

9. Gaming Devices

(a) Definitions. For the purposes of this Section, the following definitions shall apply:

- (1) Slot Machine shall be defined as a video facsimile or slot machine which means any mechanical, electrical or other device, contrivance or machine, which upon insertion of a coin, currency, token or similar object therein, or upon payment of any consideration whatsoever, is available to play or operate, the play or operation of which, whether by reason of the skill of the operator or application of the element of chance or both, may deliver or entitle the person playing or operating the machine to receive cash or tokens to be exchanged for cash or to receive any merchandise or thing of value, whether the payoff is made automatically from the machine or in any other manner whatsoever.
- (2) Video Lottery Gaming Devices shall be defined as a network of five or more player terminals, connected to the On-Line System, with touch-screen, button-controlled video screen or other electronic display devices, including but not limited to single or multi-stage displays, secondary electronically-controlled displays such as wheels, dice, or other displays. The video lottery gaming devices shall not eject nor otherwise dispense coins or currency and shall perform the following functions related to the game:
 - a. Accepts currency, other representative of value or a cashless activation card qualifying the player to

participate in one or more games.

- b. Provides players with the ability to choose, or have the video lottery gaming devices automatically choose for them, combinations of numbers, colors and/or symbols.
 - c. Electronically displays, if applicable, the game identifier and the player choices.
 - d. Prints and dispenses a redemption ticket, or otherwise provides a representation of the value of player winnings in a manner consistent with the technical standards of this Compact, when the player activates the cash-out function.
 - e. Displays game information such as credit balance and other information as required or permitted in the technical standards of this Compact.
 - f. Displays, for verification purposes, the game results.
 - g. Performs security functions necessary to maintain the integrity of the operation of the gaming device, as provided in the technical standards of this Compact.
- (b) Gaming Devices shall be operated in accordance with the specifications set forth in Section 76 of Appendix B.

(c) Exclusivity.

- (1) Subject to subparagraphs 12(a) (2) and 12(a) (3) of the Compact, the Nation has total exclusivity with respect to the installation and operation of, and no person or entity other than the Nation is permitted to install or operate, Gaming Devices, including slot machines, within the geographic area defined by: (i) to the east, State Route 14 from Sodus Point to the Pennsylvania border with New York; (ii) to the north, the border between New York and Canada; (iii) to the south, the Pennsylvania border with New York; and (iv) to the west, the border between New York and Canada and the border between Pennsylvania and New York.
- (2) In the event the Tuscarora Indian Nation or the Tonawanda Band of Seneca Indians initiate negotiations with the State to establish a Class III Gaming compact, the State may agree to include Gaming Devices in any such compact that permits gaming facilities within the geographical area of exclusivity set forth in Paragraph 12(a) (1) of the Compact without causing a breach of Paragraph 12 of the Compact; (i) provided, however, that the State cannot permit another Indian nation to establish a Class III Gaming facility within a twenty five (25) mile radius of any Gaming Facility site authorized under the Compact unless such facility is to be established on federally recognized Indian lands existing as of the Effective Date of the Compact.
- (3) The exclusivity granted under Paragraph 12(a) (1) of the Compact shall cease to apply with respect to any one of

the sites authorized under the Compact: (i) if the Nation fails to commence construction on such site with thirty six (36) months of the Effective Date; or (ii) if the Nation fails to commence Class III Gaming operations on such site within sixty (60) months of the Effective Date of the Compact.

- (4) With the exception of a violation of the proviso set forth in Paragraph 12(a)(2)(i) of the Compact, the Nation's obligation to pay and the State's right to receive the State Contribution from the operation and conduct of a particular category of Gaming Device as defined in Paragraph 1(m) of the Compact shall cease immediately in the event of a breach by the State of the exclusivity provisions set forth in Paragraph 12(a) of the Compact only as to that particular category of Gaming Device for which exclusivity no longer exists.
- (5) With respect to a violation of the proviso set forth in Paragraph 12(a)(2)(i) of the Compact, the Nation's obligation to pay and the State's right to receive the State Contribution shall cease immediately as to all categories of Gaming Devices.

(d) State Contribution.

- (1) In consideration of the exclusivity granted by the State pursuant to Paragraph 12(a) of the Compact, the Nation will contribute to the State a portion of the proceeds from the operation and conduct of each category of Gaming Device for which exclusivity exists, based on the net drop of such machines (money dropped into machines, after

Payout but before expense) and totaled on a cumulative quarterly basis to be adjusted annually at the end of the relevant fiscal year, in accordance with the sliding scale set forth below ("State Contribution"):

Years 1-4

18%, with "Year 1" commencing on the date on which the first Gaming Facility established pursuant to the Compact begins operation, and with Payments during this initial period are to be made on an annual basis.

Years 5-7

22%, with payments during this period to be made on a semi-annual basis.

Years 8-14

25%, with payments during this period to be made on a quarterly basis.

- (2) In the event the States reaches a compact with another Indian tribe regarding Gaming Devices of a like kind that has State contribution provisions that are more favorable to the Indian tribe than those set forth herein, the terms of such other compact are automatically applicable to the Compact at the Nation's option.
- (3) Any dispute regarding a payment by the Nation of the State Contribution must be raised within one (1) year of

the receipt by the State of the audited financial statements required pursuant to Paragraph 8(c) (2) of the Compact.