

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

REGULATED INDUSTRIES
Senator Bradley, Chair
Senator Margolis, Vice Chair

MEETING DATE: Wednesday, January 20, 2016

TIME: 1:30—3:30 p.m.

PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Bradley, Chair; Senator Margolis, Vice Chair; Senators Abruzzo, Bean, Braynon, Diaz de la Portilla, Flores, Latvala, Negron, Richter, Sachs, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	CS/SB 854 Banking and Insurance / Hukill (Similar CS/H 473)	Funeral, Cemetery, and Consumer Services; Revising required information for licensure to include e-mail addresses; revising the prohibition against withdrawal or transfer of assets within the care and maintenance trust fund to include an exception; requiring a licensed cemetery company to request a method for withdrawal from the cemetery company's care and maintenance trust fund; providing that an applicant for the embalmer apprentice program may not be licensed without a determination of character by the licensing authority, etc. BI 01/11/2016 Fav/CS RI 01/20/2016 Fav/CS FP	Fav/CS Yeas 12 Nays 0
Workshop and Testimony on the Indian Gaming Compact			Presented
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: CS/CS/SB 854

INTRODUCER: Regulated Industries Committee; Banking and Insurance Committee; and Senator Hukill

SUBJECT: Funeral, Cemetery, and Consumer Services

DATE: January 22, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Matiyow	Knudson	BI	Fav/CS
2.	Kraemer	Imhof	RI	Fav/CS
3.			FP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 854 amends ch. 497, F.S., the Florida Funeral, Cemetery, and Consumer Services Act (act), which sets forth licensure requirements related to funerals and cemeteries regulated by the Department of Financial Services (department) and the Board of Funeral, Cemetery, and Consumer Services (board).

Care and maintenance (C&M) trusts must be maintained by a cemetery company so that the grounds, structures and improvements of a cemetery are maintained in a proper, dignified condition. Withdrawals from C&M trusts to cemetery companies, limited to a percentage of the C&M trust's fair market value, are allowed, as an alternative to withdrawals limited to the net income generated by a C&M trust. Comprehensive C&M trust distribution requirements require the use of one of these withdrawal methods. Rulemaking authority is granted to the board, subject to approval of the department.

A "preneed contract" is the sale of burial merchandise or burial service in advance. The deposit of certain amounts from the sale of preneed contracts into a trust for the benefit of the purchaser is required under existing law, but the deposit required for preneed sales of merchandise is revised. A preneed licensee must deposit all preneed contract funds into a trust prior to electing inactive status. The bill clarifies when a preneed contract may be made irrevocable, for purposes of a person qualifying for assistance programs such as Medicaid and Supplemental Security Income (SSI). Cemetery companies must remit unexpended monies paid on irrevocable preneed

contracts to the Agency Health Care Administration (AHCA) for deposit into the Medical Care Trust Fund after the beneficiary's final disposition.

Annual reporting to the department on preneed licensees trust accounts is required, and the servicing agent exemption from preneed licensure is repealed.

The bill also:

- Creates definitions;
- Adds an e-mail address as information that can be required for licensure and allows the department to use email as a means of notification;
- Requires the department to adopt rules regarding discipline for miscellaneous financial errors;
- Provides a consistent deposit requirement for graves, mausoleums, and columbaria;
- Clarifies that the annual report must record the fair market value of the care and maintenance trust fund;
- Requires an applicant for embalmer apprentice to be of good character;
- Repeals s. 497.461, F.S., which currently allows the use of surety bonding in lieu of the requirement for a preneed licensee to establish a trust for the deposit of funds; those licensees that have bonds in place prior to July 1, 2016 may continue to use them; and
- Specifies cremated remains are not property, and are not subject to partition (division) by a court unless a legally authorized person consents to the division;
- Specifies that disputes regarding the division of cremated remains must be resolved by the courts.

II. Present Situation:

Chapter 497, F.S., entitled the Florida Funeral, Cemetery, and Consumer Services Act (act), provides for the regulatory oversight of the death care industry, which includes the following individual and entity licenses:¹

- Brokers of burial rights;
- Cemeteries;
- Central embalming facilities;
- Cinerator facilities;
- Direct disposer and direct disposal establishments;
- Embalmers (including apprentices, interns, and by endorsement);
- Funeral directors and funeral establishments;
- Preneed, preneed branches, and preneed sales agents;
- Monument establishments and monument establishment sales agents;
- Refrigeration facilities;
- Removal services; and
- Training facilities.

¹ DEPARTMENT OF FINANCIAL SERVICES DIVISION OF FUNERAL, CEMETERY & CONSUMER SERVICES, Who We Regulate: Regulated Categories & Number of Licensees, <http://www.myfloridacfo.com/Division/FuneralCemetery/About/Whoweregulate.htm> (last accessed Jan. 19, 2016).

The act is administered jointly by the Division of Funeral, Cemetery, & Consumer Services of the Department of Financial Services (division) and the Board of Funeral, Cemetery & Funeral Services (board).

E-mail Notifications

The act requires the department to administer a licensing system to process and track applications, renewals, and fees. The department is authorized to require specified information in its application forms, such as the applicant's work history, criminal history, and business plans. Application forms adopted by rule require the e-mail address of the applicant or licensee as a means of correspondence for the department.

Legally Authorized Persons & the Disposition of Human Remains

The act sets forth the order or priority of persons (legally authorized persons) who are authorized to direct the disposition of human remains. The "legally authorized person" concept is similar to the Probate Code's order of preference in appointing a personal representative over an estate.²

The act sets the priority of legally authorized persons³ as:

1. A written *inter vivos*⁴ authorization made by the deceased;
2. The person designated by the decedent as authorized to direct disposition pursuant to Pub. L. No. 109-163, s. 564, as listed on the decedent's United States Department of Defense Record of Emergency Data, DD Form 93, or its successor form, if the decedent died while serving military service as described in 10 U.S.C. s. 1481(a)(1)-(8) in any branch of the United States Armed Forces, United States Reserve Forces, or National Guard;
3. The surviving spouse;
4. A son or daughter of majority age;
5. A parent;
6. A sibling of majority age;
7. A grandchild of majority age;
8. A grandparent; or
9. Another person in the next degree of kinship.

However, current usage of the above terms throughout the act is inconsistent, leading to concerns of uncertainty and potential disputes among heirs regarding the disposition of human remains. Such disputes can also involve funeral homes and other licensees under the act, because they receive, store, and process the remains, and they are sometimes sued by the relative whose wishes regarding final disposition did not prevail.⁵

² See s. 733.301, F.S.

³ See s. 497.005(39), F.S. The definition also identifies persons who may willingly assume responsibility as the legally authorized person when no family member exists or is available.

⁴ An *inter vivos* authorization is one made during the life of the deceased "between the living; from one living person to another." See BLACK'S LAW DICTIONARY, <http://thelawdictionary.org/inter-vivos/> (last accessed Jan. 19, 2016).

⁵ Florida Department of Financial Services, Agency Analysis of 2016 Senate Bill 854 (Nov. 30, 2015) (on file with the Committee on Regulated Industries).

Burial Fees

A burial right is the right to use a grave space, mausoleum, columbarium, ossuary, or scattering garden for the internment, entombment, inurnment, or other disposition of human remains or cremated remains.⁶ While cemetery companies may collect fees for the sale of burial rights, merchandise, or services, they may only charge certain fees for the use of any burial right, merchandise, or service, such as sales tax and any interest on unpaid balances. Another permissible fee is the cost of transferring burial rights from one purchaser to another, which current law caps at \$50. The price cap has not been adjusted since the inception of this statute in 1993.

Sale of Personal Property or Services by Cemetery Companies

Currently, s. 497.283, F.S., requires cemetery companies that sell personal property or services in connection with burial or commemorative services to deliver such goods or to perform such services within 120 days of receiving final payment, except for preneed contracts. “Delivery” of goods means actual delivery and installation at the time of need or at the request of the owner or owner’s agent. However, s. 497.283(2)(c), F.S., provides an alternative delivery method, limited to those manufacturers of outer burial receptacles (OBC) who sell to cemetery companies and funeral establishments and show evidence of “financial responsibility” as set forth in the “standards and procedures” in s. 497.461, F.S. (relating to surety bonding as an alternative to trust deposit for preneed licensees).

Applicants for the Embalmer Apprentice Program

Applicants for the following licenses under the act require demonstration of good character:

- Cemetery companies - s. 497.263(2)(p), F.S.;
- Brokers of burial rights - s. 497.281(2)(d), F.S.;
- Embalmers and embalmers by endorsement - ss. 497.368(1)(c) and 497.369(1)(d), F.S.;
- Funeral directors and funeral directors by endorsement - ss. 497.373(1)(c) and 497.374(1)(d), F.S.;
- Funeral establishments - s. 497.380(4), F.S.;
- Removal services, refrigeration services, and centralized embalming facilities - s. 497.385(1)(a) and (2)(f), F.S.;
- Preneed licensees - s. 497.453(2)(f), F.S.;
- Direct disposers and direct disposal establishments - ss. 497.602(3)(f) and 497.604(3)(c), F.S.; and
- Cinerator facilities - s. 497.606(3)(d), F.S.

However, no such requirement currently exists for applicants for the embalmer apprentice program.

⁶ See s. 497.005(7), F.S.

Scope of Funeral Directing

The act sets forth the scope of the practice of funeral directing which may be performed only by a licensed funeral director. Currently, one of the permitted practices is planning or arranging, on an at-need basis, the details of funeral services, embalming, cremation, or other services relating to the final disposition of human remains with the decedent's family, friends, or other person responsible for such services.

Cemetery Companies - Care & Maintenance Trust Funds

Cemetery companies that own or control cemetery lands and property are required by the act to ensure that the grounds, structures and improvements of a cemetery are well cared for and maintained in a proper and dignified condition.⁷ To achieve this, the act requires cemetery companies to establish care and maintenance (C&M) trust funds with state or national trust companies or banks or savings and loan associations with trust powers.⁸ In other states, these trusts are commonly known as "perpetual care trusts." Cemetery companies are required to set aside and deposit specified amounts from the sales of burial rights into their care and maintenance trust funds.

Net Income Trusts vs. Total Return Unitrusts

Since 1959, the act has required that the net income of these trust funds may only be used for the care and maintenance of the cemetery and monuments (excluding the cleaning, refinishing, repairing or replacement of monuments) and reasonable costs of administering care, maintenance, and the trust fund. This net income approach is used by cemetery licensees to determine how much may be withdrawn and paid to them every year from their C&M trust fund.

While the act does not define "net income," it has been understood to include only cash received by the trust as interest or dividends from trust investments, not capital gains (which are treated as accretions to principal, not income). This view has been largely informed by trust practices codified in other parts of Florida law.⁹ As such, cemetery owners have an economic incentive to invest their C&M trust funds to maximize payments of current interest or cash dividends (e.g., government securities and corporate bonds), as opposed to investing in items that provide capital appreciation (e.g., corporate stocks). This approach typically results in erosion of trust principal as a result of inflation and may negatively affect the trust's long-term growth. Currently, the act does not specify the permissible mix of income-producing versus capital appreciation investments for C&M trusts funds, but authorizes trustees of a C&M trust fund to invest only in those investments as are allowed for the State Board of Administration (SBA).¹⁰

⁷ s. 497.262, F.S.

⁸ The appointments of these institutional trustees are subject to the approval of the licensing authority. These trustees are subject to investment limitations and annual financial reporting requirements in the act.

⁹ DEPARTMENT OF FINANCIAL SERVICES, DIVISION OF FUNERAL, CEMETERY, AND CONSUMER SERVICES, *Unitrust Concept for Cemetery Care & Maintenance Trust Funds: Background and Analysis* ("DFS Unitrust Analysis") (Draft), p. 4 (Dec. 15, 2015) (on file with the Committee on Regulated Industries).

¹⁰ *Id.* See ss. 497.266(4) and 497.458(5)(a), F.S., and permissible investment statute for the SBA, s. 215.47(1), F.S.

Another type of trust, known as the “total return trust,” has attracted some interest among trust practitioners for C&M trust funds and perpetual care funds. As the name implies, the total return trust allows the trustee to focus on the total return, and to maximize growth of both income and principal by accounting for both income and capital appreciation.

One type of total return trust is the unitrust. With the unitrust, the trustee distributes a percentage of the trust based on the fair market value of its assets, regardless of income earned or the original amount invested in the trust. As opposed to withdrawing only income, the unitrust allows cemeteries to withdraw a percentage, no less than 3 percent and no more than 5 percent, of the total fair market value of the trust for annual care and maintenance. Typically, a unitrust:

- Produces a return of 2 to 4 percent greater than an income trust;
- Allows cemetery operators to receive larger distributions (on average and over time);
- Grows principal at a greater rate than an income trust; and
- Shows exactly how much funds will be available for withdrawal in advance, which is important for budgeting purposes.¹¹

According to the department, the unitrust concept as applied to cemetery C&M trusts has been recently approved for use in three states (Iowa, Missouri, and Tennessee).¹²

Preneed Contracts

A “preneed contract” is any arrangement or method, of which the provider of funeral merchandise or service has actual knowledge, whereby any person agrees to sell burial merchandise or burial service in advance. Examples of “burial merchandise” are caskets, outer burial containers, urns, monuments, floral arrangements, and register books, and “burial service” includes any service offered or provided in connection with the final disposition, memorialization, interment, entombment, inurnment, or other disposition of human remains or cremated remains.¹³

Preneed sales are governed by part IV of the act, which requires sellers of funeral merchandise or service to obtain a preneed license and also be licensed as a funeral establishment, cemetery company, direct disposal establishment, or monument establishment.¹⁴

III. Effect of Proposed Changes:

Care & Maintenance Trust Funds

The bill amends the act to accommodate unitrusts as an alternative option to the current net income approach for C&M trust funds.

¹¹ Lauren Moore, *Perpetual Care Roundtable*, AMERICAN CEMETERY, at p. 33 (January, 2014) (on file with the Committee on Regulated Industries).

¹² *DFS Unitrust Analysis*, pp. 2, 5, 11-15. Cemetery unitrusts may be used in Iowa beginning in 2016, while they were authorized in Missouri in 2009 and in Tennessee in 2006. It appears unitrusts have largely been used in the long-term higher education and charitable foundation endowment trusts.

¹³ s. 497.005(56), (6), and (7), F.S.

¹⁴ s. 497.452, F.S. The statute exempts certain cemeteries owned by religious institutions from preneed licensure.

Section 8 of the bill creates s. 497.2675, F.S., as a comprehensive C&M trust distribution statute, which requires the use of one of two methods for withdrawals from a care and maintenance trust and requires the board and department to adopt rules related to C&M trusts. Specifically, this section:

- Requires the board and department to adopt rules related to the withdrawals from C&M trust accounts in accordance with ss. 497.267 and 497.268, F.S., and the rules must include:
 - Reporting requirements for a cemetery licensed under this chapter, including the requirement that specific reports be made on forms designed and approved by the board by rule; and
 - Rules to address a cemetery licensed under this chapter whose pro rata share of the fair market value of the trust has not grown over a 3-year average, including limiting withdrawals from the care and maintenance trust fund, and any exceptions approved by the board.
- Requires each cemetery company licensed under this chapter to elect one of these two methods for withdrawals from the cemetery company's care and maintenance trust fund:
 - Net income withdrawal method.—Net income may be withdrawn from the trust, as earned, on a monthly basis; or
 - Total return withdrawal method (unitrust).—The licensee must multiply the average fair market value of its pro rata share of the trust by the total return withdrawal percentage and may withdraw one-fourth of that amount at least quarterly beginning the first quarter of the new trust year. The initial total return withdrawal percentage elected by the licensee may not increase the total return withdrawal percentage for that quarter. For purposes of this paragraph, “average fair market value” means, in relation to a trust, the average of the fair market value of each asset held by the trust at the beginning of the current year and in each of the 2 previous years, or for the entire term of the trust if there are less than 2 previous years, and adjusted as follows:
 1. If assets are added to the trust during the years used to determine the average, the amount of each addition is added to all years in which such addition is not included; and
 2. If assets are distributed from the trust during the years used to determine the average, other than in satisfaction of the unitrust amount, as defined in s. 738.1041, F.S., the amount of each distribution is subtracted from all other years in which such distribution is not included.
- Without regard to the withdrawal method selected, taxes on capital gains, if any, must be paid from the trust principal.

Sections 6 and 7 of the bill update financial and trust terms in existing C&M trust statutes.

- **Section 6** of the bill amends s. 497.266, F.S., to substitute “assets” for “corpus” and provides that withdrawals and transfers of such assets must be in accordance with the new C&M distribution statute, s. 497.2675, F.S. Additionally, the bill provides that the trustee may distribute “withdrawals” from the trust instead of “principal and income.”
- **Section 7** of the bill amends s. 497.267, F.S., governing the disposition of monies from a care and maintenance trust, to eliminate the requirement that withdrawals may only be from the net income of the trust. The revision is necessary to accommodate the use of a unitrust, as withdrawals are not based on the net income of the trust under **Section 8** of the bill. The section retains the requirement that such monies may only be used for the care and maintenance of the cemetery.

Section 10 of the bill amends s. 497.269, F.S., to clarify that the annual report must record the fair market value of the C&M trust fund.

Burial Fees

Section 9 of the bill amends s. 497.268, F.S., to provide a consistent deposit requirement for graves, mausoleums, and columbaria which are all “burial rights” under the act, and clarifies that 10 percent of all sales of burial rights must be deposited into the C&M trust fund. A \$25 minimum must be deposited for each post-1993 sale of a burial right, and \$25 for each burial right provided without charge.

