stuart, County Supervisor, District 1, Yuma County Board of Supervisors, Yuma

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Community Leaders Say YES on Prop 202

Proposition 202 is about preserving and enhancing the benefits of Indian gaming for Indian tribes and Arizonans in all communities. Prop 202 will allow for the continuation of an important economic engine for Arizona tribes, but it will also provide millions of dollars each year for education, health care, our elderly communities, public safety and other important community and economic development programs.

We urge voters to Vote YES on Proposition 202 to preserve and enhance the benefits of Indian gaming.

Ray Clarke, President & CEO, Tucson Urban League, Tucson

Joyce Downey, Board Member, International Refugee Services, Inc., Scottsdale

Susan Reiner, Executive Director, World Affairs Council of Arizona, Scottsdale

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Proposition 202 Helps Arizona

For centuries, Indian tribes have been stewards of our state's natural resources. Under Proposition 202, revenues from tribal gaming will help preserve our state's wildlife and habitats while allowing tribes throughout Arizona to continue on their path to economic self-reliance. For these reasons, we urge Arizonans to vote in favor of Proposition 202.

Under Proposition 202 millions of dollars in gaming revenues will be directly deposited every year into the Arizona Wildlife Conservation Fund. These funds will be used to conserve and restore the wildlife and habitats treasured by all Arizonans. The preservation of tribal gaming also will provide the basic services and jobs vital to Indian self-reliance.

Please join us in helping to conserve our wildlife resources by preserving Indian gaming. Vote **YES** on Proposition 202.

Katrina Rogers, Flagstaff

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Hotel Association urges YES on Prop 202

The Arizona Hotel and Lodging Association supports Proposition 202.

Promoting Arizona as a place to visit means much more than a healthy hospitality industry. Studies show that for every dollar spent to promote Arizona as a place to visit, seven dollars are generated in additional tax revenue. The dollars dedicated from Indian gaming for tourism promotion will result in millions of dollars in tax revenue that will fund our schools, put police officers on the street, provide health services, and maintain our roads.

Moreover, Proposition 202 will provide Tribal governments with the tools to meet the needs of the community and develop additional economic opportunities, including cultural offerings to visitors.

The Arizona Hotel and Lodging Association joins with the tourism industry in urging a YES vote on Prop 202.

Steve Musatto, President & CEO, Arizona Hotel & Lodging Association, Phoenix

Sherry Henry, Chairwoman, Arizona Hotel & Lodging Association, Phoenix

Jodi Harwood, Chairman Elect, Arizona Hotel & Lodging Association, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Indian Tourism Leaders urge YES on Prop 202

Arizona depends on tourism as one of its leading industries. As a place to visit, it is rich in beauty, history and culture. Indian tribes contribute largely to our state's tourism industry by offering some of Arizona's most-visited destinations.

That is why we support Proposition 202: The 17-Tribe Indian Self-Reliance Initiative. Proposition 202 will allow Indian tribes to continue to provide for their members as well as generate needed revenues to protect and enhance the cultural experience for our visitors and residents alike.

We urge you to join with us and vote YES on Proposition 202.

Rory Majenty, President, Arizona American Indian Tourism Association (AAITA), Scottsdale

Joan Timeche, AAITA Member, Tucson

Faith Camarena, AAITA Member, Scottsdale

Tandy Young, AAITA Treasurer, Scottsdale

Janell Sixkiller, AAITA Board Member, Phoenix

Tia Maria Thompson Jones, AAITA Secretary, San Carlos

Belma Navakuku, AAITA Member, Polacca

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Tourism Leaders, representing 350,000 Arizona jobs, urges YES on Prop 202

Tourism is a cornerstone of Arizona's economy. Yet our state is vastly outspent by those states we compete with for visitors and tourism dollars. In light of the recent decline in tourism throughout the country, it is more important than ever to promote Arizona as a place to visit.

Proposition 202, the 17-Tribe Initiative, will bolster our efforts to bring tourists to our state by providing revenues from regulated Indian gaming to promote tourism. And, Proposition 202 will ensure that Indian gaming — and the thousands of visitors it attracts — are preserved.

As Arizonans working to keep the tourism industry strong, and preserve the 350,000 tourism industry jobs across the state, we urge you to join us in voting **YES** on Prop 202.

