

**MEMORANDUM OF UNDERSTANDING PURSUANT TO
GAMING COMPACT BETWEEN THE SEMINOLE TRIBE OF FLORIDA AND
THE STATE OF FLORIDA**

This Memorandum of Understanding (MOU) is entered into pursuant to the 2010 Gaming Compact for Class III Gaming (2010 Compact) between the Seminole Tribe of Florida (Tribe) and the State of Florida (State). The parties to this document are the Seminole Tribal Gaming Commission (Commission) and the State Compliance Agency (SCA), which is the Florida Department of Business and Professional Regulation (DBPR).

I. PURPOSE AND GOALS

WHEREAS, the Seminole Tribe of Florida, a federally recognized Indian tribe, operates Class III gaming at Facilities located on the Tribe's Indian Lands; and

WHEREAS, the Tribe's Class III gaming operations are governed by a Compact signed by the Chairman of the Tribe and Governor of the State on April 7, 2010, and approved by the Secretary of the Interior on June 24, 2010; and

WHEREAS, the Seminole Tribal Gaming Commission is the tribal governmental agency that has the authority to carry out the Tribe's regulatory and oversight responsibilities under the Compact; and

WHEREAS, the Department of Business and Professional Regulation (DBPR) is the "State Compliance Agency" designated by the Florida Legislature as the entity that has the authority to carry out the State's oversight responsibilities under the Compact; and

WHEREAS, Part VII.B of the Compact requires that the Commission and the SCA enter into an MOU with respect to reporting requirements under the Compact; and

WHEREAS, this MOU, which addresses reporting and other matters covered in the 2010 Compact, is evidence of the good will and cooperative spirit between the Seminole Tribe of Florida and the State of Florida and represents an effective government-to-government and regulator-to-regulator relationship;

NOW THEREFORE, the Commission and the DBPR, consistent with the provisions of the Indian Gaming Regulatory Act, the 2010 Compact and the laws of the Tribe and the State, enter into this MOU.

II. REPORTING REQUIREMENTS

Part VII.B of the 2010 Compact provides that Commission investigative reports concerning suspected or reported violations of Part VII of the 2010 Compact shall be forwarded by the Commission to DBPR within thirty (30) calendar days of filing. For purposes of this provision, the Commission agrees to forward to the DBPR a summary of investigations considered by the Commission and, upon request, shall forward the complete investigative packet considered by the Commission. The Commission shall forward the summary within thirty (30) calendar days of final action by the Commission, which shall not be unreasonably delayed. The summary forwarded to the DBPR shall indicate the action taken on the reports by the Commission, which could include, but is not limited to, forwarding the matter to local law enforcement, license revocation or suspension and changing internal controls and procedures.

III. RELEASE OF DOCUMENTS BY DBPR

- A. Part VIII.D of the 2010 Compact provides that if the State receives a request under Chapter 119, Florida Statutes, for documents marked by the Tribe as "Trade Secret, Confidential and Proprietary," then "the State shall promptly notify the Tribe of such a request and the Tribe shall promptly notify the State about its intent to seek judicial protection from disclosure." To implement this provision, the DBPR agrees to provide the Commission with notice of any request that could result in the release of documents that were obtained or which contain information that was obtained from the Tribe within ten (10) business days from the receipt of such request. With said notice, the DBPR shall provide copies of all documents that it has determined to be responsive to the request.
- B. The Commission shall have thirty (30) business days to review the documents and advise the DBPR which, if any, documents will be the subject of an action by the Tribe to seek judicial protection from disclosure. The DBPR shall not disclose any such documents until the Tribe's action for judicial protection has been resolved.