Preneed Contracts

Section 5 of the bill amends the act’s rulemaking authority in s. 497.161, F.S., to provide authority for rules that establish conditions of use for insurance as a funding mechanism for preneed contract, if such rules are not inconsistent with part IV of the act (relating to preneed sales) and the Florida Insurance Code. According to the division, the intent of this change is to create clear rulemaking authority for the board’s existing rule 69K-8.005, F.A.C., relating to preneed contracts funded by life insurance, because the current statutory authority may be subject to challenge. The rule was adopted in 1996, prior to the implementation of legislative changes to the Administrative Procedure Act that significantly restricted rulemaking to clear grants of rulemaking authority.

Section 18 amends s. 497.452(2)(c), F.S., to repeal the Servicing Agent Exemption from Preneed Licensure. This exemption is not currently used.

Section 19 amends s. 497.454, F.S., to add “electronic or paper” preneed contracts and removes a cross-reference to s. 497.461, F.S., which is being repealed in **Section 24** of the bill.

Section 21 amends s. 497.458, F.S., which requires the methods by which proceeds received on preneed contracts may be distributed. Under current law, if an item of merchandise is sold under a preneed contract, the greater of 30 percent of the purchase price collected, or 110 percent of the wholesale price, must be deposited in a trust for the benefit of the purchaser.

The bill grants the board rulemaking authority to classify items sold in preneed contracts as services, cash advances, or merchandise. Under current law and in the bill, these three different types of items trigger different trust deposit requirements.

The bill requires an annual report be provided to the department regarding each preneed trust account held by a trustee at any time during the previous calendar year. The report must contain information identifying the trustee, the licensee to whom the report relates, the trust account number; the beginning and ending trust balance; and, as may be specified by department rule, a list of receipts showing the date and amount of any disbursement. The report must be signed by the trustee’s account manager for the trust account and be formatted and submitted pursuant to department rule. The first report is due April 1, 2018, and subsequent annual reports must be submitted on or before April 1.

The bill prohibits a trustee from investing in or counting as assets life insurance policies or annuity contracts. Trust investments in real estate may not exceed 25 percent of trust assets. The bill allows the trustee to allocate and divide capital gains and losses. Current law also allows the allocation and division of assets, liabilities, income, and expenses.

All provisions in the act relating to s. 497.461, F.S., are deleted to conform to the repeal of that section (**Section 24**).

Section 22 of the bill amends s. 497.459(6)(a), F.S., to specify that the requirement that preneed contracts cannot restrict any purchaser who is a qualified applicant or recipient of Medicaid, Supplemental Security Income (SSI), or temporary cash assistance from making her or his contract irrevocable must also be the beneficiary of the preneed contract. Additionally, the bill clarifies that a preneed contract made irrevocable pursuant to this section cannot be canceled during the life or after the death of the contract purchaser or beneficiary.¹⁵

The bill requires unexpended monies spent on an irrevocable contract to be remitted to the Agency for Health Care Administration (AHCA) for deposit into the Medical Care Trust Fund after the beneficiary's final disposition. This ensures that the state and federal governments recover their respective shares of the unexpended monies of the irrevocable contract.

Section 24 of the bill repeals s. 497.461, F.S., which currently allows a preneed licensee to use surety bonds instead of depositing into the trust moneys collected on preneed licensure sales. The use of surety bonds is not widely utilized within the industry. **Section 25** of the bill specifies that the repeal of s. 497.461, F.S., does not affect preneed licensees who have elected to maintain a surety bond in lieu of depositing funds into a trust as of July 1, 2016. **Section 26** of the bill eliminates the letter of credit as an alternative to trust deposits as it primarily relates to the use of surety bonds that are being repealed in **Section 24** of the bill.

Section 27 of the bill amends s. 497.464, F.S., to apply the trust deposit requirements of s. 497.458(1), (3), and (6), to alternative preneed contracts. Currently those requirements are not applicable.

Section 28 of the bill amends s. 497.465, F.S., to provide that prior to electing inactive status, the licensee must deposit into the trust all of the funds received from preneed contracts. This change is intended to clarify that the licensee cannot retain any of the funds and must put them into the trust account in their entirety. Additionally, the bill removes the qualifier "unaudited or audited" from financial statements.

Email

Sections 2 and 3 of the bill amend s. 497.141, F.S., and s. 497.146, F.S., respectively, to include an email address as information the department can require for licensure and allows the department to use email as a means of notification.

¹⁵ Section 1 of the bill creates definitions of "purchaser" and "beneficiary" in s. 497.005, F.S.

Embalmer Apprentice Applicants

Section 15 amends s. 497.371, F.S., to require that an applicant for the embalmer apprentice program be of good character and not have demonstrated a history of lack of trustworthiness or integrity in business or professional matters.

Cremated Remains

Section 30 amends s. 497.607, F.S., to specify that cremated remains are not property, and are not subject to partition by a court. The bill adds the term “legally authorized” and clarifies the legally authorized person’s written authorization to perform a cremation, required before one may be legally performed, may include a declaration of intent as to the cremation procedure.

Definitions

Section 1 amends s. 497.005, F.S., to define the following terms under the Florida Funeral, Cemetery, and Consumer Services Act (act):

- “Beneficiary” means a natural person expressly identified in a preneed contract as the person for whom funeral merchandise or services are intended.
- “Capital gain” or “capital loss” means a change in the value of a capital asset, such as investment or real estate, which gives the asset a different worth than the purchase price. The gain or loss is not realized until the asset is sold.
- “Fair market value” means the fair market value of assets held by a trust as of a specific date, assuming all assets of the trust are sold on that specific date.
- “Income” means earnings on trust assets, including interest, dividends, and other income earned on the principal.
- “Net income” means, in relation to a trust, ordinary income minus any income distributions for items such as trust expenses. For purposes of this subsection, “ordinary income” means, in relation to a trust, any earnings on trust assets, including interest and dividends received on property derived from the use of the trust principal, but does not include capital gains or capital losses.
- “Purchaser” means a natural person who has executed a preneed contract with or seeks at-need funeral merchandise or services from a licensee.
- “Total return withdrawal percentage” means a percentage, not to exceed 5 percent, of the fair market value of a trust.

Technical Changes

Section 4 amends s. 497.152, F.S., to make technical changes that replace the term “his or her representative or legal guardian” with “a legally authorized person.”

Section 11 amends s. 497.273, F.S., and **Section 12** amends s. 497.274, F.S., to make technical changes that replace the terms “decedent or other” and “family or next of kin” with “legally authorized person.”

Section 13 amends s. 497.283, F.S., to remove a cross-reference to s. 497.461, F.S., which is being repealed in the bill.

Section 14 amends s. 497.286(3), F.S., to make a technical change that adds the term “or legally authorized person.”

Section 16 amends s. 497.372, F.S., makes a technical change clarifying the duties of a funeral director.

Section 17 amends s. 497.381, F.S., to make a technical change that replaces the term “next of kin of a deceased person” with “legally authorized person.”

Section 20 amends s. 497.456, F.S., to remove a cross-reference to s. 497.461, F.S., which is being repealed in the bill, and replaces “income” with the term “appreciation.”

Section 23 amends s. 497.460, F.S., to make a technical changes that add the terms “fair market value” and “legally authorized person.”

Section 29 amends s. 497.601, F.S., to make a technical change that replaces the term “the decedent’s next of kin” with “legally authorized person.”

Effective Date

Section 31 provides that the bill takes effect July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The unitrust proposal may provide a benefit to cemetery licensees in the form of increased annual distributions to licensed cemeteries to defray cemetery care and maintenance expenses; however, the division states there is too little experience with the concept among other state funeral and cemetery regulators to make specific projections.

The requirement for annual trustee reports to the department may increase costs to the approximately 370 preneed licensees in the state. The costs would be in the form of increased fees charged by preneed trustees to preneed licensees. The department indicated that the cost will be relatively insignificant, because the trustees already have and provide the information to the preneed licensees. The department also indicated that the recurring cost might be in the range of \$250 per licensee per year.¹⁶

C. Government Sector Impact:

The department will be required to develop rules to implement the provisions of the bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 497.005, 497.141, 497.146, 497.152, 497.161, 497.266, 497.267, 497.268, 497.269, 497.273, 497.274, 497.283, 497.286, 497.371, 497.372, 497.381, 497.452, 497.454, 497.456, 497.458, 497.459, 497.460, 497.462, 497.464, 497.465, 497.601, and 497.607.

This bill creates section 497.2675 of the Florida Statutes.

This bill repeals section 497.461 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS/SB 854 by Regulated Industries on January 20, 2016:

- The maximum \$50 fee cap in current law for charges paid for transferring burial rights from one purchaser to another is unchanged (*see* s. 497.277(2), F.S.)
- Current law requiring the deposit to a care and maintenance trust for a preneed sale of merchandise remains the greater of 30 percent of the purchase price collected or 100 percent of the wholesale cost.
- Cremated remains are not property that may be partitioned (divided) by a court.

¹⁶ Florida Department of Financial Services, Agency Analysis of 2016 Senate Bill 854 (Nov. 30, 2015).

CS by Banking and Insurance on January 11, 2016:

The CS conforms to provisions in HB 473:

- Lines 5-6 change the definition of "purchaser" as compared to what was filed.
- Lines 58-78 amend s. 497.146, F.S., as it relates to email notification.
- Line 178 makes a technical cross-reference change.
- Lines 547-549 provides rulemaking authority regarding rules to classify items as merchandise, services, or cash advance.
- Lines 608-610 adds a provision prohibiting investment of preneed trust assets in insurance policies, and limits real estate investments to 25% of trust assets.
- Lines 669-672 adds language that certain preneed trust funds for unused irrevocable preneed contracts are to be remitted to an Agency for Health Care Administration (AHCA) trust fund.

B. Amendments:

None.

By the Committee on Banking and Insurance; and Senator Hukill

597-02021-16

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A bill to be entitled
An act relating to funeral, cemetery, and consumer services; amending s. 497.005, F.S.; defining terms; amending s. 497.141, F.S.; revising required information for licensure to include e-mail addresses; requiring the Department of Financial Services to include e-mail notification as a means to administer the licensing process; amending s. 497.146, F.S.; revising required information for current licensees to include an address for e-mail notification; providing for rulemaking relating to electronic reporting; amending s. 497.152, F.S.; conforming provisions to changes made by the act; requiring, rather than authorizing, the Board of Funeral, Cemetery, and Consumer Services to provide certain criteria; prohibiting the board from requiring a fine when certain deficiencies are fully corrected within a specified period; amending s. 497.161, F.S.; revising requirements for rules of the licensing authority; amending s. 497.266, F.S.; revising the prohibition against withdrawal or transfer of assets within the care and maintenance trust fund to include an exception; amending s. 497.267, F.S.; revising provisions relating to the disposition of withdrawals from the care and maintenance trust fund; creating s. 497.2675, F.S.; requiring the board to adopt certain rules; requiring a licensed cemetery company to request a method for withdrawal from the cemetery company's care and maintenance trust fund; providing requirements for such methods; requiring that taxes on capital gains be paid from the trust principal; amending s. 497.268, F.S.; conforming provisions to

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changes made by the act; deleting a required deposit in a cemetery company's care and maintenance trust fund for mausoleums or columbaria; deleting the requirement that taxes on capital gain be paid from the trust corpus; amending s. 497.269, F.S.; requiring a trustee to annually furnish financial reports that record the fair market value of the care and maintenance trust fund; amending ss. 497.273 and 497.274, F.S.; conforming provisions to changes made by the act; amending s. 497.277, F.S.; deleting a limitation on the fee for transfer of burial rights from one purchaser to another; authorizing the board to determine the transfer fee; amending ss. 497.283 and 497.286, F.S.; conforming provisions to changes made by the act; amending s. 497.371, F.S.; providing that an applicant for the embalmer apprentice program may not be licensed without a determination of character by the licensing authority; amending ss. 497.372 and 497.381, F.S.; conforming provisions to changes made by the act; amending s. 497.452, F.S.; deleting an exception that prohibits a person from receiving specified funds without holding a valid preneed license; amending ss. 497.454 and 497.456, F.S.; conforming provisions to changes made by the act; amending s. 497.458, F.S.; revising requirements relating to the disposition of proceeds on a preneed contract; authorizing the board to specify criteria for the classification of items sold in a preneed contract; requiring the trustee to furnish the

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department with an annual report regarding preneed
licensee trust accounts beginning on a specified date;
providing requirements for the annual report; revising
which investments a trustee of a trust has the power
to invest in; deleting provisions relating to the
preneed licensee; amending s. 497.459, F.S.;
prohibiting certain preneed contracts from being
canceled during the life or after the death of the
contract purchaser or beneficiary; requiring
unexpended moneys on an irrevocable contract to be
deposited into the Medical Care Trust Fund under
certain circumstances; amending s. 497.460, F.S.;
conforming provisions to changes made by the act;
repealing s. 497.461, F.S., relating to the
authorization for a preneed licensee to elect surety
bonding as an alternative to depositing funds into a
trust; amending s. 497.462, F.S.; deleting obsolete
references to surety bonds; amending s. 497.464, F.S.;
conforming provisions to changes made by the act;
amending s. 497.465, F.S.; requiring an inactive
preneed licensee to deposit a specified amount of
funds received on certain preneed contracts into the
trust upon a specified time; amending ss. 497.601 and
497.607, F.S.; specifying that cremated remains are
not property; requiring a division of cremated remains
to be consented to by certain persons; providing that
a dispute shall be resolved by a court of competent
jurisdiction; conforming provisions to changes made by
the act; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

Section 1. Present subsections (5) through (8), (9) through (31), (32) through (38), (39) through (46), (47) through (61), (62) through (70), and (71) of section 497.005, Florida Statutes, are redesignated as subsections (6) through (9), (11) through (33), (35) through (41), (43) through (50), (52) through (66), (68) through (76), and (78), respectively, and new subsections (5), (10), (34), (42), (51), (67), and (77) are added to that section, to read:

497.005 Definitions.—As used in this chapter, the term:

(5) "Beneficiary" means a natural person expressly identified in a preneed contract as the person for whom funeral merchandise or services are intended.

(10) "Capital gain" or "capital loss" means a change in the value of a capital asset, such as investment or real estate, which gives the asset a different worth than the purchase price. The gain or loss is not realized until the asset is sold.

(34) "Fair market value" means the fair market value of assets held by a trust as of a specific date, assuming all assets of the trust are sold on that specific date.

(42) "Income" means earnings on trust assets, including interest, dividends, and other income earned on the principal.

(51) "Net income" means, in relation to a trust, ordinary income minus any income distributions for items such as trust expenses. For purposes of this subsection, "ordinary income" means, in relation to a trust, any earnings on trust assets, including interest and dividends received on property derived

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120 from the use of the trust principal, but does not include
121 capital gains or capital losses.

122 (67) "Purchaser" means a person who executes a preneed or
123 an at-need contract with a licensee for merchandise or services.

124 (77) "Total return withdrawal percentage" means a
125 percentage, not to exceed 5 percent, of the fair market value of
126 a trust.

127 Section 2. Subsections (2) and (11) of section 497.141,
128 Florida Statutes, are amended to read:

129 497.141 Licensing; general application procedures.—

130 (2) Any person desiring to be licensed shall apply to the
131 licensing authority in writing using such forms and procedures
132 as may be prescribed by rule. The application for licensure
133 shall include the applicant's social security number if the
134 applicant is a natural person; otherwise, the applicant's
135 federal tax identification number shall be included.
136 Notwithstanding any other provision of law, the department is
137 the sole authority for determining the forms and form contents
138 to be submitted for initial licensure and licensure renewal
139 application. Such forms and the information and materials
140 required by such forms may include, as appropriate,
141 demographics, education, work history, personal background,
142 criminal history, finances, business information, signature
143 notarization, performance periods, reciprocity, local government
144 approvals, supporting documentation, periodic reporting
145 requirements, fingerprint requirements, continuing education
146 requirements, business plans, character references, e-mail
147 addresses, and ongoing education monitoring. Such forms and the
148 information and materials required by such forms may also

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149 include, to the extent such information or materials are not
150 already in the possession of the department or the board,
151 records or information as to complaints, inspections,
152 investigations, discipline, and bonding. The application shall
153 be supplemented as needed to reflect any material change in any
154 circumstance or condition stated in the application that takes
155 place between the initial filing of the application and the
156 final grant or denial of the license and that might affect the
157 decision of the department or the board. After an application by
158 a natural person for licensure under this chapter is approved,
159 the licensing authority may require the successful applicant to
160 provide a photograph of himself or herself for permanent
161 lamination onto the license card to be issued to the applicant,
162 pursuant to rules and fees adopted by the licensing authority.

163 (11) The department shall implement a system for
164 administration of the overall licensing process, including e-
165 mail notification for the processing and tracking of
166 applications for licensure, the issuance of licenses approved by
167 the board, the tracking of licenses issued, the administration
168 of the license renewal process, and the collection and
169 processing of fees related to those activities. The system may
170 use staff and facilities of the department or the department may
171 enter into a contract for all or any part of such system, upon
172 such terms and conditions as the department deems advisable, and
173 such contract may be with another government agency or a private
174 business.