Denise Meridith, CEO, DMCI, Phoenix

Jeanne Westphal, Tourism Consultant, Payson

Beth Daley, Director, Santa Cruz County Chamber of Commerce, Nogales

Brenda Martz, Phoenix

Frances Amin, Phoenix

Gina Frigo, Phoenix

Nancy Krause, Phoenix

Kelsea Vescova, Tourism Development Manager, Avondale

Janet Woolum, Director of Research, Arizona Office of Tourism, Phoenix

Linda M. Yuhas, Senior Director of Administration, Arizona Office of Tourism, Phoenix

Mark McDermott, Director, Arizona Office of Tourism, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Proposition 202 is the Only Balanced Approach to Fair Gaming in Arizona

We have reviewed and compared the three gaming initiatives on the ballot. Only one — Prop 202, the 17 Tribe Initiative — provides a fair and balanced approach to limited gaming in Arizona.

Only Prop 202 was developed and is supported by 17 tribal governments representing over 90% of Indians living on reservations in Arizona.

- Prop 201 is promoted by out-of-state dog and horse racing track owners.

- Prop 200 represents one single tribe, CRIT.

Only Prop 202 earmarks gaming revenues that directly fund vital education, health care, public safety, conservation, tourism and economic development programs that benefit all Arizonans.

- Prop 202 allocates \$16 million to racing, gambling, and horse and dog breeding from racetrack casino revenues, while the remaining share for local programs is subject to appropriation by the state legislature.

- Prop 200 allocates 3% of net profits to a state college scholarship and elderly care fund.

Only Prop 202 limits the number and proximity of casinos — and only on Indian lands.

- The dog and horse racetracks' Prop 202 turns tracks into casinos and opens the door to gambling anywhere in the state.

- CRIT's Prop 200 allows sprawling casinos with no limits on size and proximity.

The facts speak for themselves. YES on Prop 202 is a vote to preserve limited, regulated gaming on Indian lands that provides funding for vital services to members of gaming and non-gaming tribes and to all Arizonans.

Join me in voting YES on Prop 202 and NO on Prop 201 and 200.

Grant Woods, Former Attorney General, Phoenix

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

Tourism Alliance, representing 450,000 Arizona jobs, urges YES Prop 202

Tourism is a cornerstone of Arizona's economy. Yet our state is vastly outspent by those states we compete with for visitors and tourism dollars. In light of the recent decline in tourism throughout the country, it is more important than ever to promote Arizona as a place to visit.

Proposition 202, the 17-Tribe Initiative, will bolster our efforts to bring tourists to our state by providing revenues from regulated Indian gaming to promote tourism. And, Proposition 202 will ensure that Indian gaming - and the thousands of visitors it attracts - is preserved.

As Arizonans working to keep the tourism industry strong, and preserve the 450,000 tourism industry jobs across the state, we urge you to join us in voting **Yes** on Prop 202.

Roger Beadle, President, Yuma Convention and Visitors Bureau, Yuma

Tom Curley, Arizona Tourism Alliance, Phoenix

Kay Daggett, Director, Sierra Vista Convention and Visitors Bureau, Sierra Vista

Sherry Henry, Chairman, Arizona Hotel and Lodging Association, Phoenix

Debbie Johnson, Valley Innkeepers and Resort Association, Phoenix

Michael Monti, Monti's La Casa Vieja, Tempe

Steve Moore, President and CEO, Phoenix Convention and Visitors Bureau, Phoenix

Steve Musatto, President/ CEO, Arizona Hotel and Lodging Association, Phoenix

Jonathan Walker, President & CEO, Tucson Convention and Visitors Bureau, Tucson

Paid for by "Arizonans for Fair Gaming & Indian Self-Reliance"

ARGUMENTS “AGAINST” PROPOSITION 202

When a federal judge ruled that gambling being conducted on Arizona’s Indian reservations violated the law, casino supporters were outraged. But since any return to compliance with long-standing laws prohibiting casinos and slot machine gambling on Indian reservations was unthinkable, the solution was easy: change the laws.

Prop. 202 attempts to ratify and expand past unauthorized gambling by making it legal — but only for Indian tribes. And, by the way, the problem Prop. 202 claims to be the “legal technicality” requiring “resolving” is: the Arizona Constitution. Prop. 202 is a big mistake.

