

APPENDIX J

Vendor Certification and Licensing Procedures

 Indian Community and State of Arizona Gaming Compact 2002

As an exercise of their discretion under Compact Section 4(d), the Tribe and the State agree that the following procedures shall apply to the State certification and Tribal licensing of vendors. To the extent that this Appendix J does not address any particular issue with respect to the licensing or certification of a vendor, the provisions of the Compact will govern.

I. CERTIFICATION AND LICENSING PROCEDURES.

(A) Waiver of Licensing and Certification for Certain Entertainers, Publicly Traded Companies, and Providers of Training. The State Gaming Agency and the Tribal Gaming Office have determined that, except as this Appendix J expressly requires to the contrary, State certification and Tribal licensing of Persons providing the following Gaming Services are not necessary to protect the public interest, regardless of the value of the goods or services, subject to the following requirements.

(1) Entertainers.

(i) In the event that a Tribe or Gaming Facility Operator contracts directly with an entertainer, the State Gaming Agency and the Tribal Gaming Office will waive the certification and licensing requirement for the entertainer, employees of the entertainer, and Persons providing personal services to the entertainer who are paid by the entertainer so long as: (A) the entertainer does not perform at a particular Tribe's Gaming Facilities on more than three days in one calendar year; and (B) the entertainer, employees of the entertainer, and Persons providing personal services to the entertainer who are paid by the entertainer are not allowed unescorted access to any secure areas of a Gaming Facility as referenced in Compact Section 4(b). For purposes of this waiver, performances ending after midnight that are part of a show or series of shows that started the previous evening will be considered to be part of the performance from the previous evening, and performances do not include setting up and tearing down the stage, props, or light and sound equipment, or warmups and sound checks.

(ii) Before the State Gaming Agency will waive the certification requirement for entertainers, the State Gaming Agency must receive a notice of waiver from the Tribal Gaming Office identifying the proposed vendor and the goods or services to be provided, and describing how the vendor is qualified for the waiver. Within fifteen (15) days of receiving the Tribal Gaming Office's notice of waiver, the State Gaming Agency shall issue a waiver of certification unless the State Gaming Agency reasonably, and in good faith, determines that the vendor does not qualify for the waiver pursuant to Section I(A) of this Appendix or poses a threat to the public interest. In the event that the notice of

waiver fails to provide information sufficient to allow the State Gaming Agency to make a reasonable, good faith determination that the vendor qualifies for a waiver of certification, the State Gaming Agency may request additional information, and may deny a request pending receipt of the additional information. The Tribal Gaming Office must receive the written waiver of certification prior to the vendor providing the goods or services in excess of \$10,000 per month, unless the vendor is already certified. This process may be followed in advance of any specific transaction in order to allow preclearance of a vendor or vendors. The Tribal Gaming Office or State Gaming Agency may rescind the waiver if they have a reasonable, good faith belief that the vendor would pose a threat to the public interest.

(2) Publicly Traded Companies.

- (i) The State Gaming Agency and the Tribal Gaming Office will waive the requirement that companies whose equity is publicly traded on a United States national market or exchange (i.e., excluding OTCBB, Pink Sheet, or regional markets) with over \$1 billion in annual gross revenues be certified and licensed so long as: (A) goods, and not services, are purchased from the vendor and those goods are not used in the play of Class III gaming, including software or component parts, and are not used for security or surveillance (other than component parts or replacement component parts used for security or surveillance); (B) the Tribe or Gaming Facility Operator makes its purchases directly from the vendor (including via an Internet web site or from a vendor owned retail store); (C) the goods purchased by the Tribe or Gaming Facility Operator are sold by the vendor in the regular course of its business, rather than goods acquired solely for resale to the Tribe or Gaming Facility Operator or of a type or nature not sold to other customers of the vendor; and (D) no employees of the vendor are allowed unescorted access to any secure areas of a Gaming Facility as referenced in Compact Section 4(b).
- (ii) Before the State Gaming Agency will waive the certification requirement for publicly traded companies, the State Gaming Agency must receive a notice of waiver from the Tribal Gaming Office identifying the proposed vendor and the goods to be provided, and describing how the vendor is qualified for the waiver. Within thirty (30) days of receiving the Tribal Gaming Office's notice of waiver, the State Gaming Agency shall issue a waiver of certification unless the State Gaming Agency reasonably, and in good faith, determines that the vendor does not qualify for the

waiver pursuant to Section I(A) of this Appendix, would not qualify for State certification, or poses a threat to the public interest. In the event that the notice of waiver fails to provide information sufficient to allow the State Gaming Agency to make a reasonable, good faith determination that the vendor qualifies for a waiver of certification, the State Gaming Agency may request additional information, and may deny a request pending receipt of the additional information. The Tribal Gaming Office must receive the written waiver of certification prior to the vendor providing the goods or services in excess of \$10,000 per month, unless the vendor is already certified. This process may be followed in advance of any specific transaction in order to allow preclearance of a vendor or vendors. The Tribal Gaming Office or State Gaming Agency may rescind the waiver if they have a reasonable, good faith belief that the vendor would not qualify for State certification or poses a threat to the public interest.