175 Section 3. Section 497.146, Florida Statutes, is amended to
176 read:

177 497.146 Licensing; address of record; changes; licensee

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responsibility.—Each licensee under this chapter is responsible for notifying the department in writing of the licensee's current e-mail address, business and residence mailing address, and the street address of the licensee's primary place of practice and shall notify the department ~~in writing~~ within 30 days after any change in such information, in accordance with procedures and forms prescribed by rule. Notwithstanding any other provision of law, electronic notification ~~service by regular mail~~ to a licensee's last known e-mail address of record or preferred street address of record with the department constitutes adequate and sufficient notice to the licensee for any official communication to the licensee by the board or the department, except when other service is expressly required by this chapter. The department may adopt rules, forms, and procedures, including a procedure for electronic reporting of the data provided pursuant to this section. ~~Rules may be adopted establishing forms and procedures for licensees to provide the notice required by this section.~~

Section 4. Paragraphs (b) and (e) of subsection (8), paragraph (d) of subsection (12), paragraphs (b) and (c) of subsection (14), and paragraph (b) of subsection (15) of section 497.152, Florida Statutes, are amended to read:

497.152 Disciplinary grounds.—This section sets forth conduct that is prohibited and that shall constitute grounds for denial of any application, imposition of discipline, or other enforcement action against the licensee or other person committing such conduct. For purposes of this section, the requirements of this chapter include the requirements of rules adopted under authority of this chapter. No subsection heading

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in this section shall be interpreted as limiting the applicability of any paragraph within the subsection.

(8) TRANSPORT, CUSTODY, TREATMENT, OR DISINTERMENT OF HUMAN REMAINS.—

(b) Refusing to surrender promptly the custody of a dead human body upon the express order of the ~~person~~ legally authorized person to such person's ~~its~~ custody; however, this provision shall be subject to any state or local laws or rules governing custody or transportation of dead human bodies.

(e) Failing to obtain written authorization from a legally authorized person before ~~the family or next of kin of the deceased prior to~~ entombment, interment, disinterment, disentombment, or disinurnment of the remains of any human being.

(12) DISCLOSURE REQUIREMENTS.—

(d) Failure by a funeral director to make full disclosure in the case of a funeral or direct disposition with regard to the use of funeral merchandise that is not to be disposed of with the body or failure to obtain written permission from a legally authorized person ~~the purchaser~~ regarding disposition of such merchandise.

(14) OBLIGATIONS REGARDING COMPLAINTS AND CLAIMS BY CUSTOMERS.—

(b) Committing or performing with such frequency as to indicate a general business practice any of the following:

1. Failing to acknowledge and act promptly upon communications from a licensee's customers and their representatives with respect to claims or complaints relating to the licensee's activities regulated by this chapter.

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236 2. Denying claims or rejecting complaints received by a
237 licensee from a customer or customer's representative, relating
238 to the licensee's activities regulated by this chapter, without
239 first conducting reasonable investigation based upon available
240 information.

241 3. Attempting to settle a claim or complaint on the basis
242 of a material document that was altered without notice to, or
243 without the knowledge or consent of, the contract purchaser or a
244 legally authorized person ~~her or his representative or legal~~
245 ~~guardian~~.

246 4. Failing within a reasonable time to affirm or deny
247 coverage of specified services or merchandise under a contract
248 entered into by a licensee upon written request of the contract
249 purchaser or a legally authorized person ~~her or his~~
250 ~~representative or legal guardian~~.

251 5. Failing to promptly provide, in relation to a contract
252 for funeral or burial merchandise or services entered into by
253 the licensee or under the licensee's license, a reasonable
254 explanation to the contract purchaser or a legally authorized
255 person ~~her or his representative or legal guardian~~ of the
256 licensee's basis for denying or rejecting all or any part of a
257 claim or complaint submitted.

258 (c) Making a material misrepresentation to a contract
259 purchaser or a legally authorized person ~~her or his~~
260 ~~representative or legal guardian~~ for the purpose and with the
261 intent of effecting settlement of a claim or complaint or loss
262 under a prepaid contract on less favorable terms than those
263 provided in, and contemplated by, the prepaid contract.

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For purposes of this subsection, the response of a customer recorded by the customer on a customer satisfaction questionnaire or survey form sent to the customer by the licensee, and returned by the customer to the licensee, shall not be deemed to be a complaint.

(15) MISCELLANEOUS FINANCIAL MATTERS.—

(b) Failing to timely remit as required by this chapter the required amounts to any trust fund required by this chapter. The board shall ~~may~~ by rule provide criteria for identifying minor, nonwillful trust remittance deficiencies; and remittance deficiencies falling within such criteria, if fully corrected within 30 days after notice to the licensee by the department, do ~~shall~~ not constitute grounds for disciplinary action or a fine.

Section 5. Paragraph (g) is added to subsection (1) of section 497.161, Florida Statutes, to read:

497.161 Other rulemaking provisions.—

(1) In addition to such other rules as are authorized or required under this chapter, the following additional rules, not inconsistent with this chapter, shall be authorized by the licensing authority.

(g) Rules, not inconsistent with part IV of this chapter and the Florida Insurance Code, establishing conditions of use for insurance as a funding mechanism for preneed contracts.

Section 6. Subsections (3) and (4) of section 497.266, Florida Statutes, are amended to read:

497.266 Care and maintenance trust fund; remedy of department for noncompliance.—

(3) A ~~No~~ person may not withdraw or transfer any portion of

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assets within ~~the corpus of~~ the care and maintenance trust fund,
except as authorized by s. 497.2675, without first obtaining
written consent from the licensing authority.

(4) The trustee of the trust established pursuant to this
section may only invest in investments and loan trust funds, as
prescribed in s. 497.458. The trustee shall take title to the
property conveyed to the trust for the purposes of investing,
protecting, and conserving it for the cemetery company;
collecting income; and distributing withdrawals from the trust
~~the principal and income~~ as prescribed in this chapter. The
cemetery company is prohibited from sharing in the discharge of
the trustee's responsibilities under this subsection, except
that the cemetery company may request the trustee to invest in
tax-free investments.

Section 7. Section 497.267, Florida Statutes, is amended to
read:

497.267 Disposition of withdrawals from the ~~income of~~ care
and maintenance trust fund; notice to purchasers and
depositors. ~~Withdrawals from the net income of the~~ care and
maintenance trust fund shall be used solely for the care and
maintenance of the cemetery, including maintenance of monuments,
which maintenance may ~~shall~~ not be deemed to include the
cleaning, refinishing, repairing, or replacement of monuments;
for reasonable costs of administering the care and maintenance;
and for reasonable costs of administering the trust fund. At the
time of making a sale or receiving an initial deposit, the
cemetery company shall deliver to the person to whom the sale is
made, or who makes a deposit, a written instrument which shall
specifically state the purposes for which withdrawals from the

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~~income of the~~ trust fund shall be used.

Section 8. Section 497.2675, Florida Statutes, is created to read:

497.2675 Withdrawal methods from the care and maintenance trust fund.—

(1) The board shall adopt rules, with the approval of the department, to administer ss. 497.267 and 497.268, including, but not limited to:

(a) Reporting requirements for a cemetery licensed under this chapter, including the requirement that specific reports be made on forms designed and approved by the board by rule.

(b) Rules to address a cemetery licensed under this chapter whose pro rata share of the fair market value of the trust has not grown over a 3-year average, including limiting withdrawals from the care and maintenance trust fund, and any exceptions approved by the board.

(2) Each cemetery company licensed under this chapter shall elect one of two withdrawal methods, as specified in paragraphs (a) and (b), for withdrawals from the cemetery company's care and maintenance trust fund. The board shall adopt rules, with the approval of the department, to administer this subsection.

(a) Net income withdrawal method.—Net income may be withdrawn from the trust, as earned, on a monthly basis.

(b) Total return withdrawal method.—The licensee shall multiply the average fair market value of its pro rata share of the trust by the total return withdrawal percentage and may withdraw one-fourth of that amount at least quarterly beginning the first quarter of the new trust year. The initial total return withdrawal percentage elected by the licensee may not

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352 increase the total return withdrawal percentage for that
353 quarter. For purposes of this paragraph, "average fair market
354 value" means, in relation to a trust, the average of the fair
355 market value of each asset held by the trust at the beginning of
356 the current year and in each of the 2 previous years, or for the
357 entire term of the trust if there are less than 2 previous
358 years, and adjusted as follows:

359 1. If assets are added to the trust during the years used
360 to determine the average, the amount of each addition is added
361 to all years in which such addition is not included.

362 2. If assets are distributed from the trust during the
363 years used to determine the average, other than in satisfaction
364 of the unitrust amount, as defined in s. 738.1041, the amount of
365 each distribution is subtracted from all other years in which
366 such distribution is not included.

367 (3) Without regard to the withdrawal method selected, taxes
368 on capital gains, if any, must be paid from the trust principal.

369 Section 9. Paragraphs (a) and (b) of subsection (1) and
370 subsection (2) of section 497.268, Florida Statutes, are amended
371 to read:

372 497.268 Care and maintenance trust fund, percentage of
373 payments for burial rights to be deposited.—

374 (1) Each cemetery company shall set aside and deposit in
375 its care and maintenance trust fund the following percentages or
376 amounts for all sums received from sales of burial rights:

377 (a) For burial rights, 10 percent of all payments received;
378 however, for sales made after September 30, 1993, no deposit
379 shall be less than \$25 per burial right ~~grave~~. For each burial
380 right which is provided without charge, the deposit to the fund

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shall be \$25.

~~(b) For mausoleums or columbaria, 10 percent of payments received.~~

(2) Deposits to the care and maintenance trust fund shall be made by the cemetery company not later than 30 days following the close of the calendar month in which any payment was received; however, when such payments are received in installments, the percentage of the installment payment placed in trust must be identical to the percentage which the payment received bears to the total cost for the burial rights. Trust income may be used to pay for all usual and customary services for the operation of a trust account, including, but not limited to: reasonable trustee and custodian fees, investment adviser fees, allocation fees, and taxes. If the net income is not sufficient to pay the fees and other expenses, the fees and other expenses shall be paid by the cemetery company. ~~Capital gains taxes shall be paid from the corpus.~~

Section 10. Section 497.269, Florida Statutes, is amended to read:

497.269 Care and maintenance trust fund; financial reports.—On or before April 1 of each year, the trustee shall furnish adequate financial reports that record the fair market value with respect to the care and maintenance trust fund utilizing forms and procedures specified by rule. However, the department may require the trustee to make such additional financial reports as it deems necessary. In order to ensure that the proper deposits to the trust fund have been made, the department shall examine the status of the trust fund of the company on a semiannual basis for the first 2 years of the trust

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fund's existence.

Section 11. Subsection (4) of section 497.273, Florida Statutes, is amended to read:

497.273 Cemetery companies; authorized functions.—

(4) This chapter does not prohibit the interment or entombment of the inurned cremated animal remains of the decedent's pet or pets with the decedent's human remains or cremated human remains if:

(a) The human remains or cremated human remains are not commingled with the inurned cremated animal remains; and

(b) The interment or entombment with the inurned cremated animal remains is with the authorization of a ~~the decedent or other~~ legally authorized person.

Section 12. Subsection (1) of section 497.274, Florida Statutes, is amended to read:

497.274 Standards for grave spaces.—

(1) A standard adult grave space shall measure at least 42 inches in width and 96 inches in length, except for preinstalled vaults in designated areas. For interments, except cremated remains, the covering soil shall measure no less than 12 inches from the top of the outer burial container at time of interment, unless such level of soil is not physically possible. In any interment, a legally authorized person ~~the family or next of kin~~ may waive the 12-inch coverage minimum.

Section 13. Subsection (2) of section 497.277, Florida Statutes, is amended to read:

497.277 Other charges.—Other than the fees for the sale of burial rights, burial merchandise, and burial services, no other fee may be directly or indirectly charged, contracted for, or

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received by a cemetery company as a condition for a customer to use any burial right, burial merchandise, or burial service, except for:

(2) Charges paid for transferring burial rights from one purchaser to another, as determined by rule of the board,
~~however, no such fee may exceed \$50.~~

Section 14. Paragraph (c) of subsection (2) of section 497.283, Florida Statutes, is amended to read:

497.283 Prohibition on sale of personal property or services.—

(2)

(c) In lieu of delivery as required by paragraph (b), for sales to cemetery companies and funeral establishments, and only for such sales, the manufacturer of a permanent outer burial receptacle which meets standards adopted by rule may elect, at its discretion, to comply with the delivery requirements of this section by annually submitting for approval pursuant to procedures and forms as specified by rule, in writing, evidence of the manufacturer's financial responsibility with the licensing authority for its review and approval. ~~The standards and procedures to establish evidence of financial responsibility shall be those in s. 497.461, with the manufacturer of permanent outer burial receptacles which meet national industry standards assuming the same rights and responsibilities as those of a preneed licensee under s. 497.461.~~

Section 15. Subsection (3) of section 497.286, Florida Statutes, is amended to read:

497.286 Owners to provide addresses; presumption of abandonment; abandonment procedures; sale of abandoned unused

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burial rights.—

(3) Upon the occurrence of a presumption of abandonment as set forth in subsection (2), a cemetery may file with the department a certified notice attesting to the abandonment of the burial rights. The notice shall do the following:

(a) Describe the burial rights certified to have been abandoned;

(b) Set forth the name of the owner or owners of the burial rights, or if the owner is known to the cemetery to be deceased, then the names, if known to the cemetery, of such claimants as are heirs at law, next of kin, or specific devisees under the will of the owner or the legally authorized person;

(c) Detail the facts with respect to the failure of the owner or survivors as outlined in this section to keep the cemetery informed of the owner's address for a period of 50 consecutive years or more; and

(d) Certify that no burial right has been exercised which is held in common ownership with any abandoned burial rights as set forth in subsection (2).

Section 16. Section 497.371, Florida Statutes, is amended to read:

497.371 Embalmers; establishment of embalmer apprentice program.—The licensing authority adopts rules establishing an embalmer apprentice program. An embalmer apprentice may perform only those tasks, functions, and duties relating to embalming which are performed under the direct supervision of an embalmer who has an active, valid license under s. 497.368 or s. 497.369. An embalmer apprentice is ~~shall be~~ eligible to serve in an apprentice capacity for a period not to exceed 3 years as may be

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determined by licensing authority rule or for a period not to exceed 5 years if the apprentice is enrolled in and attending a course in mortuary science or funeral service education at any mortuary college or funeral service education college or school. An embalmer apprentice shall be issued a license ~~licensed~~ upon payment of a licensure fee as determined by licensing authority rule but not to exceed \$200. An applicant for the embalmer apprentice program may not be issued a license unless the licensing authority determines that the applicant is of good character and has not demonstrated a history of lack of trustworthiness or integrity in business or professional matters.

Section 17. Paragraph (b) of subsection (1) of section 497.372, Florida Statutes, is amended to read:

497.372 Funeral directing; conduct constituting practice of funeral directing.—

(1) The practice of funeral directing shall be construed to consist of the following functions, which may be performed only by a licensed funeral director:

(b) Planning or arranging, on an at-need basis, the details of funeral services, embalming, cremation, or other services relating to the final disposition of human remains, including the removal of such remains from the state, ~~with the family or friends of the decedent or any other person responsible for such services;~~ setting the time of the services; establishing the type of services to be rendered; acquiring the services of the clergy; and obtaining vital information for the filing of death certificates and obtaining of burial transit permits.

Section 18. Subsection (4) of section 497.381, Florida

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Statutes, is amended to read:

497.381 Solicitation of goods or services.—

(4) At-need solicitation of funeral merchandise or services is prohibited. A ~~No~~ funeral director or direct disposer or her or his agent or representative may not contact the legally authorized person or family ~~or next of kin of a deceased person~~ to sell services or merchandise unless the funeral director or direct disposer or her or his agent or representative has been initially called or contacted by the legally authorized person or family ~~or next of kin of such person~~ and requested to provide her or his services or merchandise.

Section 19. Paragraph (c) of subsection (2) of section 497.452, Florida Statutes, is amended to read:

497.452 Preneed license required.—

(2)

~~(c) The provisions of paragraph (a) do not apply to any Florida corporation existing under chapter 607 acting as a servicing agent hereunder in which the stock of such corporation is held by 100 or more persons licensed pursuant to part III of this chapter, provided no one stockholder holds, owns, votes, or has proxies for more than 5 percent of the issued stock of such corporation; provided the corporation has a blanket fidelity bond, covering all employees handling the funds, in the amount of \$50,000 or more issued by a licensed insurance carrier in this state; and provided the corporation processes the funds directly to and from the trustee within the applicable time limits set forth in this chapter. The department may require any person claiming that the provisions of this paragraph exempt it from the provisions of paragraph (a) to demonstrate to the~~

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555 ~~satisfaction of the department that it meets the requirements of~~
556 ~~this paragraph.~~

557 Section 20. Subsections (1) and (3) of section 497.454,
558 Florida Statutes, are amended to read:

559 497.454 Approval of preneed contract and related forms.—

560 (1) Preneed contract forms and related forms shall be filed
561 with and approved by the licensing authority before ~~prior to~~
562 use, pursuant to procedures specified by rule. The licensing
563 authority may not approve any electronic or paper preneed
564 contract ~~form~~ that does not provide for sequential prenumbering
565 thereon.