If voters have the strength to wade through the proposal’s nearly 21,000 confusing, convoluted words before falling unconscious — one law alone runs nearly 17,000 words — they will discover, just for example:

- It greatly widens the scope of gambling, dramatically increases the size of existing casino operations and has “triggers” for even more expansions;
- It changes the definition of “regulated gambling” in the criminal code to legalize — but only for Indian tribes — gambling which has been illegal for everyone since Arizona statehood;
- It offers to “share” up to 8% of a tribe’s “net win”, but only if tribal gambling monopolies are preserved and, if not, cuts the share to 3/4 of 1%;
- It allows arbitration tribunals to enter “awards” against Arizona, which are final, binding and non-appealable except on narrow grounds stated in separate federal law.

Unless voters fully understand all of the complicated, ominous implications of this casino gambling mini-novel, they should do what their elected legislators did to a similar proposal: reject it. They should also remember that they are voting on a proposed **law**, not a TV commercial, radio advertisement or newspaper editorial. Commercials, ads and editorials evaporate by themselves. Laws do not. Vote carefully.

Ian A. Macpherson, Phoenix

Proposition 202 would dramatically expand gambling in our state. Gambling brings with it staggering increases in serious social problems — gambling addiction, crime, bankruptcies, divorce, domestic violence and child abuse and neglect. The expansion of gambling would irretrievably damage the quality of life for the citizens and families of Arizona.

Gambling increases crime. The *U.S. News & World Report* showed the average national crime rate in communities with legalized gambling is 84 percent higher than in communities without gambling. In Minnesota, crime in counties with casinos increased more than 200 percent faster than those without gambling. Nevada ranked first in crime rates in both 1995 and 1996, based on the FBI Uniform Crime Report statistics.

Gambling increases bankruptcies. A national study found that counties with at least one gambling establishment averaged 18 percent more bankruptcies than those without gambling, and that figure jumped to 35 percent in counties with five or more gambling facilities.

Gambling devastates families. Studies show that increased gambling causes significant increases in divorce, child abuse and neglect and domestic violence. The National Gambling Impact Study Commission found that “compulsive gambling introduces a heightened level of stress and tension into marriages and families, often culminating in divorce and other manifestations of familial disharmony.” The Commission stated that “children of compulsive gamblers are often prone to suffer abuse, as well as neglect, as a result of parental problem or pathological gambling.” The National Research Council reports that 25 to 50 percent of spouses of compulsive gamblers have been abused, and domestic violence murders in 11 states have been traced to gambling since 1996.

Proposition 202 would expand gambling throughout our state, eroding the quality of life for all citizens and for Arizona families. Vote no!

Gary McCaleb, Esq., Litigation Counsel, The Center for Arizona Policy, Scottsdale *Cathi Herrod, Esq., Director of Policy, The Center for Arizona Policy, Scottsdale*

Paid for by “The Center for Arizona Policy”

Three gaming initiatives are on the ballot this November, two of them created in cooperation with Arizona Indian tribes — Propositions 200 and 202. If we don’t approve one of those plans, all of us — both Indians and non-Indians — will suffer from the closure of tribal casinos.

Proposition 201 is a crude attempt by dog race tracks to install slot machines at their facilities, by moving casino gaming off reservations for the first time. It should be rejected.

Of the two Indian gaming plans on the ballot, Proposition 202 is a political compromise struck between Governor Jane Hull and a coalition of Arizona tribes. Read Proposition 202 if you can. It’s a carefully crafted Christmas present to politicians, bureaucrats and a handful of favored urban tribes wrapped in hundreds of pages of stupefying legal gobbledygook.

Proposition 202 bleeds far too much money from tribes that are still trying to establish themselves economically. For that reason alone, we should Vote No on Proposition 202. It pumps millions of dollars into a dizzying array of bureaucratic state government programs without sufficient controls on how the money is spent, making the money a huge target for political manipulation.

Proposition 200 is simpler. It is faithful to the original promise of Indian gaming by providing the financial support tribes need to become economically self-sufficient and reducing poverty and reliance on taxpayer-funded welfare and social programs. For the first time, it makes sure rural tribes share in the benefits previously restricted to the lucky few urban tribes to meet crying needs for housing, hospitals, schools and new business enterprises.

Once you read each of the initiatives, we believe you will understand why we respectfully ask you to Vote Yes on 200, Vote No on 201, Vote No on 202.

Ray Bernal, Chairman, Yes for Arizona, Tucson

PROP 202 IS NOT THE ANSWER

A decade ago, Arizona voters approved a creative approach to help tribes work their way out of poverty and financial dependency. It has worked for some tribes but not others. A handful of gaming tribes have received a much-needed financial infusion that has helped them build hospitals, schools, new housing and other business enterprises.