- (3) Training. The providers of on-site or off-site training services, seminars, and trade show services, and the providers of related hotel accommodations and travel, will not be required to be certified by the State Gaming Agency or licensed by the Tribal Gaming Office, if they are accredited associations or educational institutions that are regulated by a state or federal agency or sponsored by a trade organization. The Tribal Gaming Office or State Gaming Agency may require licensure or certification of such a provider if they have a reasonable, good faith belief that the provider would not qualify for a Tribal license or State certification or poses a threat to the public interest.
- (B) Waiver of Licensing and Certification for Certain Financial Sources. The State Gaming Agency and the Tribal Gaming Office have determined that, except as this Appendix J expressly requires to the contrary, State certification and Tribal licensing of Persons providing the following services are not necessary to protect the public interest, regardless of the value of the goods or services, subject to the following requirements.
- (1) Any entity described in Section (I)(B)(2) of this Appendix (and only such an entity) that is an actual or prospective Holder of any Indebtedness issued by or on behalf of a Tribe and that is a Financial Source may apply for a waiver of Tribal Licensure and State Certification requirements, pursuant to Section 4(d) of the Compact.
 - (2) Each of the following entities (including all wholly-owned subsidiaries), acting for its own account or the accounts of other entities specified in this Section (I)(B)(2), that are in good standing with all applicable regulatory agencies, not in danger of losing this standing, and not under ongoing or threatened investigation by any regulator or law enforcement organization, shall be deemed to

qualify for waiver from State Certification under Section (I)(B)(3) of this Appendix:

- (i) Any state-regulated bank or savings and loan association or other state-regulated lending institution that is regulated by a state other than the State of Arizona having a reported combined capital and surplus of at least Ten Million Dollars (\$10,000,000), not otherwise exempt under Section 3(s) of the Compact.
 - (ii) Any investment company registered under the federal Investment Company Act of 1940 (15 U.S.C. § 80(a)(1), et seq.) having a reported combined capital and surplus of at least One Hundred Million Dollars (\$100,000,000).
 - (iii) Any company (a) that is organized as an insurance company, the primary and predominant business activity of which is the writing of insurance or the reinsuring of risks underwritten by insurance companies, (b) that is licensed by the Arizona Department of Insurance, or equivalent official or agency of another state within the United States who uses the UCWA for licensing; and (c) that has a reported combined capital and surplus of at least One Hundred Million Dollars (\$100,000,000).
 - (iv) Any retirement plan established and maintained by the United States, an agency or instrumentality thereof, or by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees having a reported combined capital and surplus of at least One Hundred Million Dollars (\$100,000,000).
 - (v) Any entity, all of the owners or members of which individually meet the criteria of this Section (I)(B)(2).
- (3) For purposes of Section 4 of the Compact, the Tribal Gaming Office and the State Gaming Agency will waive certification and licensing requirements if the Tribal Gaming Office and the State Gaming Agency reasonably determine that the Financial Source meets the requirements for waiver from State Certification and Tribal Licensure under this Appendix. A Financial Source must submit the information that is required to be submitted under Section (I)(B)(13) of this Appendix to qualify for the waiver. Provided the required information is received by the State Gaming Agency and the Tribal Gaming Office, the State Gaming Agency and the Tribal Gaming Office will issue a written approval or denial of the application for waiver from Tribal Licensure and State Certification within ten (10) days following the submission of the completed application, unless the State Gaming Agency or Tribal Gaming Office reasonably, and in good faith, determines that the

Financial Source does not qualify for the waiver pursuant to Section I(B) of this Appendix, would not qualify for State certification or Tribal licensure, or poses a threat to the public interest. If the State Gaming Agency or the Tribal Gaming Office determines there is insufficient evidence of or factual questions concerning the Financial Sources eligibility for waiver, then the State Gaming Agency or the Tribal Gaming Office may request additional information and may deny a request pending receipt of the additional information. The Tribal Gaming Office or State Gaming Agency may rescind a waiver if they have a reasonable, good faith belief that the Financial Source would not qualify for State certification or Tribal licensure or poses a threat to the public interest.

- (4) The waiver of Tribal licensure and State certification of an eligible financial source under this Appendix shall be valid for one year after receipt of the waiver, and may be renewed thereafter.
- (5) The Tribal Gaming Office and the State Gaming Agency may require the Financial Source to update all information provided on its application for waiver. The Tribal Gaming Office or the State Gaming Agency may revoke a waiver of licensure or certification at any time upon a determination that the Financial Source fails to meet or has ceased to meet the eligibility criteria of Section (I)(B)(2) of this Appendix.
- (6) The Financial Source will be required to comply with Section (I)(B)(5) of this Appendix with respect to each specific issue of Indebtedness.
- (7) The Financial Source shall notify the Tribal Gaming Office and State Gaming Agency within ten (10) days of any proposed or final disciplinary action taken against it by any applicable regulatory agencies or any change in its regulatory status, including a loss of good standing.
- (8) As a condition of receiving a waiver pursuant to Section (I)(B) of this Appendix, a Financial Source shall provide prior written notice to the State Gaming Agency and the Tribal Gaming Office identifying each specific issue of Indebtedness as to which it intends to provide a waiver for licensing and certification under Section (I)(B) of this Appendix. The financing extended or guaranteed by the Financial Source shall be disclosed to the State Gaming Agency in writing at the time that the Financial Sources application for a waiver from Tribal Licensure and State Certification is submitted to the State Gaming Agency.
- (9) The Indebtedness issued by or on behalf of a Tribe is transferable only to a Transferee Holder who is licensed, certified or whose licensing and/or certification has been waived by the State

Gaming Agency. Any other transfer of Indebtedness or beneficial interest in the Indebtedness is void and null.