566 ~~(3) Specific disclosure regarding the preneed licensee's~~
567 ~~ability to select either trust funding or the financial~~
568 ~~responsibility alternative as set forth in s. 497.461 in~~
569 ~~connection with the receipt of preneed contract proceeds is~~
570 ~~required in the preneed contract.~~

571 Section 21. Subsections (2), (7), and (8) of section
572 497.456, Florida Statutes, are amended to read:

573 497.456 Preneed Funeral Contract Consumer Protection Trust
574 Fund.—

575 (2) Within 60 days after the end of each calendar quarter,
576 for each preneed contract written during the quarter and not
577 canceled within 30 days after the date of the execution of the
578 contract, each preneed licensee, whether funding preneed
579 contracts by the sale of insurance or by establishing a trust
580 pursuant to s. 497.458 or s. 497.464, shall remit the sum of
581 \$2.50 for each preneed contract having a purchase price of
582 \$1,500 or less, and the sum of \$5 for each preneed contract
583 having a purchase price in excess of \$1,500; and each preneed

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licensee utilizing ~~s. 497.461~~ or s. 497.462 shall remit the sum of \$5 for each preneed contract having a purchase price of \$1,500 or less, and the sum of \$10 for each preneed contract having a purchase price in excess of \$1,500.

(7) In any situation in which a delinquency proceeding has not commenced, the licensing authority may, in its discretion, use the trust fund for the purpose of providing restitution to any consumer, owner, or beneficiary of a preneed contract or similar regulated arrangement under this chapter entered into after June 30, 1977. If, after investigation, the licensing authority determines that a preneed licensee has breached a preneed contract by failing to provide benefits or an appropriate refund, or that a provider, who is a former preneed licensee or an establishment which has been regulated under this chapter, has sold a preneed contract and has failed to fulfill the arrangement or provide the appropriate refund, and such preneed licensee or provider does not provide or does not possess adequate funds to provide appropriate refunds, payments from the trust fund may be authorized by the licensing authority. In considering whether payments shall be made or when considering who will be responsible for such payments, the licensing authority shall consider whether the preneed licensee or previous provider has been acquired by a successor who is or should be responsible for the liabilities of the defaulting entity. With respect to preneed contracts funded by life insurance, payments from the fund shall be made: if the insurer is insolvent, but only to the extent that funds are not available through the liquidation proceeding of the insurer; or if the preneed licensee is unable to perform under the contract

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and the insurance proceeds are not sufficient to cover the cost of the merchandise and services contracted for. In no event shall the licensing authority approve payments in excess of the insurance policy limits unless it determines that at the time of sale of the preneed contract, the insurance policy would have paid for the services and merchandise contracted for. Such monetary relief shall be in an amount as the licensing authority may determine and shall be payable in such manner and upon such conditions and terms as the licensing authority may prescribe. However, with respect to preneed contracts to be funded pursuant to s. 497.458, s. 497.459, ~~s. 497.461~~, or s. 497.462, any restitution made pursuant to this subsection may ~~shall~~ not exceed, as to any single contract or arrangement, the lesser of the gross amount paid under the contract or 4 percent of the uncommitted assets of the trust fund. With respect to preneed contracts funded by life insurance policies, any restitution may ~~shall~~ not exceed, as to any single contract or arrangement, the lesser of the face amount of the policy, the actual cost of the arrangement contracted for, or 4 percent of the uncommitted assets of the trust fund. The total of all restitutions made to all applicants under this subsection in a single fiscal year may ~~shall~~ not exceed the greater of 30 percent of the uncommitted assets of the trust fund as of the end of the most recent fiscal year or \$120,000. The department may use moneys in the trust fund to contract with independent vendors pursuant to chapter 287 to administer the requirements of this subsection.

(8) All moneys deposited in the Preneed Funeral Contract Consumer Protection Trust Fund together with all accumulated appreciation ~~income~~ shall be used only for the purposes

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expressly authorized by this chapter and may ~~shall~~ not be subject to any liens, charges, judgments, garnishments, or other creditor's claims against the preneed licensee, any trustee utilized by the preneed licensee, any company providing a surety bond as specified in this chapter, or any purchaser of a preneed contract. No preneed contract purchaser shall have any vested rights in the trust fund.

Section 22. Paragraphs (a), (b), (d), and (f) of subsection (1) of section 497.458, Florida Statutes, are amended, a new paragraph (j) is added to that subsection, and paragraph (a) of subsection (3), subsection (4), paragraphs (a) and (c) of subsection (5), and subsections (6) through (9) of that section are amended, to read:

497.458 Disposition of proceeds received on contracts.—

(1)(a) Any person who is paid, collects, or receives funds under a preneed contract for funeral services or merchandise or burial services or merchandise shall deposit an amount at least equal to the sum of 70 percent of the purchase price collected for all services sold and facilities rented; 100 percent of the purchase price collected for all cash advance items sold; and 30 percent of the purchase price collected ~~or 110 percent of the wholesale cost, whichever is greater,~~ for each item of merchandise sold. The board may, by rule, specify criteria for the classification of items sold in a preneed contract as services, cash advances, or merchandise.

~~(b) The method of determining wholesale cost shall be established by rule of the licensing authority and shall be based upon the preneed licensee's stated wholesale cost for the 12-month period beginning July 1 during which the initial~~

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671 ~~deposit to the preneed trust fund for the preneed contract is~~
672 ~~made.~~

673 (c)~~(d)~~ The trustee shall take title to the property
674 conveyed to the trust for the purpose of investing, protecting,
675 and conserving it for the preneed licensee; collecting income;
676 and distributing the fair market value ~~principal and income~~ as
677 prescribed in this chapter. The preneed licensee is prohibited
678 from sharing in the discharge of these responsibilities, except
679 that the preneed licensee may request the trustee to invest in
680 tax-free investments and may appoint an adviser to the trustee.
681 The licensing authority may adopt rules limiting or otherwise
682 specifying the degree to which the trustee may rely on the
683 investment advice of an investment adviser appointed by the
684 preneed licensee. The licensing authority may adopt rules
685 limiting or prohibiting payment of fees by the trust to
686 investment advisors that are employees or principals of the
687 licensee to whom the trust fund relates.

688 (e)~~(f)~~ The deposited funds shall be held in trust, both as
689 to principal and any change in fair market value ~~income earned~~
690 thereon, and shall remain intact, except that the cost of the
691 operation of the trust or trust account authorized by this
692 section may be deducted from the income earned thereon.

693 (j) Beginning April 1, 2018, and on or before each April 1
694 thereafter, the trustee shall furnish the department with an
695 annual report regarding each preneed licensee trust account held
696 by the trustee at any time during the previous calendar year.
697 The report shall state the name and address of the trustee; the
698 name, address, and license number of the licensee to whom the
699 report relates; the trust account number; the beginning and

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ending trust balance; and, as may be specified by department rule, a list of receipts showing the date and amount of any disbursement. The report must be signed by the trustee's account manager for the trust account. The trustee shall submit the report in a format and pursuant to procedures specified by department rule.

(3) (a) The trustee shall make regular valuations of assets it holds in trust and provide a fair market value report of such valuations to the preneed licensee at least quarterly.

(4) The licensing authority may adopt rules exempting from the prohibition of paragraph (1) (g) ~~(1) (h)~~, pursuant to criteria established in such rule, the investment of trust funds in investments, such as widely and publicly traded stocks and bonds, notwithstanding that the licensee, its principals, or persons related by blood or marriage to the licensee or its principals have an interest by investment in the same entity, where neither the licensee, its principals, or persons related by blood or marriage to the licensee or its principals have the ability to control the entity invested in, and it would be in the interest of the preneed contract holders whose contracts are secured by the trust funds to allow the investment.

(5) The trustee of the trust established pursuant to this section shall only have the power to:

(a) Invest in investments as prescribed in s. 518.11 ~~215.47~~ and exercise the powers set forth in part VIII of chapter 736. However, the trustee may not invest in, or count as assets, life insurance policies or annuity contracts; real estate may not compose more than 25 percent of the trust's assets; and, ~~provided that~~ the licensing authority may by order require the

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trustee to liquidate or dispose of any investment within 30 days after such order, or within such other times as the order may direct. The licensing authority may issue such order if it determines that the investment violates any provision of this chapter or is not in the best interests of the preneed contract holders whose contracts are secured by the trust funds.

(c) Commingle the property of the trust with the property of any other trust established pursuant to this chapter and make corresponding allocations and divisions of assets, liabilities, income, and expenses, and capital gains and losses.

~~(6) The preneed licensee, at her or his election, shall have the right and power, at any time, to revest in it title to the trust assets, or its pro rata share thereof, provided it has complied with s. 497.461.~~

~~(7) Notwithstanding anything contained in this chapter to the contrary, the preneed licensee, via its election to sell or offer for sale preneed contracts subject to this section, shall represent and warrant, and is hereby deemed to have done such, to all federal and Florida taxing authorities, as well as to all potential and actual preneed contract purchasers, that:~~

~~(a) Section 497.461 is a viable option available to it at any and all relevant times;~~

~~(b) Section 497.462 is a viable option available to it at any and all relevant times for contracts written prior to July 1, 2001, for funds not held in trust as of July 1, 2001; or~~

~~(c) For any preneed licensee authorized to do business in this state that has total bonded liability exceeding \$100 million as of July 1, 2001, s. 497.462 is a viable option to it at any and all relevant times for contracts written prior to~~

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~~December 31, 2004, for funds not held in trust as of July 1, 2001.~~

~~(8) If in the preneed licensee's opinion it does not have the ability to select the financial responsibility alternative of s. 497.461 or s. 497.462, then the preneed licensee shall not have the right to sell or solicit preneed contracts.~~

~~(6)(9)~~ The amounts required to be placed in a trust by this section for contracts previously entered into shall be as follows:

(a) For contracts entered into before October 1, 1993, the trust amounts as amended by s. 6, chapter 83-316, Laws of Florida, shall apply.

(b) For contracts entered into on or after October 1, 1993, the trust amounts as amended by s. 98, chapter 93-399, Laws of Florida, shall apply.

Section 23. Paragraph (a) of subsection (6) of section 497.459, Florida Statutes, is amended to read:

497.459 Cancellation of, or default on, preneed contracts.—

(6) OTHER PROVISIONS.—

(a) All preneed contracts are cancelable and revocable as provided in this section, provided that a preneed contract does not restrict any contract purchaser who is the beneficiary of the preneed contract and who is a qualified applicant for, or a recipient of, supplemental security income, temporary cash assistance, or Medicaid from making her or his contract irrevocable. A preneed contract that is made irrevocable pursuant to this section may not be canceled during the life or after the death of the contract purchaser or beneficiary as described in this section. Any unexpended moneys paid on an

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irrevocable contract shall be remitted to the Agency for Health
Care Administration for deposit into the Medical Care Trust Fund
after final disposition of the beneficiary.

Section 24. Section 497.460, Florida Statutes, is amended
to read:

497.460 Payment of funds upon death of named beneficiary.—
Disbursements of funds discharging any preneed contract
fulfilled after September 30, 1993, shall be made by the trustee
to the preneed licensee upon receipt of a certified copy of the
death certificate of the contract beneficiary or satisfactory
evidence as established by rule of the licensing authority that
the preneed contract has been performed in whole or in part.
However, if the contract is only partially performed, the
disbursement shall only cover the fair market value of that
portion of the contract performed. In the event of any contract
default by the contract purchaser, or in the event that the
funeral merchandise or service or burial merchandise or service
contracted for is not provided or is not desired by the legally
authorized person ~~heirs or personal representative of the~~
~~contract beneficiary~~, the trustee shall return, within 30 days
after its receipt of a written request therefor, funds paid on
the contract to the preneed licensee or to its assigns, subject
to ~~the provisions of~~ s. 497.459.

Section 25. Section 497.461, Florida Statutes, is repealed.

Section 26. The repeal of s. 497.461, Florida Statutes, by
this act does not apply to a preneed licensee who has elected to
maintain a surety bond in lieu of depositing funds into a trust
as of July 1, 2016.

Section 27. Subsection (2), paragraph (a) of subsection

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(3), and subsections (7) and (10) of section 497.462, Florida Statutes, are amended to read:

497.462 Other alternatives to deposits under s. 497.458.—

~~(2) Upon prior approval by the licensing authority, the preneed licensee may file a letter of credit with the licensing authority in lieu of a surety bond. Such letter of credit must be in a form, and is subject to terms and conditions, prescribed by the board. It may be revoked only with the express approval of the licensing authority.~~

(2)~~(3)~~ (a) A buyer of preneed merchandise or services who does not receive such services or merchandise due to the economic failure, closing, or bankruptcy of the preneed licensee must file a claim with the surety as a prerequisite to payment of the claim and, if the claim is not paid, may bring an action based on the bond and recover against the surety. ~~In the case of a letter of credit or cash deposit that has been filed with the licensing authority, the buyer may file a claim with the licensing authority.~~

(6)~~(7)~~ Any preneed contract which promises future delivery of merchandise at no cost constitutes a paid-up contract. Merchandise which has been delivered is not covered by the required performance bond ~~or letter of credit~~ even though the contract is not completely paid. The preneed licensee may not cancel a contract unless the purchaser is in default according to the terms of the contract and subject to the requirements of s. 497.459. A contract sold, discounted, and transferred to a third party constitutes a paid-up contract for the purposes of the performance bond ~~or letter of credit~~.

(9)~~(10)~~ The licensing authority may adopt forms and rules

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necessary to implement this section, including, but not limited to, rules which ensure that the surety bond provides ~~and line of credit provide~~ liability coverage for preneed merchandise and services.

Section 28. Paragraphs (c) and (f) of subsection (1) of section 497.464, Florida Statutes, are amended to read:

497.464 Alternative preneed contracts.—

(1) Nothing in this chapter shall prevent the purchaser and the preneed licensee from executing a preneed contract upon the terms stated in this section. Such contracts shall be subject to ~~all provisions of~~ this chapter except:

~~(e) Section 497.458(1), (3), and (6).~~

~~(f) Section 497.461.~~

Section 29. Subsection (2) and paragraph (c) of subsection (9) of section 497.465, Florida Statutes, are amended to read:

497.465 Inactive, surrendered, and revoked preneed licensees.—

(2) Upon becoming inactive, a preneed licensee shall cease all preneed sales to the public and ~~upon becoming inactive. the preneed licensee shall collect and deposit into the trust all funds it receives on or after the date on which it becomes inactive from sales of into trust all of the funds paid toward~~ preneed contracts sold before ~~prior to~~ becoming inactive.

(9) The licensing authority may adopt rules for the implementation of this section, for the purpose of ensuring a thorough review and investigation of the status and condition of the preneed licensee's business affairs for the protection of the licensee's preneed customers. Such rules may include:

(c) Requirements for submission of ~~unaudited or audited~~

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financial statements, as the licensing authority deems
advisable.

Section 30. Paragraph (b) of subsection (1) of section
497.601, Florida Statutes, is amended to read:

497.601 Direct disposition; duties.—

(1) Those individuals licensed as direct disposers may
perform only those functions set forth below:

(b) Secure pertinent information from a legally authorized
person ~~the decedent's next of kin~~ in order to complete the death
certificate and to file for the necessary permits for ~~direct~~
disposition.

Section 31. Subsection (1) of section 497.607, Florida
Statutes, is amended, present subsections (2), (3), and (4) of
that section are redesignated as subsections (3), (4), and (5),
respectively, and a new subsection (2) is added to that section,
to read:

497.607 Cremation; procedure required.—

(1) At the time of the arrangement for a cremation
performed by any person licensed pursuant to this chapter, the
legally authorized person contracting for cremation services
shall be required to designate her or his intentions with
respect to ~~the~~ disposition of the cremated remains of the
deceased in a signed declaration of intent which shall be
provided by and retained by the funeral or direct disposal
establishment. A cremation may not be performed until a legally
authorized person gives written authorization, which may include
the declaration of intent to dispose of the cremated remains,
for such cremation. The cremation must be performed within 48
hours after a specified time which has been agreed to in writing

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by the person authorizing the cremation.

(2) Cremated remains are not property, as defined in s. 731.201(32), and are not subject to ownership or court-ordered partition. A division of cremated remains requires the consent of the legally authorized person who approved the cremation or, if the legally authorized person is the decedent, the next legally authorized person pursuant to s. 497.005(43). A dispute regarding the division of cremated remains shall be resolved by a court of competent jurisdiction.

Section 32. This act shall take effect July 1, 2016.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Finance and Tax, *Chair*
Communications, Energy, and Public Utilities,
Vice Chair
Appropriations
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Fiscal Policy

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

SENATOR DOROTHY L. HUKILL

8th District

January 12, 2016

The Honorable Rob Bradley
330 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399

Re: Senate Bill 854 – Funeral, Cemetery, and Consumer Services

Dear Chairman Bradley:

Senate Bill 854, relating Funeral, Cemetery, and Consumer Services has been referred to the Regulated Industries Committee. I am requesting your consideration on placing SB 854 on your next agenda. Should you need any additional information please do not hesitate to contact my office.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Dorothy L. Hukill".

Dorothy L. Hukill, District 8

cc: Patrick L. Imhof, Staff Director of the Regulated Industries Committee
Lynn Koon, Administrative Assistant of the Regulated Industries Committee

REPLY TO:

- ☐ 209 Dunlawton Avenue, Unit 17, Port Orange, Florida 32127 (386) 304-7630 FAX: (888) 263-3818
- ☐ Ocala City Hall, 110 SE Watula Avenue, 3rd Floor, Ocala, Florida 34471 (352) 694-0160

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Finance and Tax, *Chair*
Communications, Energy, and Public Utilities,
Vice Chair
Appropriations
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Fiscal Policy

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

SENATOR DOROTHY L. HUKILL

8th District

January 19, 2016

The Honorable Rob Bradley
Senate Committee on Regulated Industries, Chair
330 Knott Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Re: Senate Bill 854 – Funeral, Cemetery, and Consumer Services

Dear Chairman Bradley:

Senate Bill 854, relating to Funeral, Cemetery, and Consumer Services, is on the Regulated Industries Committee agenda for January 20, 2016. I will not be able to present the bill as I will be out of town due to illness.