Those benefits are a godsend to the tribes that are near big cities or recreation areas and have the ability to offer casino gaming. But rural tribes or those without casino operations have not benefited from gaming. That’s why Proposition 202 falls short. It fails to assure the future of Indian tribes that are not lucky enough to be located in a prime location for gaming.

Proposition 202 should be defeated because there's a better way. Arizonans who want to improve the structure of Indian gaming in this state while assuring that everyone benefits should Vote Yes on Proposition 200.

Where Proposition 202 was designed to benefit the lucky few urban tribes, Proposition 200 is constructed to give remote, rural tribes a five-year window of opportunity to share in the financial promise of tribal gaming. Rural tribes would have an exclusive right to transfer their allotment of slot machines to those urban tribes.

That means opportunity for all Arizona tribes to have better hospitals, better schools, better homes and a better life. That makes the choice clear. Vote No on Proposition 202. Vote Yes on Proposition 200.

Ann Eschinger, Past President, Arizona League of Women Voters, Phoenix

Three of this year's propositions — Propositions 200, 201 and 202 — deal with Indian gaming. Of the three, Proposition 200 is the fairest and easiest to administer and deserves your vote.

As for *fairness*, Proposition 200 requires Indian tribes to (a) share 3% of net casino profits and (b) pay \$500 per machine to the State for compact enforcement and gaming employee certification. Proposition 200 will make \$32-\$40 million available for full-tuition college scholarships for all Arizona students as well as for programs benefiting all Arizona senior citizens, tribal education and tribal elderly care and \$10-\$11 million for the State, twice what the State now receives.

By requiring Indian tribes to pay even more to the State, Propositions 201 and 202 will deprive tribes of vital revenues needed for health care, housing and education. While Proposition 200 requires tribes to share tens of millions of dollars, it does not redistribute income from our poorest citizens to the general population as Propositions 201 and 202 do.

Propositions 201 and 202 are reverse Robin Hood proposals designed to solve the State's short-term budget problems caused by tax preferences and the alternative fuels fiasco. At best, they are short-sighted; at worst, they are punitive.

As for *ease of administration*, Proposition 200 does not expand gaming to race tracks (as does Proposition 201) and does not distribute money to a dizzying array of bureaucratic programs without adequate oversight (as does Proposition 202). Proposition 200 is straightforward. The bulk of the money paid by tribes will go for scholarships — some 18,000 scholarships each year; the bulk of the remainder will go for programs for seniors.

If you believe that Indian gaming will help tribes become self-sufficient, I urge you to vote for Proposition 200 and against Propositions 201 and 202.

Paul F. Eckstein, Phoenix

As a senior and Arizona resident of over 30 years, it's clear to me which of the gaming initiatives on the ballot is superior: we should vote Yes on Proposition 200 and No on Propositions 201 and 202.

Proposition 200 provides a significant and fair return of a share of casino profits to the Arizona citizens who have supported the development of Indian gaming. But unlike Proposition 201 and 202, it doesn't drain badly needed resources from the reservations that still are struggling to build their economic strength.

Proposition 200 is the only measure that remains faithful to the reason we approved Indian gaming in the first place -- building the economy of the reservations so that they can provide the homes, schools, hospitals and other community facilities most of the rest of us take for granted in our hometowns. That's a benefit for those of us who aren't Indians and who don't live on reservations because it will help build the tribes' financial independence and reduce the demand on our tax dollars.

Proposition 200 is particularly good for Arizona's growing population of seniors. Recent news stories revealed that Arizona is falling far short of the health-care facilities, workers and funding we'll need for all those seniors in the future. Proposition 200 would transfer millions of dollars directly into a special new health care fund to pay for the needs of senior Arizonans.

On the other hand, Proposition 202 will undermine tribes most by draining resources to the state and spreading the money meaninglessly through dozens of state government bureaucracies.

And Proposition 201 is a con game by race tracks to move slot machines off the reservations and into their facilities.

That makes the choice easy. Yes-No-No. Yes on 200, No on 201, No on 202.

Rose Ferber, Arizona Senior, Peoria

Paid for by "Yes for Arizona!"

Tucson Restaurant Owner Opposes Proposition 202

My business depends on tourism, as do a lot of Tucson businesses. We've worked hard to make Tucson more of a tourist attraction and draw people in from outside southern Arizona.