IV. SEPARATION OF FUNCTIONS

To avoid the possibility of real or perceived conflicts of interest, the DBPR agrees that staff members, not including administrative support staff, used to perform regulatory activities for State-licensed pari-mutuel facilities (Pari-Mutuel Regulation Unit) shall not be used to perform any of the State's oversight responsibilities over the Tribe's Facilities (Tribal Compliance Unit). Further, only those staff members performing oversight responsibilities for the Tribe's Facilities shall have access to non-public information (financial, technical or otherwise) obtained from or about those Facilities and shall keep such information confidential to the maximum extent permitted by law. However, all staff members, including administrative

support staff, shall be required to sign confidentiality agreements with respect to information obtained from or about the Tribe's Facilities.

V. THE SCA'S OVERSIGHT RESPONSIBILITIES

A. The DBPR agrees to perform oversight functions as agreed to by the parties in the 2010 Compact. This oversight shall include the following:

1. Inspection of Facilities and Covered Games for compliance with Tribal internal control standards. Tribal internal control standards must meet or exceed those set forth in the National Indian Gaming Commission's Minimum Internal Control Standards, 25 C.F.R Part 542 (2009).
2. Review of record retention practices for compliance with the requirements set forth in the Commission's Record Retention Policies and Procedures.
3. Review of the Tribe's program to combat problem gambling for compliance with 2010 Compact requirements.
4. Verify that summaries of rules for playing Covered Games and promotional contests are visibly displayed and made available to patrons upon request.
5. Verify that the Tribe engages and maintains measures to prevent improper alcohol sales, drunk driving, and underage drinking.
6. Verify that the Tribe employs measures to prevent underage patrons from participating in Covered Games.
7. Verify that all payments to the State of Florida is in compliance with Part XI of the 2010 Compact.
8. Verify that Tribe has paid an annual \$250,000 donation the Florida Council on Compulsive Gaming for each of its seven Facilities.
9. Verify that the average minimum pay-out of all slot machines in each Facility is not less than 85 percent.
10. Verify that gaming employees are licensed in accordance with the Seminole Tribal Gaming Code.
11. Review all reports submitted by the Commission to DBPR.
12. Review the Tribe's efforts to protect the physical safety of patrons, employees and any person while in a Facility.

13. Review the Tribe's efforts to combat illegal activity through maintenance of employee procedures and a surveillance system.
 14. Review construction and maintenance of Facilities for compliance with applicable requirements.
 15. Verify that the Tribe's emergency plans have been prepared.
 16. Verify that non-smoking areas are established during new construction.
- B. The parties agree that the DBPR's oversight responsibilities shall be conducted in compliance with the Tribe's internal control standards and procedures, including but not limited to the requirements applicable to opening slot machine cabinets and entering a count room.

VI. NOTIFICATION OF VISITS BY DBPR

- A. As specified in Part VIII.C of the 2010 Compact, agents of the DBPR shall have reasonable access to all public areas of the Facilities related to the conduct of Covered Games and no advance notice is required when the inspection is limited to public areas of the Facility. However, representatives of the DBPR shall provide notice and photographic identification to the Commission officer on duty at the Facility of their presence before beginning any such inspections. The notice provided by DBPR shall be in writing and shall set forth the areas that are to be inspected, the names and job titles of the DBPR staff conducting the inspection and the expected duration of the inspection. DBPR staff will notify the Commission officer on duty at the Facility when they have concluded their inspection.
- B. Before DBPR staff may enter any nonpublic area of a Facility, they shall provide one (1) hour notice and photographic identification to the Commission officer on duty at the Facility. Notice of at least one (1) hour by DBPR to the Commission is required to assure that a Commission officer is available to accompany the DBPR staff members at all times. The notice provided by DBPR shall be in writing and shall set forth the areas that are to be inspected, the names and job titles of the DBPR staff conducting the inspection and the expected duration of the inspection. After being issued access badges, DBPR staff members may enter nonpublic areas of the Facility accompanied by a Commission officer.
- C. DBPR staff may, pursuant to Part VIII.C.3(a) of the 2010 Compact, conduct inspections of more than ten (10) hours spread over two (2) consecutive calendar days, but only if they provide the Tribe's Director, Gaming Compliance and Regulation, with a written notification of the need for additional hours and a summary of the substantial non-compliance issues that need to be addressed

during the additional inspection hours. DBPR staff will notify the Commission officer on duty at the Facility when they have concluded their inspection.