Please recognize Representative Ken Roberson, to present SB 854 on my behalf. Thank you for your kind consideration of this legislation and allowing it to be presented in your committee. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Dorothy L. Hukill".

Dorothy L. Hukill
State Senator, District 08

cc: Patrick L. Imhof, Staff Director of Regulated Industries

REPLY TO:

- ☐ 209 Dunlawton Avenue, Unit 17, Port Orange, Florida 32127 (386) 304-7630 FAX: (888) 263-3818
- ☐ Ocala City Hall, 110 SE Watula Avenue, 3rd Floor, Ocala, Florida 34471 (352) 694-0160

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

254
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable) _____

Name Clark Smith

Job Title Council

Address 123 Santa Adams
Street

Phone 251-3212

Tell FL
City State Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Dignity Memorial

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/16
Meeting Date

Bill Number (if applicable)

Topic SB854

Amendment Barcode (if applicable)

Name John Ricco

Job Title EXECUTIVE DIRECTOR

Address 325 John Knox Rd, L-103
Street
Tallahassee FL 32303
City State Zip

Phone 850.224.0711

Email jr.cco@executiveoffice.org

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Cemetery Cremation and Funeral Assoc.

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

SB 854
Bill Number (if applicable)

247344
Amendment Barcode (if applicable)

Topic FURBERG PENITENTIARY

Name LAWRENCE L. (LANE) PAULI, Jr.

Job Title FURBERG DIRECTOR

Address 1617 S. BAY STREET
City EUSTIS State FL Zip 32726

Phone 352.357.4126

Email _____

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing INDEPENDENT FURBERG DIRECTORS OF FLORIDA

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

20 JAN. 2016
Meeting Date

SB 854
Bill Number (if applicable)

247344
Amendment Barcode (if applicable)

Topic FUNERAL & CEMETARY

Name HOWARD BECKHAM

Job Title FUNERAL DIRECTOR CRAIG FUNERAL HOME

Address 1475 OLD DIXIE HIGHWAY Phone 904 824-1672
Street
ST. AUGUSTINE FL. 32084 Email HRBECKHAM@AOL.COM
City State Zip

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing INDEPENDENT FUNERAL DIRECTORS OF FLORIDA

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

COMMITTEE: Regulated Industries
ITEM: CS/SB 854
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Wednesday, January 20, 2016
TIME: 1:30—3:30 p.m.
PLACE: 110 Senate Office Building

[illegible]

CODES: FAV=Favorable
UNF=Unfavorable
-R=Reconsidered

RCS=Replaced by Committee Substitute
RE=Replaced by Engrossed Amendment
RS=Replaced by Substitute Amendment

TP=Temporarily Postponed
VA=Vote After Roll Call
VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting

COMMITTEE: Regulated Industries
ITEM: CS/SB 854
FINAL ACTION: Favorable with Committee Substitute
MEETING DATE: Wednesday, January 20, 2016
TIME: 1:30—3:30 p.m.
PLACE: 110 Senate Office Building

	<div>1/20/2016<div>Motion to vote "YEA" after Roll Call</div></div>		<div>1/20/2016<div>Motion to vote "YEA" after Roll Call</div></div>		<div>1/20/2016<div>Motion to vote "YEA" after Roll Call</div></div>			
	Abruzzo		Diaz de la Portilla		Flores			
SENATORS	Yea	Nay	Yea	Nay	Yea	Nay	Yea	Nay
Abruzzo								
Bean								
Braynon								
Diaz de la Portilla								
Flores								
Latvala								
Negron								
Richter								
Sachs								
Stargel								
Margolis, VICE CHAIR								
Bradley, CHAIR								
TOTALS	FAV Yea	- Nay	FAV Yea	- Nay	FAV Yea	- Nay	Yea	Nay

CODES: FAV=Favorable
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RCS=Replaced by Committee Substitute
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VC=Vote Change After Roll Call

WD=Withdrawn
OO=Out of Order
AV=Abstain from Voting



601878

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/22/2016	.	
	.	
	.	
	.	

The Committee on Regulated Industries (Bean) recommended the following:

Senate Amendment (with title amendment)

Delete lines 434 - 444.

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete lines 42 - 45

and insert:

by the act; amending ss. 497.283



513168

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/22/2016	.	
	.	
	.	
	.	

The Committee on Regulated Industries (Bean) recommended the following:

Senate Amendment

Delete lines 905 - 906
and insert:
731.201(32), and are not subject to partition for purposes of
distribution under s. 733.814. A division of cremated remains
requires the consent



247344

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/22/2016	.	
	.	
	.	
	.	

The Committee on Regulated Industries (Latvala) recommended the following:

Senate Amendment (with directory amendment)

Delete lines 662 - 672
and insert:
percent of the purchase price collected or 110 percent of the
wholesale cost, whichever is greater, for each item of
merchandise sold. The board may, by rule, specify criteria for
the classification of items sold in a preneed contract as
services, cash advances, or merchandise.



247344

==== D I R E C T O R Y C L A U S E A M E N D M E N T =====

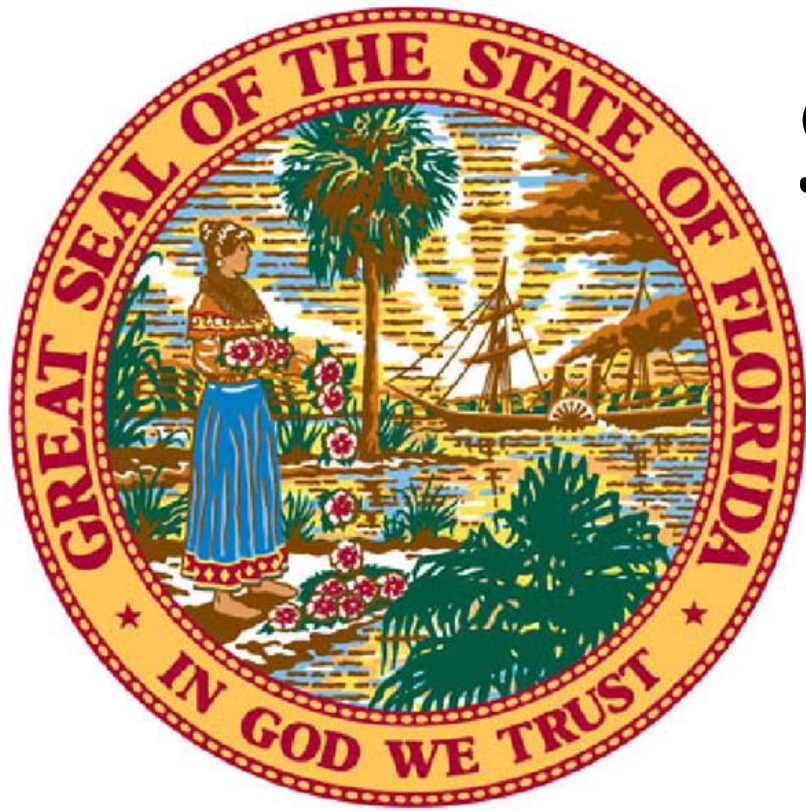
And the directory clause is amended as follows:

Delete lines 649 - 651

and insert:

Section 22. Paragraphs (a), (d), and (f) of subsection (1) of section 497.458, Florida Statutes, are amended, a new paragraph (k) is added to that subsection, and paragraph (a) of

\$3 BILLION GUARANTEED



\$3 Billion Compact

Executive Office of the Governor
The Florida Senate
Committee on Regulated Industries
January 20, 2016

Current Compact (2010)

- Provision allowing blackjack/banked card games expired
- Seminole Tribe requested negotiations
- Florida law provides that the Governor is responsible for negotiating and executing tribal-state gaming compacts
- Conditioned on approval by the Florida Legislature

Process for Compact

1. Tribe requests negotiations
2. Governor, designated by law, negotiates with Tribe
3. When completed, Governor and Tribe execute compact and send to Legislature
4. Legislature takes action/no action
5. Sent to Federal Government

\$3 BILLION GUARANTEED



Governor's Role

“The Governor is the designated state officer responsible for negotiating and executing, on behalf of the state, tribal-state gaming compacts with federally recognized Indian tribes located within the state pursuant to the federal Indian Gaming Regulatory Act of 1988...” *Section 285.712, F.S.*

Legislative Approval

- “Following completion of negotiations and execution of a compact, the Governor shall submit a copy of the executed tribal-state compact to the President of the Senate and the Speaker of the House of Representatives as soon as it is executed. To be effective, the compact must be ratified by both houses of the Legislature by a majority vote of the members present.” *Section 285.712, F.S.*

\$3 BILLION GUARANTEED



2015 Compact Overview

- \$3 billion guarantee to the state of Florida
- Generates jobs and capital investment
- Creates a cap on the amount of gaming that may be offered and limits the expansion of gaming
- Provides for increased revenue share for the state
- Provides flexibility for the Florida Legislature and local input

\$3 BILLION GUARANTEED



Term

- 20 year term
- Begins on the effective date
- Ends June 30, 2036 (end of FY 35-36)

\$3 BILLION GUARANTEED



Jobs & Capital Investment

- 4,800 new direct and indirect jobs
- 14,500 direct and indirect construction jobs
- \$1.8 billion in capital investment

\$3 BILLION GUARANTEED



Guaranteed Revenue Share

Guarantee Period starts 7/1/17 (FY 17/18)

Year	Guarantee Amount
1 (FY 17/18)	\$325 Million
2 (FY 18/19)	\$350 Million
3 (FY 19/20)	\$375 Million
4 (FY 20/21)	\$425 Million
5 (FY 21/22)	\$475 Million
6 (FY 22/23)	\$500 Million
7 (FY 23/24)	\$550 Million
Total: \$3 Billion	
Fiscal Years 15/16 & 16/17 determined by current compact revenue share percentage	

\$3 BILLION GUARANTEED



Revenue Share Percentages

Brackets (Net Win)	\$3 Billion Compact (2015)	Current Compact (2010)	Difference
\$0 - \$2 .0 Billion	13.0%	12.0%	1% (\$20 Million)
\$2.0 - \$3.0 Billion	17.5%	15.0%	2.5% (\$25 Million)
\$3.0 - \$3.5 Billion	17.5%	17.5%	N/A
\$3.5 - \$4.0 Billion	20.0%	20.0%	N/A
\$4.0 - \$4.5 Billion	22.5%	22.5%	N/A
\$4.5 Billion +	25.0%	25.0%	N/A
Fiscal Years 15/16 & 16/17 determined by current compact revenue share percentage			

\$3 BILLION GUARANTEED



Facilities

Same as current compact

- Seminole Indian Casino- Brighton
- Seminole Indian Casino- Coconut Creek
- Seminole Indian Casino- Immokalee
- Seminole Indian Casino- Big Cypress
- Seminole Indian Casino- Hollywood
- Seminole Hard Rock- Hollywood
- Seminole Hard Rock- Tampa

Seminole Facilities Gaming Cap

- Current compact provides no cap at Seminole Facilities
- Provides a cap on the amount of gaming that may be offered at Seminole facilities
- Average of 3,500 slot machines per facility with a 6,000 slot machine cap on each facility
- Average of 150 tables (banked and live) per facility with a 300 table cap on each facility

\$3 BILLION GUARANTEED



Games Allowed at all Seminole Locations

1. Slot Machines (currently authorized)
2. **Banked Card Games** (were not previously allowed at Brighton & Big Cypress)
3. Raffles and Drawings (currently authorized)
4. **Live Table Games** (craps & roulette)

\$3 BILLION GUARANTEED



Exclusivity

- **Statewide:** Banked and Banking Card Games; Live Table Games
- **Outside of Miami-Dade/Broward/Palm Beach Counties:** Slot Machines
- Key change: Revenue ceases upon “authorization” of new forms of gaming

\$3 BILLION GUARANTEED



Exceptions to Exclusivity – Broward/Miami-Dade (Slot Machines)

- Operation of not more than the number of slot machines authorized by state law (7/1/15) at the locations of the four permitted pari-mutuel in Broward and the four permitted pari-mutuels in Miami-Dade
- Location of 8 pari-mutuels are not relocated or moved to any other location
- If Number of slot machines violated: Tribe is relieved of guaranteed minimum and excludes Broward net win from slot machines

\$3 BILLION GUARANTEED



Exceptions to Exclusivity- Broward/Miami-Dade (Blackjack)

- The operation of not more than 15 blackjack tables at the four pari-mutuels in Broward and the four pari-mutuels in Miami-Dade
- Maximum bet allowed is \$15
- Approval by county-wide referendum held after the effective date of the compact
- Allow up to 10 additional tables at \$25 max bet if certain market conditions are met
- **Requires a change in state law and a county-wide referendum**

\$3 BILLION GUARANTEED



Exceptions to Exclusivity- Miami-Dade/Palm Beach

- Operation of Video Race Terminals and Slot machines at not more than one additional pari-mutuel facility (1 in Miami-Dade County and 1 in Palm Beach County)
- Limited to 500 slot machines/250 video race terminals prior to 10/1/18
- May add additional 250 slot machines/500 video race terminals after 10/1/18
- **Requires a change in state law and county-wide referendum**

\$3 BILLION GUARANTEED



Exclusivity & Exception - Banked Poker Games

- Poker as designated by state law (excludes banking by the house or any other player)
- Limited Banked Poker Game under certain conditions.
- **Requires a change in state law.**

Exception to Exclusivity - Lottery

- Types of lottery games authorized under state law.
- Consistent with current compact.

Internet Gaming

- If state law is amended to affirmatively authorize internet gaming, then the Tribe is no longer required to make the guaranteed payments
- Unless the Tribe offers internet gaming

\$3 BILLION GUARANTEED



Events that do not violate Exclusivity

- Change in the effective tax rate paid on slot machines (and blackjack, if authorized) as long as it is not less than 25%
- Change in hours of operation of pari-mutuel facilities / ATMs on gaming floors
- Conversion of pari-mutuel permits
- De-coupling
- Funding of a purse pool
- **All require changes in state law**

\$3 BILLION GUARANTEED



Revenue Impact

Compact Yr/Fiscal Yr	Current Forecast	\$3 Billion Compact (2015)	Impact
0/FY 15-16	215.4	286.2	70.7
1/FY 16-17	126.2	303.9	177.7
2/FY 17-18	124.4	325.0	200.6
3/FY 18-19	126.4	350.0	223.6
4/FY 19-20	128.3	375.0	246.7
5/FY 20-21	130.3	425.0	294.7
6/FY 21-22	132.4	475.0	342.6
7/FY 22-23	134.4	500.0	365.6
8/FY 23-24	136.5	550.0	413.5
Total Impact: Additional \$2.335 Billion if Ratified (above current forecast)			
Information from Revenue Estimating Conference- Indian Gaming Revenue Sharing- 01/14/16			

\$3 BILLION GUARANTEED



Conclusion

- **\$3 billion** guarantee to the State of Florida
- **\$2.335 billion** more over the next 8 years
- Generates jobs and capital investment
- Creates a cap on the amount of gaming that may be offered and limits the expansion of gaming
- Provides for increased revenue share for the state
- Provides flexibility for the Florida Legislature and local input

\$3 BILLION GUARANTEED



HISTORIC GUARANTEE • JOBS AND INVESTMENT • LIMITS GAMING • CERTAINTY AND STABILITY

\$3 BILLION GUARANTEED



HISTORIC GUARANTEE • JOBS AND INVESTMENT • LIMITS GAMING • CERTAINTY AND STABILITY

REVENUE ESTIMATING CONFERENCE

Tax: Indian Gaming Revenue Sharing

Issue: 2015 Gaming Compact (Ratification Only)

Bill Number(s): Governor's December 7, 2015 Compact

☒ **Entire Bill**

☐ **Partial Bill:**

Sponsor(s):

Month/Year Impact Begins: the effective date of the Compact

Date of Analysis: January 14, 2016

Section 1: Narrative

a. Current Law:

The 2010 Indian Gaming Compact provides substantial exclusivity of certain Class III gaming to the Seminole Tribe while also requiring revenue sharing with the state. The Tribe was required to make a minimum guaranteed payment for each of the first five years of the Compact unless 12 percent of Net Win produced a larger amount, in which case a true-up payment was also required. Fiscal Year 2014-15 was the last year of the minimum guarantee payment period. True-up payments were generated in fiscal years 2012-13, 2013-14, and 2014-15, which means that revenue sharing exceeded the minimum guarantee. The 2010 Compact has a term of 20 years. However, authorization for banked card games expired July 31, 2015. The Compact states that if the banked card games provision expires, the Tribe will also cease revenue share payments for all gaming activity in Broward County. From the expiration date, the Tribe had a 90-day grace period in which to terminate operation of banked card games. Banked card games and Broward County revenue sharing are not included in the current Indian Gaming forecast past the 90-day grace period (ended October 31, 2015).

b. Proposed Change:

The 2015 Indian Gaming Compact would replace the 2010 Compact after it is ratified by the Florida Legislature, approved under the Federal Indian Gaming Regulatory Act, and noticed in the Federal Register. The term of the 2015 Compact is from its effective date through June 30, 2036. The 2015 Compact reinstates the authority to operate banked card games at the 5 facilities that are currently operating banked card games and extends the authorization to the remaining two facilities, for the entire term of the new compact. The 2015 Compact also allows all seven of the Tribe's facilities to operate live table games such as craps and roulette.