Indian gaming has helped us do this by providing visitors with more to do when they visit the area. That means they stay longer, and spend more money in local businesses.

Of the measures being presented to voters on Indian gaming, Proposition 200 is the one that will do the best job of making sure this continues into the future.

Proposition 200 will secure the future of Indian gaming for 20 years or more. That in turn provides us with the knowledge that Indian gaming will continue to contribute to our tourism economy.

We need all the help we can get in competing with Las Vegas, Laughlin, California and other areas that target the same visitors we do. It will also help our state by providing college scholarships for our children and families and by creating new dollars for senior care, two important causes that deserve our support.

Proposition 202 does not secure the future of gaming for as long, and pumps money into bureaucracy after bureaucracy instead of earmarking it for important purposes. The plan, based on one crafted by the Governor, is not nearly as solid a solution for our state.

Proposition 200 is a great opportunity for our state to preserve part of our tourism economy and help our state's economy and families in a number of ways. I encourage you to vote "Yes" on this measure on the November 5th ballot.

Bob McMahan, Tucson

Dear Arizona Voter,

In November, the future of gaming in Arizona is in the hands of the voters. I am not an advocate of gaming, but I understand that it is probably not going away. As long as gaming continues in Arizona, it should be well regulated and provide benefits to the entire state. Neither Proposition 200 nor Proposition 202 has adequate gaming regulation and disclosure. They also fail in providing a fair amount of their revenue to the state. That is why everyone should vote NO on Proposition 200 and Proposition 202.

Both Proposition 200 and 202 do not require public disclosure. Full public disclosure is an essential part of making sure that the state gets a fair deal. Revenues and expenditures should be openly and accurately disclosed just like they are in other gaming businesses across the country.

In addition to not providing adequate regulation and disclosure, Proposition 200 and 202 fail to share a fair amount of their revenue with the state. Proposition 200 offers 3% of their net profits to the state. However, since Proposition 200 does not require them to disclose their revenue, the state wouldn't know how much revenue let alone how much profit they made. How would we know that we were getting the right amount?

A similar argument applies to Proposition 202. It offers a sliding scale of 1 to 8% of their revenues based on individual income. However, Proposition 202 prevents the state from seeing the individual reports that show income. Thus, there would be no way to make sure that each group was paying the right percentage.

Proposition 200 and 202 do not have adequate disclosure requirements and fail to provide enough revenue to the state. I urge everyone to vote NO.

Vote No on 200 and 201.

Senator Lori Daniels, Chandler

Do you believe that all U.S. citizens should be treated equally under the law? Do you believe that all governments should be held accountable for their actions, especially if they violate an agreement or terrorize innocent persons? You probably answered “yes” to both of these questions. If so, you should vote “NO” on Proposition 202.

A legal doctrine called “sovereign immunity” protects Indian tribes from being sued in any courts without their permission. If they break a contract with you, you cannot hold them to it. If you are injured on tribal land, you cannot enforce a judgment, even if you can find a court to order one. And, as what happened to my clients proves, if tribal police abuse you, you cannot enforce any of your Constitutional rights. In other words, the very Constitution of the United States does not apply on Indian lands.

What does this have to do with gaming? Everything! If you are hurt at a casino, how will you be made whole? If the tribal police hold you at gunpoint for three hours to insult your race and threaten to kill you (true story), who will hear your cause? If the tribes break their agreement with Arizona, who will protect our states' interests?

We recently lost our case after going all the way to the U. S. Supreme Court. The bottom line: Tribal governments can do almost anything they darn well please. No matter how groups paint history and ask for special treatment to make up for it, this situation is wrong for individuals of all races. No on 202!

Linda Rawles, Mesa

I am a former Attorney General of Arizona, and a former chief of staff to Governor Bruce Babbitt. I've been involved with State government for 35 years. This proposition along with Proposition 200 are probably the most one-sided financial deals ever presented to the voters of Arizona. Proposition 202 would give a small minority of our population an absolute, unbreakable monopoly on casino gaming for 23 years- 'til 2026. This monopoly will produce winnings to casinos of 50-75 BILLION dollars, of which the state would get less than 8%—a tax rate less than most of us pay when we buy a car, a book, aspirin, or a restaurant meal. And if the people of Arizona five, ten, fifteen years later from now conclude that this monopoly is unfair, and seek to allow some non-tribal games, the tax would vanish, and the limits on gaming machines and tables in Proposition 202 would disappear.