VII. LIMIT ON LENGTH AND NUMBER OF INSPECTIONS

The time available for DBPR inspections is limited by Part XIII.C.3 of the 2010 Compact. In calculating the length of an inspection, only actual hours spent at a Facility by DBPR staff shall be counted. Travel time and off-site preparation time will not be included. At the conclusion of any inspection, the DBPR staff shall provide the Commission officer at the Facility with a written statement setting forth the number of hours spent at the Facility.

VIII. ANNUAL OVERSIGHT ASSESSMENTS

- A. Part XI.C of the 2010 Compact provides that the Tribe will reimburse the State "for the actual and reasonable costs of the State Compliance Agency to perform its monitoring functions set forth under the Compact," subject to a cap of \$250,000 per year indexed for inflation as determined by the Consumer Price Index. The 2010 Compact further provides that the assessment will be paid in quarterly installments and that the Tribe shall pay such amounts within thirty (30) calendar days of receiving an invoice from the SCA.
- B. In order to provide an established and orderly procedure for assessment of costs incurred by the DBPR under the 2010 Compact and this MOU, the parties agree that the DBPR will furnish to the Commission an itemized statement of the salaries, benefits and overhead of DBPR employees assigned to oversight responsibilities, as well as an accounting of all direct expenses incurred by the DBPR for its oversight responsibilities, including reasonable travel and per diem expenses.
- C. If a dispute arises as to the correctness of an assessment, the Tribe will pay any undisputed amount and that the parties will follow the dispute resolution process set forth in Part XIII of the 2010 Compact.

IX. NOTICES

All notices required or authorized under this Memorandum of Understanding shall be sent by certified mail (return receipt requested), facsimile, commercial overnight courier service or by personal delivery to the following:

State Compliance Agency:

Director of Pari-Mutuel Wagering
Department of Business and Professional Regulation
1940 North Monroe Street
Tallahassee, FL 32399

With a copy to:

Compact Audit Administrator
Division of Pari-Mutuel Wagering
1400 W. Commercial Blvd., Suite 165
Ft. Lauderdale, FL 33309-3787

Commission:

Director, Gaming Compliance and Regulations
Seminole Tribal Gaming Commission
6300 Stirling Road
Hollywood, FL 33024

With a copy to:

General Counsel
Seminole Tribe of Florida
6300 Stirling Road
Hollywood, FL 33024

X. AUTHORITY TO EXECUTE

The persons signing this MOU on behalf of the Commission and the DBPR represent that they have the authority to bind the respective parties to its terms.

XI. ENTIRE AGREEMENT

This MOU between the Commission and the DBPR constitutes the entire agreement of the parties and shall not be construed to amend the 2010 Compact. This agreement shall be governed by and construed in accordance with the applicable laws of the United States, the Tribe and the State.

XII. INTERPRETATION

The DBPR and the Commission have agreed to use the particular language in this MOU and no ambiguity in this agreement shall be construed against either party. Terms in this agreement that are not defined shall have the meaning given to them in the 2010 Compact.

XIII. EFFECTIVE PERIOD

This MOU shall become effective on the Effective Date of the 2010 Compact and shall remain in effect for a term of five (5) years, but shall automatically renew for successive five (5) year terms unless a party objects to the renewal not less than sixty (60) calendar days before the end of the initial or renewal term.

XIV. OTHER REQUIREMENTS

Both parties agree to comply with all applicable requirements in 2010 Compact, whether or not those requirements are addressed in this MOU.

XV. MODIFICATIONS

This MOU may be amended and modified only in writing in a document signed by both parties.

APPROVED BY:

FLORIDA DEPARTMENT OF BUSINESS AND
PROFESSIONAL REGULATION



Date:

7/2/10

SEMINOLE TRIBAL GAMING COMMISSION



Date:

7.9.10