The 2015 Compact establishes a Guarantee Payment Period that is defined as the seven year period beginning July 1, 2017 and ending June 30, 2024. During the Guarantee Payment Period, the Tribe will make payments as specified ranging from \$325 million in the first year to \$550 million in the last year, for a total of \$3 billion. At the end of the 7-year period, a true-up payment may be required if the amount due using the revenue share rates and brackets outlined in the 2015 Compact would have generated more than \$3 billion. The 2015 Compact also establishes an Initial Payment Period that is defined as the period beginning on the effective date of the Compact and ending June 30, 2017. During the Initial Payment Period, revenue share rates and brackets that are the same as the ones in the 2010 Compact will be used to determine payments to the state.

The 2015 Compact also outlines additional gaming that would be permitted with Legislative authorization without any negative impacts to the state's payments from the Tribe. For example, the 2015 Compact would allow the Legislature to: authorize one additional slot facility in both Miami-Dade County and Palm Beach County, add blackjack to slots facilities in Miami-Dade and Broward, reduce the tax rate for pari-mutuels to as low as 25% of slot machine revenue, and decouple slots from other pari-mutuel activities such as dog racing, horse racing, and jai alai.

Section 2: Description of Data and Sources

2010 Gaming Compact

2015 Gaming Compact

December 2015 Indian Gaming Revenue Estimating Conference

Nevada Gaming Control Board's Gaming Revenue Information Report

Seminole Tribe Quarterly Financial Statements and Reports

Section 3: Methodology (Include Assumptions and Attach Details)

The impact analysis estimates the Net Win associated with the additional gaming authorized under the 2015 Compact, adds it to the Net Win projections in the current forecast, and then calculates revenue sharing payments pursuant to the 2015 Compact. The analysis assumes that the 2015 Compact will be approved prior to the end of Fiscal Year 2015-16, and revenue share payments in Fiscal Year 2015-16 will be made as if the 2015 Compact was in place for the entire fiscal year. The analysis assumes that craps and roulette and banked card games at the two remaining facilities will begin operating as soon as the 2015 Compact becomes effective,

REVENUE ESTIMATING CONFERENCE

Tax: Indian Gaming Revenue Sharing

Issue: 2015 Gaming Compact (Ratification Only)

Bill Number(s): Governor's December 7, 2015 Compact

but at an indeterminate level for the duration of Fiscal Year 2015-16. The Net Win attributed to craps and roulette was calculated based on units per location and the average net win per game in Nevada. The Net Win attributed to banked card games at the two remaining facilities was calculated using existing Net Win at these facilities, and grossing it up using the percent of Net Win attributable to banked card games at other similar facilities that currently have banked card games. The fiscal impacts presented below assume payments are made in real time and are not lagged one month from the activity generating them. This is done to simplify the presentation so that the guarantee payments shown are consistent with those outlined in the 2015 Compact and so that the guarantee payments can be compared to what the required payments would be if the revenue share rates were used during the same period. Once a ratification bill is presented to the Conference, actual cash impacts would need to be calculated. They will differ from the impact presented here.

The analysis does not include any impacts from potential additional gaming that is permitted under the 2015 Compact that would require Legislative approval.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2016-17				177.7		
2017-18				200.6		
2018-19				223.6		
2019-20				246.7		
2020-21				294.7		

NOTE: There would also be a Fiscal Year 2015-16 impact of \$70.7 million.

The Conference agreed to the proposed revenue sharing obligations by fiscal year as shown in Section 4.

Revenue Sharing (Compare to Current Forecast)

	Current <u>Forecast</u>	2015 <u>Compact</u>	<u>Impact</u>
2015-16	215.4	286.2	70.7
2016-17	126.2	303.9	177.7
2017-18	124.4	325.0	200.6
2018-19	126.4	350.0	223.6
2019-20	128.3	375.0	246.7
2020-21	130.3	425.0	294.7
2021-22	132.4	475.0	342.6
2022-23	134.4	500.0	365.6
2023-24	136.5	550.0	413.5

Revenue Sharing (Proposed Tiers Compared to Guarantee)

	2015 Compact Minimum <u>Guarantee</u>	2015 Compact Revenue Share <u>Calculated</u>	<u>difference</u>
2017-18	325.0	343.1	-18.1
2018-19	350.0	349.8	0.2
2019-20	375.0	356.7	18.3
2020-21	425.0	363.6	61.4
2021-22	475.0	370.7	104.3
2022-23	500.0	377.9	122.1
2023-24	<u>550.0</u>	<u>385.2</u>	<u>164.8</u>
7-Year	3,000.0	2,547.0	453.0

Net Win

	Current <u>Forecast</u>	2015 <u>Compact</u>	<u>difference</u>
2015-16	1,428.0	2,307.7	879.7
2016-17	1,017.8	2,426.1	1,408.3
2017-18	1,038.2	2,474.6	1,436.5
2018-19	1,054.4	2,513.2	1,458.9
2019-20	1,070.8	2,552.4	1,481.6
2020-21	1,087.5	2,592.2	1,504.7
2021-22	1,104.5	2,632.7	1,528.2
2022-23	1,121.7	2,673.8	1,552.1
2023-24	1,139.2	2,715.5	1,576.3

Net Win

	Current <u>Forecast</u>	Add Back Broward + Banked <u>Card Games</u>	Add New Banked Card Games at <u>2 Facilities</u>	Add New Craps & Roulette	<u>Total</u>
2015-16	1,428.0	879.7	**	**	2,307.7
2016-17	1,017.8	1,359.1	8.6	40.6	2,426.1
2017-18	1,038.2	1,386.3	8.8	41.4	2,474.6
2018-19	1,054.4	1,407.9	8.9	42.0	2,513.2
2019-20	1,070.8	1,429.9	9.0	42.7	2,552.4
2020-21	1,087.5	1,452.2	9.2	43.4	2,592.2
2021-22	1,104.5	1,474.9	9.3	44.0	2,632.7
2022-23	1,121.7	1,497.9	9.5	44.7	2,673.8
2023-24	1,139.2	1,521.2	9.6	45.4	2,715.5

Revenue Sharing Rates (effective July 1, 2017)

	Current <u>Compact</u>	2015 <u>Compact</u>	<u>difference</u>
<u>Brackets</u>			
\$0-\$2.0B	12.0%	13.0%	1.0%
\$2.0B-\$3.0B	15.0%	17.5%	2.5%
\$3.0B-\$3.5B	17.5%	17.5%	0.0%
\$3.5B-\$4.0B	20.0%	20.0%	0.0%
\$4.0B-\$4.5B	22.5%	22.5%	0.0%
\$4.5B+	25.0%	25.0%	0.0%

Source: Gaming Revenue Information Report - Nevada Gaming Control Board
12 Months: 12/1/14 to 11/30/15: Statewide Grossing \$1 Million Plus (253 Locations)

Games and Tables	Locations	Units	Win Amount	Win Percent	Taxable	Of Total	Average per Game
Twenty-One	148	2676	1,090,681	0.1198	960,017,416		
Craps	129	371	386,051	0.1403	331,888,045	0.0344	1,040,569
Roulette	124	444	327,646	0.1684	272,470,414	0.0283	737,941
3-Card Poker	107	237	149,460	0.3171	102,066,234		
Baccarat	28	332	1,261,750	0.1216	1,108,321,200		
Mini-Baccarat	52	129	95,640	0.1001	86,066,436		371
Keno	55	80	27,506	0.2714	20,040,872		444
Bingo	43	43	7,725	0.0351	7,453,853		815
Let It Ride	65	84	37,383	0.2511	27,996,129		
Pai Gow	22	26	15,419	0.1942	12,424,630		0.455214724
Pai Gow Poker	94	254	104,778	0.2093	82,847,965		0.544785276
		4676	3,504,039	0.1283	3,011,593,192	0.312280763	
Card	75	681	117,890		117,890,000	0.012224353	
Slots	253	146,773	6,959,065	0.0639	6,514,380,747	0.675494883	
Total					9,643,863,939		
							Blend 875,701.84
							Number Devices 45
							Add to Net Win 39,406,583 Add to Net Win

Compact Year Ended June 30,2015
0.0313 2,218,936,086
69,527,774

	Avg Units/Location	x 7 facilities	Forecast	Add'l Net Win	IG growth rates
Craps	2.88	20.13	2015-16	39.4	
Roulette	3.58	25.06	2016-17	40.6	3.0%
		45.20	2017-18	41.4	2.0%
			2018-19	42.0	1.6%
			2019-20	42.7	1.6%
			2020-21	43.4	1.6%
			2021-22	44.0	1.6%
			2022-23	44.7	1.6%
			2023-24	45.4	1.6%

Comparison of Cash Numbers for Fiscal Years 2015-16 and 2016-17 (Initial Payment Period)

<u>Current Forecast</u>		<u>2015 Compact</u>		<u>difference</u>
	<i>FY15-16</i>		<i>FY15-16</i>	<i>FY15-16</i>
june 14-15	19.5	june 14-15	19.5	0.0
jul-may 15-16	157.1	jul-may 15-16	262.3	105.2
true-up	<u>38.8</u>	true-up	<u>38.8</u>	<u>0.0</u>
	215.4		320.6	105.2
	<i>FY16-17</i>		<i>FY16-17</i>	<i>FY16-17</i>
june 15-16	14.3	june 15-16	23.8	9.6
jul-may 16-17	<u>112.0</u>	jul-may 16-17	<u>278.6</u>	<u>166.6</u>
	126.2		302.4	176.2



RICK SCOTT
GOVERNOR

December 7, 2015

The Honorable Andy Gardiner
President, The Florida Senate
Room 409, The Capitol
Tallahassee, Florida 32399

The Honorable Steve Crisafulli
Speaker, The Florida House of
Representatives
Room 420, The Capitol
Tallahassee, Florida 32399

Dear President Gardiner and Speaker Crisafulli:

Thank you for your steadfast support and assistance in negotiating a compact with the Seminole Tribe of Florida. While we are now pleased to submit to you the attached Tribal-State Gaming Compact negotiated with the Seminole Tribe of Florida pursuant to section 285.712, F.S.,¹ this agreement would not have been possible without the leadership of Senator Rob Bradley and Representative Jose Felix Diaz in the state's negotiation.

I have executed this compact after months of collaboration, negotiation and discussion and now respectfully submit it to you for consideration and ratification by your respective chambers. This compact represents an unprecedented level of cooperation between the State of Florida and the Seminole Tribe of Florida, including the largest revenue share guarantee in history at \$3 billion, which is three times the prior compact guarantee of \$1 billion.

This compact will also result in an over \$1.8 billion capital investment by the Seminole Tribe and over 4,800 new direct and indirect jobs with an additional 14,500 direct and indirect construction jobs. In addition to the historic \$3 billion in guaranteed revenue to the state, nearly \$2 billion capital investment and the creation of over 4,800 jobs, this compact also:

- Creates a cap on the amount of gaming that can be offered by the Seminole Tribe;
- Provides certainty and stability for the gaming environment of the state;

¹ (1) The Governor is the designated state officer responsible for negotiating and executing, on behalf of the state, tribal-state gaming compacts with federally recognized Indian tribes located within the state pursuant to the federal Indian Gaming Regulatory Act of 1988, 18 U.S.C. ss. 1166-1168 and 25 U.S.C. ss. 2701 et seq., for the purpose of authorizing class III gaming, as defined in that act, on Indian lands within the state. (2) Any tribal-state compact relating to gaming activities which is entered into by an Indian tribe in this state and the Governor pursuant to subsection (1) must be conditioned upon ratification by the Legislature. (3) Following completion of negotiations and execution of a compact, the Governor shall submit a copy of the executed tribal-state compact to the President of the Senate and the Speaker of the House of Representatives as soon as it is executed. To be effective, the compact must be ratified by both houses of the Legislature by a majority vote of the members present. The Governor shall file the executed compact with the Secretary of State pursuant to s.15.01.

December 7, 2015

Page Two

- Allows flexibility for future policy decisions by the Florida Legislature, while limiting the expansion of gaming in the state; and
- Provides increased revenue share percentages to the state over the previous compact.

With a \$3 billion guarantee along with a cap on the Tribe's gaming, it is my hope that this compact can be the foundation of a stable and predictable gaming environment for the state of Florida. My execution of this compact is the first step in the process outlined in law and I look forward to continuing to work with you and your respective chambers this session in order to ratify this \$3 billion historic agreement.

I am sure there will be several other issues that the legislature may wish to debate and discuss in addition to the details within this compact itself. While many of these issues may be part of legislation you choose to consider outside this compact, my office and I will continue to work with you and Senator Bradley and Representative Diaz in the weeks and months ahead to reach a positive outcome for our state. The compact itself is a good deal for the State of Florida and it is my hope that you will consider giving it a vote in the Florida Senate and the Florida House during the regular 2016 session or at the time you believe is most appropriate.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rick Scott', with a large, stylized initial 'R' and a long, sweeping horizontal stroke at the end.

Rick Scott
Governor

	NEW COMPACT	2010 COMPACT
Guarantee Money to State	<p>7-year guarantee worth 3 billion dollars (Starts 7/1/17)</p> <p>1- \$325 million 2- \$350 million 3- \$375 million 4- \$425 million 5- \$475 million 6- \$500 million <u>7- \$550 million</u></p> <p>Total: \$3 Billion guaranteed (true-up at end of year 7) → 7-year 3 billion dollar minimum guarantee is largest guarantee ever by an Indian Tribe.</p> <p>2010 Compact revenue share percentages for year 1</p>	<p>5-year guarantee worth 1 billion dollars</p> <p>1- \$150 million 2- \$150 million 3- \$233 million 4- \$233 million <u>5- \$234 million</u></p> <p>Total: \$1 Billion guaranteed</p>
Term	<p>20 years; 7-year minimum guarantee.</p> <p>→ Creates long-term revenue certainty and stability</p>	<p>20 years; 5-year minimum guarantee; Banked Card Games exclusivity expires after 5 years.</p>
Jobs/Capital Investment	4,800 new direct and indirect jobs, 14,500 direct and indirect construction jobs, and \$1.8 billion in capital investment	N/A
Revenue Share to State	<p><u>Revenue Share to State from Tribe's Gaming Revenue</u></p> <p>\$0-2B: 13% (1% increase) \$2-3B: 17.5% (2.5% increase) \$3-3.5B: 17.5% \$3.5-4B: 20% \$4-4.5B: 22.5% \$4.5B+: 25%</p> <p>→ Revenue Share increased</p>	<p><u>Revenue Share to State from Tribe's Gaming Revenue</u></p> <p>\$0-2B: 12% \$2-3B: 15% \$3-3.5B: 17.5% \$3.5-4B: 20% \$4-4.5B: 22.5% \$4.5B+: 25%</p>
Recession	Because of the significant Guarantee if there is a recession during the Guarantee Period the Tribe may pay based on percentages vs Guarantee plus 50% of difference between the percentage payment and Guarantee. The other 50% would be due the next year in addition to the payment owed during that year. (May only use once during guarantee period)	N/A
Games	<ol style="list-style-type: none"> 1. Slot Machines 2. Banked Card Games 3. Raffles and Drawings 4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe 5. Live Table Games 	<ol style="list-style-type: none"> 1. Slot Machines (all Facilities) 2. Banked Card Games (all Facilities except Big Cypress & Brighton) 3. Raffles and Drawings 4. Any new game authorized for any person except Banked Card Games authorized for another Indian Tribe
Exclusivity Received for Payments	<p><u>Statewide:</u> Banked & Banking Card Games; Live Table Games</p> <p><u>Outside Miami-Dade/Broward:</u> Slot Machines</p>	<p><u>Statewide:</u> Banked Card Games</p> <p><u>Outside Miami-Dade/Broward:</u> Slot Machines</p>