Proposition 202 would immediately increase slot machines in Arizona, and likely lead to a doubling of machines in urban counties. Maricopa and Pima Counties could have 100 new blackjack tables in each casino. Phoenix and Tucson would be junior versions of Laughlin, but with less regulation and less revenue to the State. Meanwhile, Arizona taxpayers would be kept in the dark about any figures showing the profitability of this casino gaming except for one **total** gross revenue number each year.

Proposition 202 would lead to huge wealth transfers and political power shifts, to tribes whose sovereignty removes them from conventional restraints. No one knows how thoroughly this would change Arizona. Voters, we can do better than this for our State, and we will if Proposition 202 loses. No on 202!

John A. “Jack” LaSota, Phoenix

No on Prop 202

Once again, the issue of gambling on Indian reservations comes before the voters. And once again, the voters are being asked to shape the future of Arizona, this time for many decades to come.

The central question to be addressed and answered is fairly simple. Should Arizona strive to become a casino mecca, or should it remain or even return to the state we remember before the flood of slot machines and pit bosses?

While economic development and reduction of poverty on Indian reservations is a laudable goal, reliance on gambling to produce the desired result is both foolish and a mirage. To argue otherwise is to ignore reality.

True economic development and social stability can never grow from an activity that drains dollars from the many on the promise of possible riches for the lucky few. If people really knew how bad the odds are on a slot machine, they would never pull the handle or punch the buttons.

Propositions 200 and 202 both will hasten the transformation of Arizona into a network of reservation gambling enclaves, with virtually all of the resultant social, cultural and law enforcement problems being exported to the state for processing, cleanup and, occasionally, incarceration.

Worse yet, both propositions propose to “limit” the size and scope of casino operations only as long as they are guaranteed exclusive rights to offer gambling that is forbidden to all others. If any competition is allowed, then “all bets are off,” and the only constraint becomes “what the traffic will bear.”

The voters should reject both propositions. We can develop a reasonable gambling policy, but Prop. 200 and 202 are not it. For those who crave wagering their money away against astronomical odds, Las Vegas and Laughlin are close enough.

Jon Kyl, U.S. Senator, Phoenix

John Shadegg, U.S. Congressman, Phoenix

Jeff Flake, U.S. Congressman, Mesa

Paid for by John Shadegg for Congress



BALLOT FORMAT**PROPOSITION 202****PROPOSED BY INITIATIVE PETITION****OFFICIAL TITLE**

AN ACT PROPOSING AMENDMENTS TO TITLE 5, CHAPTER 6, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-601.02; REPEALING SECTION 5-601.01, ARIZONA REVISED STATUTES; AMENDING SECTION 13-3301, ARIZONA REVISED STATUTES; PROPOSING AMENDMENTS TO TITLE 15, CHAPTER 9, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-978; PROPOSING AMENDMENTS TO TITLE 17, CHAPTER 2, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 7; PROPOSING AMENDMENTS TO TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2903.07; PROPOSING AMENDMENTS TO TITLE 41, CHAPTER 10, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-1505.12; AMENDING SECTION 41-2306, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 375, SECTION 3; REPEALING SECTION 41-2306, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2000, CHAPTER 372, SECTION 3; RELATING TO TRIBAL-STATE COMPACTS.

DESCRIPTIVE TITLE

DIRECTS GOVERNOR TO APPROVE NEW TRIBAL GAMING COMPACTS; ALLOCATES EACH TRIBE 1-4 GAMING FACILITIES, 475-1400 SLOT MACHINES AND 75-100 CARD TABLES, 1% TO 8% OF TRIBES' GROSS INCOME FUNDS STATEWIDE PROGRAMS SPECIFIED IN MEASURE.

PROPOSITION 202

A "yes" vote shall have the effect of directing the Governor to approve new tribal gaming compacts, allocating each tribe 1-4 gaming facilities, 475-1400 slot machines and 75-100 card tables; 1% to 8% of tribes' gross income goes to the state to fund school district programs statewide for classroom size reduction, teacher salary increases, reading and dropout prevention; programs for trauma and emergency services, wildlife conservation, problem gambling and tourism; and to cities, towns and counties for general public services.	YES <input type="checkbox"/>
A "no" vote shall have the effect of not authorizing the Governor to approve new tribal gaming compacts and not authorizing renewal of the current compacts when they expire.	NO <input type="checkbox"/>