- (10) Notwithstanding any other provision under Section (I)(B) of this Appendix, the following persons and entities shall not be deemed to be Financial Sources subject to Tribal Licensing or State Certification, solely by reason of meeting the criteria set forth below in paragraph (i) or (ii). Notwithstanding the forgoing, the Tribe shall notify in writing the Tribal Gaming Office and State Gaming Agency prior to utilizing any of the following persons or entities for any of the described activities.
- (i) Any securities dealer registered pursuant to the federal Securities Exchange Act of 1934 (15 U.S.C. § 78(a), et seq.) acting in one or more transactions to purchase from any person and resell Indebtedness issued by or on behalf of a Tribe, if, no later than sixty (60) days after the securities dealer acquires the Indebtedness, fully offsetting sales of such Indebtedness are made to one or more entities specified in Section (I)(B)(2) of this Appendix or to other persons or entities that are either (a) licensed by the Tribal Gaming Office and certified by the State Gaming Agency as required under Section 5 of the Compact, or (b) exempt from licensing and State Certification pursuant to Compact Section 3(s).
 - (ii) Any person acting solely as a "clearing corporation," as defined in A.R.S. § 47-8102(A)(5), with respect to any Indebtedness issued by or on behalf of a Tribe that are issued in so-called "book-entry" form.
- (11) For purposes of Section (I)(B) of this Appendix, Indebtedness shall be deemed to be issued by or on behalf of a Tribe if issued by the Tribe or by any branch, department, agency, instrumentality, division, subsidiary, enterprise, authority, wholly-owned corporation or business of the Tribe.
- (12) As used in Section (I)(B) of this Appendix:
- (i) "Bond" means any security evidence of Indebtedness issued pursuant to a Loan Administration Agreement between the issuer of the security and a administrator who has a right to enforce the terms of the Indebtedness on behalf of all Holders of the Indebtedness.
 - (ii) "Financial Source" means any third party extending or guaranteeing financing for a Gaming Operation and Gaming Facility as provided under Section 3(s) of the Compact.

- (iii) "Guaranty" means all obligations of an issuer guaranteeing, or in effect guaranteeing, any Indebtedness, obligation of any primary obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such issuer: (i) to purchase such issuer or obligation or any property constituting security therefor; (ii) to advance or supply funds: (1) for the purchase or payment of such Indebtedness or obligation or (2) to maintain working capital or other balance sheet condition; (iii) to purchase securities or other property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the primary obligor to make payment of the Indebtedness or obligation; or (iv) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.
 - (iv) "Holder" means the record or beneficial owner of Indebtedness.
 - (v) "Indebtedness" means, for any issuer, (a) Bonds, (b) all Guaranties by such issuer, and (c) all obligations for the payment of money incurred or assumed by such issuer.
 - (vi) "Initial Holder" means with respect to any issue of Indebtedness, any Holder of record of a registered Indebtedness of the issue and any beneficial owner of a book-entry participation of the issue who, in either case, acquired its interest in the Indebtedness in connection with the initial sale thereof from the issuer or from a placement agent, underwriter or similar intermediary for the initial sale, directly or indirectly.
 - (vii) "Loan Administration Agreement" means any indenture, loan agreement, lease agreement, note participation agreement, credit facility agreement or any other agreement providing for the terms, conditions and administration of an issue of Indebtedness.
 - (viii) "Transferee Holder" means a Holder acquiring record or beneficial ownership of Indebtedness from the initial Holder or any subsequent Holder.
- (13) The application for waiver from Tribal Licensure and State Certification shall require the name of the applicant, the address of the applicant's principal place of business, evidence that the applicant is eligible for registration as a Financial Source under Section (I)(B) this Appendix, and a statement signed by an authorized officer or other designee of the applicant committing the applicant to notify the Tribal Agency promptly of any

termination of the applicant's eligibility under Section (I)(B) of this Appendix.

(C) Exceptions. The waivers in Sections I(A) and I(B) of this Appendix do not apply to, or affect the certification requirements applicable to:

- (1) Manufacturers, Distributors, or Management Contractors; or
- (2) Persons who would qualify for a waiver with respect to goods and services that are within the scope of Sections I(A) and (B) of this Appendix, but who also provide other goods or services that require certification and licensing.

STATE GAMING AGENCY

TRIBAL GAMING OFFICE

Paul Bullis, Director

_____, Executive Director

DATE: _____

DATE: _____