Facilities	<ol style="list-style-type: none"> 1. Seminole Indian Casino-Brighton 2. Seminole Indian Casino-Coconut Creek 3. Seminole Indian Casino-Hollywood 4. Seminole Indian Casino-Immokalee 5. Seminole Indian Casino-Big Cypress 6. Seminole Hard Rock Hotel & Casino-Hollywood 7. Seminole Hard Rock Hotel & Casino-Tampa 	<ol style="list-style-type: none"> 1. Seminole Indian Casino-Brighton 2. Seminole Indian Casino-Coconut Creek 3. Seminole Indian Casino-Hollywood 4. Seminole Indian Casino-Immokalee 5. Seminole Indian Casino-Big Cypress 6. Seminole Hard Rock Hotel & Casino-Hollywood 7. Seminole Hard Rock Hotel & Casino-Tampa
Change in Facilities	<ul style="list-style-type: none"> • Tribe may expand or replace existing Facilities; • Express limits on additional gaming positions at Tribe's Facilities on its Reservations → Hard caps on gaming in Florida 	<ul style="list-style-type: none"> • Tribe may expand or replace existing Facilities; • No limit on additional gaming positions at Tribe's Facilities on its Reservations
State Oversight	<p>State Compliance Agency allowed 16 hours of inspection over course of two days per facility, per month, capped at 1,600 hours annually. Tribe pays annual oversight payment of \$400,000, increased for inflation.</p> <p>→ Increased funding and hours for oversight</p>	<p>State Compliance Agency allowed 10 hours of inspection over course of two days per facility, per month, capped at 1,200 hours annually. Tribe pays annual oversight payment of \$250,000, increased for inflation.</p>
Exclusivity (Banked & Banking Card Games authorized at existing Miami-Dade/Broward pari-mutuels)	<p>If Banked & Banking Card Games authorized:</p> <ul style="list-style-type: none"> • Revenue Share Payments Cease until gaming activities are no longer authorized; except • Legislature can exercise its power to add blackjack at the Pari-mutuels in Miami-Dade and Broward subject to some limitations without an impact on the compact. <p>If the market shifts to slot machines with banked card game themes instead of traditional tables the Tribe has the option to waive its exclusivity in Broward and Miami-Dade Counties after fiscal year 2024 if the Tribe's Net Win from all table games in Broward County is less than its Net Win from Banked Card Games in Broward County during this fiscal year. If the Tribe waives its exclusivity the Legislature could exercise its power and limitlessly expand gaming in Broward and Miami-Dade Counties with no effect on the Compact. Revenue Share Payments calculated by excluding Net Win from Broward Facilities.</p>	<p>If Banked Card Games offered; AND Tribe's annual Net Win from Broward Facilities for next 12 mos is less than Net Win from preceding 12 mos; THEN</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; and • Revenue Share Payments calculated by reducing Net Win from Broward Facilities by 50% of the Net Win reduction. • If Net Win increases later above point of offering Banked Card Games, then Revenue Share Payments calculated without any reduction.
Exclusivity Violation (Class III Gaming authorization at locations in Miami-Dade/Broward other than existing pari-mutuels)	<p>If Class III Gaming at non-PMW locations in Miami-Dade/Broward authorized THEN:</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; and • All Revenue Share Payments cease; except • Legislature may add 1 location in Miami-Dade with 750 Slot machines and 750 Instant Racing Terminals at a \$5 bet limit over three year period with no effect on the Compact. 	<p>If Class III Gaming at non-PMW locations in Miami-Dade/Broward offered THEN:</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; and • Revenue Share Payments calculated by excluding Net Win from Broward Facilities.
Violation Exclusivity (Class III Gaming authorized outside of Miami-Dade/Broward)	<p>If Class III Gaming authorized outside of Miami-Dade/Broward THEN:</p> <ul style="list-style-type: none"> • All exclusivity payments under the Compact cease; except • Legislature may add 1 location in Palm Beach with 750 Slot machines and 750 Instant Racing Terminals at a \$5 bet limit over a three year period with no effect on the Compact. 	<p>If Class III Gaming offered outside of Miami-Dade/Broward THEN:</p> <ul style="list-style-type: none"> • All exclusivity payments under the Compact cease.

Pari-Mutuel Policy Choices for Legislature	<p>Explicitly states that the following do not violate exclusivity:</p> <ul style="list-style-type: none"> • Lower taxes for pari-mutuels as low as 25% on Slot Machine Revenue • Decoupling for pari-mutuels • Additional Slot Licenses in Miami Dade and Palm Beach Counties. • Blackjack for Pari-mutuels in Broward and Miami Dade with some limitations • Expansion of hours • Placement of ATMs on slot floor • Non-slot operating Pari-mutuels offering Designated Player Games with some restrictions <p>→ Maintains Legislature's prerogatives on gaming in the State of Florida</p>	
Internet Gaming	<p>Tribe recognizes that internet gaming is illegal in Florida. If State authorizes internet gaming, THEN→</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; but • Revenue Share Payments continue. <p>If Tribe offers internet gaming to players in Florida then Guaranteed Minimum Payments continue. Affirmative recognition by Tribe that internet gaming is illegal in Florida.</p>	<p>If State authorizes internet gaming and Tribe's Net Win from all Facilities drops more than 5% below Net Win from previous year THEN →</p> <ul style="list-style-type: none"> • Guaranteed Minimum Payments cease; but • Revenue Share Payments continue <p>If Tribe offers internet gaming then Guaranteed Minimum Payments continue.</p>
Florida Lottery	<p>Maintains consumer and employee protections.</p> <p>→ New point-of sale system for Florida Lottery for sales at gas pumps</p>	
Smoking	Tribe will make efforts to promote smoke free environment at Facilities	Tribe will make efforts to promote smoke free environment at Facilities
Compulsive Gambling	<p>Tribe will make annual \$1,750,000 donation to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.</p> <p>→ Maintains support for compulsive gaming resources regardless of Tribe's decisions to open or close facilities.</p>	Tribe will make annual \$250,000 donation per Facility to the Florida Council on Compulsive Gambling and maintain a voluntary exclusion list.
Alcohol Abuse	Tribe will maintain proactive approaches to prevent improper alcohol sales, drunk driving, and underage drinking.	Tribe will maintain proactive approaches to prevent improper alcohol sales, drunk driving, and underage drinking.
Compact with another federally-recognized Indian Tribe in Florida	Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of March 31, 2014.	Florida may enter into a Compact with another federally-recognized Tribe that has land in trust in the State as of February 1, 2010.

**2015 GAMING COMPACT BETWEEN THE SEMINOLE TRIBE OF FLORIDA
AND THE STATE OF FLORIDA**

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2015 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida

This Compact is made and entered into by and between the Seminole Tribe of Florida, a federally-recognized Indian Tribe, and the State of Florida, with respect to the operation of Covered Games, as defined herein, on the Tribe's Indian Lands as defined by the Indian Gaming Regulatory Act, P.L. 100-497, 102 Stat. 2467, 25 U.S.C. ss. 2701 *et seq.*

Part I. TITLE

This document shall be referred to as the "2015 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida."

Part II. RECITALS

A. The Seminole Tribe of Florida is a federally-recognized tribal government possessing sovereign powers and rights of self-government.

B. The State of Florida is a state of the United States of America possessing the sovereign powers and rights of a state.

C. The State and the Tribe maintain a government-to-government relationship.

D. The United States Supreme Court has long recognized the right of an Indian Tribe to regulate activity on lands within its jurisdiction, but the United States Congress, through the Indian Gaming Regulatory Act, has given states a role in the conduct of tribal gaming in accordance with negotiated tribal-state compacts.

E. Pursuant to the Seminole Tribe Amended Gaming Ordinance, adopted by Resolution No. C-195-06, and approved by the Chairman of the National Indian Gaming Commission on July 10, 2006, as the same may be amended from time-to-time, hereafter referred to as the Seminole Tribal Gaming Code, the Seminole Tribe of Florida desires to offer the play of Covered Games, as defined in Part III of this Compact, as a means of generating revenues for purposes authorized by the Indian Gaming Regulatory Act, including without limitation the support of tribal governmental programs, such as health care, housing, sewer and water projects, police, fire suppression, general assistance for tribal elders, day care for children, economic development, educational opportunities, per capita payments to tribal members, and other typical and valuable governmental services and programs for tribal members.

F. The Tribe and the State entered into a tribal-state compact pursuant to the Indian Gaming Regulatory Act on April 7, 2010, which became effective on July 6, 2010, 75 Fed. Reg. 38,833, ("2010 Compact"). This Compact supersedes the 2010 Compact, unless this Compact is not approved by the Florida Legislature and the U.S. Secretary of the Interior or is invalidated by court action or change in federal law. In the event that this Compact is not approved by the Florida Legislature and the U.S. Secretary of the Interior or is invalidated by court action or change in federal law, then the 2010 Compact shall remain in effect.

G. The Tribe and the State affirm that it is in the best interests of the Tribe and the State to enter into this Compact. The Compact recognizes the Tribe's right to offer certain forms of Class III Gaming and provides significant additional substantial exclusivity for such activities in return for a reasonable revenue sharing arrangement

between the Tribe and the State that will entitle the State to significant additional revenue participation.

H. Through this Compact, the Tribe intends to make significant new investments in its Facilities and its related infrastructure on its Indian Lands, including \$1.8 billion in capital expenditures by the Tribe, resulting in 4,800 new direct and indirect jobs from expanded operations at the Facilities, and over 14,500 direct and indirect construction jobs, as well as enhanced revenue for the Tribe and the State.

I. This Compact embodies an unprecedented level of cooperation between a state and a sovereign tribal government, which benefits the long-term economic and social well-being of the State and the Tribe.

Part III. DEFINITIONS

As used in this Compact:

A. "Annual Oversight Assessment" means the amount for reimbursement to the State for the actual and reasonable costs of the State Compliance Agency to perform its monitoring functions set forth under this Compact.

B. "Banking or Banked Card Game(s)" means any banked card game, including but not limited to those games listed in 25 C.F.R. s. 502.4(a)(1), as in effect on July 1, 2015.

C. "Bingo Game", for the purpose of non-Indian gaming under State law, means and refers to the activity, commonly known as "bingo," in which participants pay a sum of money for the use of one or more bingo cards. When the game commences, numbers are drawn by chance, one by one, and announced. The players cover or mark

those numbers on the bingo cards which they have purchased until a player receives a given order of numbers in sequence that has been preannounced for that particular game. This player calls out "bingo" and is declared the winner of a predetermined prize. More than one game may be played upon a bingo card, and numbers called for one game may be used for a succeeding game or games.

D. "Class III Gaming" means those games included in 25 C.F.R. s. 502.4, as in effect on July 1, 2015.

E. "Commission" means the Seminole Tribal Gaming Commission, which is the tribal governmental agency that has the authority to carry out the Tribe's regulatory and oversight responsibilities under this Compact.

F. "Compact" means this 2015 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida, as the same may be amended or supplemented in accordance with its terms.

G. "Covered Game(s)" means the following Class III Gaming activities:

1. Slot Machine(s).
2. Banking or Banked Card Game(s).
3. Raffle(s) and Drawing(s).
4. Live Table Game(s).
5. Any new game authorized by State law for any person for any purpose.

H. "Covered Game Employee(s)" or "Covered Employee(s)" means any individual employed and licensed by the Tribe whose responsibilities include the rendering of services with respect to the operation, maintenance or management of Covered Games, including, but not limited to, the following: managers and assistant

managers; accounting personnel; Commission officers; surveillance and security personnel; cashiers, supervisors, and floor personnel; cage personnel; and any other employee whose employment duties require or authorize access to areas of the Facility related to the conduct of Covered Games or the technical support or storage of Covered Game components. This definition does not include the Tribe's elected officials provided that such individuals are not directly involved in the operation, maintenance, or management of Covered Games or Covered Games components.

I. "Designated Player" means the player identified by a button as the player in the dealer position, seated at any traditional player position in a Designated Player Game, who is not required to cover all wagers.

J. "Designated Player Game(s)" means games consisting of at least three (3) cards in which players compare their cards only to those cards of the player in the dealer position, who also pays winners and collects from losers. The ranking of poker hands in such game(s) shall be consistent with the definition of traditional poker hand rankings provided in Hoyle's Modern Encyclopedia of Card Games, 1974 Ed.

K. "Documents" means books, records, electronic, magnetic and computer media documents and other writings and materials, copies thereof, and information contained therein.

L. "Effective Date" means the date on which this Compact becomes effective pursuant to Part XVI, Section A.

M. "Electronic Bingo Machine" means a card minding device, which may only be used in connection with a Bingo Game, which is certified in advance by an

independent testing laboratory licensed or contracted by the Division of Pari-Mutuel

Wagering as a bingo aid device that meets all of the following requirements:

1. The device must aid a Bingo Game player by (a) storing in the memory of the device not more than three (3) bingo faces of tangible bingo cards, as defined by section 849.0931(1)(b), Florida Statutes, as of July 1, 2015, purchased by a player; (b) comparing the numbers drawn and then individually entered into the device by the player to the bingo faces previously stored in the memory of the device and (c) identifying preannounced winning bingo patterns marked or covered on the stored bingo faces.
2. The device must not be capable of accepting or dispensing any coins, currency, or tokens.
3. The device must not be capable of monitoring any bingo card face other than the faces of the tangible bingo card or cards purchased by the player for that game.
4. The device must not be capable of displaying or representing the game result through any means other than highlighting the winning numbers marked or covered on the bingo card face or giving an audio alert that the player's card has a prize-winning pattern. No casino game graphics, themes or titles, including but not limited to depictions of slot machine-style symbols, cards, craps, roulette, or lotto may be used.
5. The device must not be capable of determining the outcome of any game.
6. Progressive prizes in excess of two thousand five hundred dollars (\$2,500) are prohibited.

7. Other than progressive prizes not to exceed two thousand five hundred dollars (\$2,500), no prize exceeding one thousand dollars (\$1,000) may be awarded.
8. No Electronic Bingo Machine may contain more than one player position for playing bingo.
9. No Electronic Bingo Machine may contain or be linked to more than one video display.
10. Prizes must be awarded based solely on the results of the Bingo Game. No additional element of chance may be used.

N. "Facility" means a building or buildings of the Tribe in which the Covered Games authorized by this Compact are conducted.

O. "Guaranteed Minimum Compact Term Payment" means a minimum total payment for the Guarantee Payment Period of Three Billion Dollars (\$3,000,000,000), which shall include all Revenue Share Payments during the Guarantee Payment Period.

P. "Guarantee Payment Period" means the seven (7) year period beginning on July 1, 2017, and ending on June 30, 2024.

Q. "Guaranteed Revenue Sharing Cycle Payment" means the payments as provided in Part XI of the Compact.

R. "Historic Racing Machine(s)" means an individual historic race terminal linked to a central server as part of a network-based video game, where the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed

or contracted by the Division of Pari-Mutuel Wagering as complying with all of the following requirements:

1. All data on previously conducted horse races must be stored in a secure format on the central server, which is located at the pari-mutuel facility.
2. Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used.
3. One (1) or more of the following three (3) bet types must be offered on all Historic Racing Machines: Win-Place-Show, Quinella, or Tri-Fecta.
4. All Historic Racing Machines must offer one (1) or both of the following racing types: Thoroughbreds or Harness.
5. Progressive prizes in excess of two thousand five hundred dollars (\$2,500) are prohibited.
6. Other than progressive prizes not to exceed two thousand five hundred dollars (\$2,500), no prize exceeding one thousand dollars (\$1,000) may be awarded.
7. After each wager is placed, the Historic Racing Machine must display a video of at least the final eight (8) seconds of the horse race before any prize is awarded or indicated on the Historic Racing Machine.
8. The display of the video of the horse race must occupy at least seventy percent (70%) of the Historic Racing Machine's video screen and no Historic Racing Machine may contain or be linked to more than one video display.

9. No casino game graphics, themes or titles, including but not limited to depictions of slot machine-style symbols, cards, craps, roulette, lotto, or bingo may be used.
10. No video reel or mechanical reel displays are permitted.
11. No Historic Racing Machine may contain more than one player position for placing wagers.
12. No coins, currency or tokens may be dispensed from a Historic Racing Machine.
13. Prizes must be awarded based solely on the results of a previously conducted horse race. No additional element of chance may be used. However, a random number generator must be used to select the race from the central server to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any "Quick Pick" bets. To prevent an astute player from recognizing the race based on the entrants and thus knowing the results before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed.

S. "Indian Gaming Regulatory Act" or "IGRA" means the Indian Gaming Regulatory Act, Pub. L. 100-497, Oct. 17, 1988, 102 Stat. 2467, codified at 25 U.S.C. ss. 2701 *et seq.* and 18 U.S.C. ss. 1166 to 1168.

T. "Indian Lands" means the lands defined as such in the IGRA, 25 U.S.C. s. 2703(4).

U. "Initial Payment Period" means the period beginning on the Effective Date and ending on June 30, 2017.

V. "Live Table Game(s)" means (1) dice games such as craps and sic-bo and any similar variations thereof, and (2) wheel games such as roulette, big six, and any similar variations thereof, but not including any game that is otherwise authorized as a Slot Machine, Banking or Banked Card Game, Raffle, or Drawing.

W. "Lottery Vending Machine(s)" means any of the following four (4) types of machines:

1. A machine to dispense pre-printed paper instant lottery tickets, but that does not read or reveal the results of the ticket, or allow a player to redeem any ticket. The machine, or any machine or device linked to the machine, may not include or make use of video reels or mechanical reels or other video depictions of slot machine or casino game themes or titles for game play. This does not preclude the use of casino game themes or titles on such tickets or signage or advertising displays on the machines;
2. A machine to dispense pre-determined electronic instant lottery tickets that displays an image of the ticket on a video screen on the machine and the player must touch the image of the ticket on the video screen to reveal the outcome of the ticket, provided the machine does not permit a player to redeem winnings, does not make use of video reels or mechanical reels or simulate the play of any casino game, and the lottery retailer is paid the same amount as would be paid for the sale of paper instant lottery tickets;
3. A machine to dispense a paper lottery ticket with numbers selected by the player or randomly by the machine. The machine does not reveal the winning numbers and the winning numbers are selected at a subsequent time and different

location through a drawing by the Florida Lottery. The machine, or any machine or device linked to the machine, may not include or make use of video reels or mechanical reels or other video depictions of slot machine or casino game themes or titles for game play. The machine may not be used to redeem a winning ticket. This does not preclude the use of casino game themes or titles for signage or advertising displays on the machine; or

4. A point-of-sale system to sell tickets for draw lottery games at gasoline pumps at retail fuel stations, provided that the system must: dispense a paper lottery receipt after the purchaser uses a credit card or debit card to purchase the ticket; process transactions through a platform that is certified or otherwise approved by the Florida Lottery; not directly dispense money or permit payment of winnings at the point-of-sale terminal; and not include or make use of video reels or mechanical reels or other Slot Machine or casino game themes or titles.

X. "Monthly Payment" means the monthly Revenue Share Payment which the Tribe remits to the State on the fifteenth (15th) day of the month following each month of the Revenue Sharing Cycle.

Y. "Net Win" means the total receipts from the play of all Covered Games less all prize payouts and free play or promotional credits issued by the Tribe.

Z. "Other Casino-Style Game(s)" means the following games, to the extent not otherwise included as Class III Gaming: Slot Machines, table games including any player-banked card game, electronically-assisted Bingo Games, electronically-assisted pull-tab games, video lottery terminals (VLTs), and any similar games, whether or not such games are determined through the use of a random number generator.

AA. "Pari-Mutuel Wagering Activity(ies)" means those pari-mutuel gaming activities authorized by Chapter 550, Florida Statutes, as of July 1, 2015, and which does not include any Other Casino-Style Game or any game or device that includes video reels or mechanical reels or other Slot Machine or casino game themes or titles.

BB. "Patron(s)" means any person who is on the premises of a Facility, or who is entering the Tribe's Indian Lands for the purpose of playing Covered Games authorized by this Compact.

CC. "Regular Payment Period" means the period beginning on July 1, 2024, and terminating at the end of the term of this Compact.

DD. "Revenue Share Payment(s)" means the periodic payment(s) by the Tribe to the State provided for in Part XI of this Compact.

EE. "Revenue Sharing Cycle" means the annual (12-month) period of the Tribe's operation of Covered Games at its Facilities beginning on July 1st of each fiscal year. However, during the Initial Payment Period the first Revenue Sharing Cycle shall begin on July 1st of the previous year, and the Tribe shall receive a credit for any amount paid to the State under the 2010 Compact for that Revenue Sharing Cycle.

FF. "Rules and Regulations" means the rules and regulations promulgated by the Commission for implementation of this Compact.

GG. "Slot Machine(s)" means any mechanical or electrical contrivance, terminal that may or may not be capable of downloading slot games from a central server system, machine, or other device that, upon insertion of a coin, bill, ticket, token, or similar object or upon payment of any consideration whatsoever including the use of any electronic payment system, except a credit card or debit card, is available to play or

operate, the play or operation of which, whether by reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing or operating the contrivance, terminal, machine, or other device to receive cash, billets, tickets, token, or electronic credits to be exchanged for cash or to receive merchandise or anything of value whatsoever, whether the payoff is made automatically from the machine or manually. The term includes associated equipment necessary to conduct the operation of the contrivance, terminal, machine, or other device. Slot Machines may use spinning reels, video display, or both. If at any time State law authorizes the use of electronic payments systems utilizing credit or debit card payment for the play or operation of Slot Machines for any person, then the Tribe shall be authorized to use such payment systems.

HH. "State" means the State of Florida.

II. "State Compliance Agency" or "SCA" means the state agency designated by the Florida Legislature that has the authority to carry out the State's oversight responsibilities under this Compact.

JJ. "Tribe" means the Seminole Tribe of Florida or any division, section, agency, or instrumentality thereof, whether or not legally organized or separate from the Tribe's government. With respect to the authorization to conduct Covered Games, "Tribe" also means any legal entity wholly owned and controlled by the Seminole Tribe of Florida or any of the foregoing, as well as any management contractor approved under the IGRA, 25 U.S.C. s. 2711, or any licensee of the Commission consistent with 25 C.F.R. s. 522.10, conducting Covered Games pursuant to this Compact under the authority of the Seminole Tribe of Florida. All such entities shall be subject to and under

the control of the Seminole Tribe of Florida as required by the IGRA and all Net Win from such Covered Games conducted by such entities shall be subject to the Revenue Share Payments provided for in Part XI of this Compact.

KK. "Video Race Terminal" means an individual race terminal linked to a central server as part of a network-based video game, where the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the Division of Pari-Mutuel Wagering as complying with all of the following requirements:

1. All data on previously conducted horse races must be stored in a secure format on the central server, which is located at the pari-mutuel facility.
2. Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used.
3. After each wager is placed, the Video Race Terminal must display a video of at least the final seconds of the horse race before any prize is awarded or indicated on the Video Race Terminal.
4. The display of the video of the horse race must be shown on the Video Race Terminal's video screen.
5. No mechanical reel displays are permitted.
6. No Video Race Terminal may contain more than one player position for placing wagers.
7. No coins, currency or tokens may be dispensed from a Video Race Terminal.

8. Prizes must be awarded based solely on the results of a previously conducted horse race. No additional element of chance may be used. However, a random number generator must be used to select the race from the central server to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any "Quick Pick" bets. To prevent an astute player from recognizing the race based on the entrants and thus knowing the results before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed.

Part IV. AUTHORIZATION AND LOCATION OF COVERED GAMES

A. The Tribe and State agree that the Tribe is authorized to operate Covered Games on its Indian Lands, as defined in the IGRA, in accordance with the provisions of this Compact. Nothing herein is intended to prohibit the Tribe from operating Slot Machines that employ video and/or mechanical displays of roulette, wheels or other table game themes. Nothing in this Compact shall in any way limit, restrict or regulate the Tribe's right to operate any game that is Class II gaming under the IGRA.

B. The Tribe is authorized to conduct Covered Games under this Compact at only the following seven (7) existing Facilities, on its Indian Lands, except as provided in Section C of this Part:

Seminole Indian Casino - Brighton
Okeechobee, FL

Seminole Indian Casino - Coconut Creek
Coconut Creek, FL

Seminole Indian Casino - Hollywood
Hollywood, FL

Seminole Indian Casino - Immokalee
Immokalee, FL

Seminole Indian Casino - Big Cypress
Clewiston, FL

Seminole Hard Rock Hotel & Casino - Hollywood
Hollywood, FL

Seminole Hard Rock Hotel & Casino - Tampa
Tampa, FL

C. Any of the Facilities existing on Indian Lands identified in Section B. of this Part may be relocated, expanded, or replaced by another Facility on the same Indian Lands with advance notice to the State of sixty (60) calendar days.

D. There shall be a cap on the number of Slot Machines, Banking or Banked Card Games, and Live Table Games that may be offered by the Tribe, as follows:

1. The cap on the total number of Slot Machines shall be the average of three thousand five hundred (3,500) Slot Machines for each of the seven (7) authorized Facilities (whether or not all such Facilities are in operation), with a per Facility cap of six thousand (6,000) Slot Machines; and

2. The cap on the total number of Banking or Banked Card Games and Live Table Games offered by the Tribe shall be an average of one hundred and fifty (150) tables for each of the seven (7) authorized Facilities (whether or not all such Facilities are in operation), with a per Facility cap of three hundred (300) tables; and

3. These caps shall not apply to any electronic tablets or mobile devices used by Patrons to play Covered Games while at the Tribe's Facilities.

Part V. RULES AND REGULATIONS; MINIMUM REQUIREMENTS FOR OPERATIONS

A. At all times during the term of this Compact, the Tribe shall be responsible for all duties which are assigned to it and the Commission under this Compact. However, for purposes of 25 C.F.R. s. 522.10, the Commission may license persons or entities to operate Covered Games unless it determines that the person or entity fails to meet the requirements set forth in sections 551.107(5)-(6), Florida Statutes, as of July 1, 2015, for the issuance of a slot machine occupational license. The Commission shall promulgate any rules and regulations necessary to implement this Compact. Nothing in this Compact shall be construed to affect the Commission's right to amend its rules and regulations, provided that any such amendment shall be in conformity with this Compact. The SCA may propose additional rules and regulations consistent with and related to the implementation of this Compact to the Commission at any time, and the Commission shall give good faith consideration to such suggestions and shall notify the SCA of its response or action with respect thereto.

B. All Facilities shall comply with, and all Covered Games authorized under this Compact shall be operated in accordance with the requirements set forth in this Compact, including but not limited to, those set forth in Sections C. and D. of this Part and the Tribe's Internal Control Policies and Procedures. In addition, all Facilities and all Covered Games shall be operated in strict compliance with tribal internal control

standards that provide a level of control that equals or exceeds those set forth in the National Indian Gaming Commission's ("NIGC") Minimum Internal Control Standards, 25 C.F.R. Part 542 (2009), or at the option of the Tribe, any new internal control standards issued by the NIGC. The Tribe may amend or supplement its internal control standards from time-to-time, provided that such changes continue to provide a level of control that equals or exceeds those set forth above.

C. The Tribe and the Commission shall retain all Documents in compliance with the requirements set forth in the Tribe's Record Retention Policies and Procedures.

D. Compulsive Gambling.

The Tribe will continue and maintain its program to combat problem gambling and curtail compulsive gambling and work with the Florida Council on Compulsive Gambling or other organizations dedicated to assisting problem gamblers. The Tribe will continue to maintain the following safeguards against problem gambling.

1. The Tribe will provide a comprehensive training and education program designed in cooperation with the Florida Council on Compulsive Gambling or other organization dedicated to assisting problem gamblers to every new Covered Game Employee who interacts with Patrons.

2. The Tribe will make printed and electronic materials available to Patrons, which include contact information for the Florida Council on Compulsive Gambling 24-Hour Helpline or other hotline dedicated to assisting problem gamblers, and will work with the Florida Council on Compulsive Gambling or other organization dedicated to assisting problem gamblers to provide contact information for the Florida Council on Compulsive Gambling or other

organization dedicated to assisting problem gamblers, and to provide such information on the Facilities' internet website. The Tribe will continue to display all literature from the Florida Council on Compulsive Gambling or other organization dedicated to assisting problem gamblers within the Facilities.

3. The Commission shall establish a list of the Patrons voluntarily excluded from the Tribe's Facilities, pursuant to subsection 5 of this Section.

4. The Tribe shall employ its best efforts to exclude Patrons on such list from entry into its Facilities; provided that nothing in this Compact shall create for Patrons who are excluded but gain access to the Facilities, or any other person, a cause of action or claim against the State, the Tribe or the Commission or any other person, entity, or agency for failing to enforce such exclusion.

5. Patrons who believe they may be playing Covered Games on a compulsive basis may request that their names be placed on the list of Patrons voluntarily excluded from the Tribe's Facilities.

6. All Covered Game Employees shall receive training on identifying players who have a problem with compulsive gambling and shall be instructed to ask them to leave. Signs bearing a toll-free help-line number and educational and informational materials shall be made available at conspicuous locations and automated teller machines in each Facility, which aim at the prevention of problem gaming and which specify where Patrons may receive counseling or assistance for gambling problems. All Covered Game Employees shall also be screened by the Tribe for compulsive gambling habits. Nothing in this Section shall create for Patrons, or any other person, a cause of action or claim against the

State, the Tribe or the Commission or any other person, entity, or agency for failing to identify a Patron or person who is a compulsive gambler and/or ask that person to leave.

7. The Tribe shall follow the rules for exclusion of Patrons set forth in the Seminole Tribal Gaming Code.

8. The Tribe shall make diligent efforts to prevent underage individuals from loitering in the area of each Facility where the Covered Games take place.

9. The Tribe shall assure that advertising and marketing of the Covered Games at the Facilities contain a responsible gambling message and a toll-free help-line number for problem gamblers, where practical, and that such advertising and marketing make no false or misleading claims.

E. The State may secure an annual independent audit of the conduct of Covered Games subject to this Compact, as set forth in Part VIII.

F. Summaries of the rules for playing Covered Games and promotional contests shall be visibly displayed in the Facilities. Complete sets of rules shall be available in the Facilities upon request. Copies of all such Covered Game rules shall be provided to the SCA upon request.

G. The Tribe shall provide the Commission and SCA with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of Covered Games, and shall promptly notify those agencies of any material changes thereto.

H. The Tribe engages in and shall continue to maintain proactive approaches to prevent improper alcohol sales, drunk driving, underage drinking, and underage

gambling. These approaches involve intensive staff training, screening and certification, Patron education, and the use of security personnel and surveillance equipment in order to enhance Patrons' enjoyment of the Facilities and provide for Patron safety. Staff training includes specialized employee training in nonviolent crisis intervention, driver's license verification and the detection of intoxication. Patron education is carried out through notices transmitted on valet parking stubs, posted signs in the Facilities, and in brochures. Roving and fixed security officers, along with surveillance cameras, assist in the detection of intoxicated Patrons, investigate problems, and engage with Patrons to de-escalate volatile situations. To help prevent alcohol-related crashes, the Tribe will continue to operate the "Safe Ride Home Program," a free taxi service at all Facilities where alcohol is served. The Tribe shall maintain these programs and policies in its Alcohol Beverage Control Act for the duration of the Compact but may replace such programs and policies with either stricter or more extensive programs and policies. The Tribe shall provide the State with written notice of any changes to the Tribe's Alcohol Beverage Control Act, which notice shall include a copy of such changes and shall be sent on or before the effective date of the change. Nothing in this Section shall create for Patrons, or any other person, a cause of action or claim against the State, the Tribe or the Commission or any other person, entity, or agency for failing to fulfill the requirements of this Section.

I. No person under the age of twenty-one (21) shall be allowed to play Covered Games, unless otherwise permitted by State law.

J. The Tribe may establish and operate Facilities that operate Covered Games only on its Indian Lands as defined by the IGRA and as specified in Part IV.

K. The Commission shall keep a record of, and shall report at least quarterly to the SCA, the number of Covered Games in each Facility, by the name or type of each and any identifying number.

L. The Tribe and the Commission shall make available a copy of the following documents to any member of the public upon request within ten (10) business days: the minimum internal control standards of the NIGC, 25 C.F.R. Part 542 (2009), or any new internal control standards issued by the NIGC and accepted by the Tribe; the Seminole Tribal Gaming Code; this Compact; the rules of each Covered Game operated by the Tribe; and the administrative procedures for addressing Patron tort claims under Part VI.

Part VI. PATRON DISPUTES; WORKERS COMPENSATION; TORT CLAIMS;
PRIZE CLAIMS; LIMITED CONSENT TO SUIT

A. All Patron disputes involving Covered Games will be resolved in accordance with the procedures established in the Seminole Tribal Gaming Code.

B. Tort claims by employees of the Tribe's Facilities will be handled pursuant to the provisions of the Tribe's Workers' Compensation Ordinance, which shall provide workers the same or better protections as set forth in the State's workers' compensation laws.

C. Disputes by employees of the Tribe's Facilities will be handled pursuant to the provisions of the Tribe's policy for gaming employees, as set forth in the Tribe's Employee Fair Treatment and Dispute Resolution Policy.

D. Tort remedies for Patrons.

1. A Patron who claims to have suffered personal injury after the Effective Date at one of the Tribe's Facilities where Covered Games are played is required to provide written notice in the form of the Notice of Gaming Patron Tort Form to the Tribe's Risk Management Department, in a reasonable and timely manner, but in no event later than three (3) years after the date of the incident giving rise to the claimed injury occurs, or the claim shall be forever barred.
2. The Tribe shall make the Notice of Gaming Patron Tort Form available to the Patron at the time in which the Tribe responds to an incident alleged to have caused a Patron's injury. The Patron may also obtain the Notice of Gaming Patron Tort Form from the Tribe's website or upon written request to the Tribe's Risk Management Department. The Notice of Gaming Patron Tort Form must include the address for the Tribe's Risk Management Department and provide notice of the Tribe's administrative procedures for addressing Patron tort claims, including notice of the relevant deadlines that may bar such claims if the Tribe's administrative procedures are not followed. It is the Patron's responsibility to complete the Notice of Gaming Patron Tort Form and forward the Notice of Gaming Patron Tort Form to the Tribe's Risk Management Department within the time period set forth herein. Nothing herein shall interfere with any tort claim a Patron might have arising under the Federal Tort Claim Act.
3. The Tribe, or its insurance carrier, shall have thirty (30) business days from the date the Tribe's Risk Management Department receives the Notice of Gaming Patron Tort Form to respond to the Patron. If the Tribe, or its insurance

carrier, fails to respond within thirty business (30) days, the Patron may bring a tort claim against the Tribe as set forth in Section D.5. of this Part.

4. Upon receiving the Notice of Gaming Patron Tort Form from the Patron, the Tribe's Risk Management Department shall forward the notification to the Tribe's insurance carrier. The Tribe will use its best efforts to assure that its insurance carrier contacts the Patron within thirty (30) business days following receipt of the Notice of Gaming Patron Tort Form from the Patron if the insurance carrier and not the Tribe is to respond to the Patron.

5. If the Tribe's insurance carrier contacts the Patron, it will handle the tort claim to conclusion. If the Patron and the Tribe and the insurance carrier are not able to resolve the claim in good faith within one (1) year after the Patron provided the Notice of Gaming Patron Tort Form to the Tribe's Risk Management Department, the Patron may bring a tort claim action against the Tribe in any State court of competent jurisdiction in the Florida county in which the incident alleged to have caused injury occurred, as provided in this Compact, and subject to a four (4) year statute of limitations, which shall begin to run from the date of the incident of the alleged claimed injury. A Patron's submission of a notice of injury to the Tribe in the Notice of Gaming Patron Tort Form pursuant to this Section and the fulfillment of the good faith attempt at resolution pursuant to this subsection are conditions precedent to filing a tort claim action in State court, and claims that fail to follow this process shall be forever barred.

6. For tort claims of Patrons made and tort claim actions brought in State court pursuant to this Section, the Tribe agrees to waive its Tribal sovereign immunity to the same extent as the State waives its sovereign immunity, as specified in sections 768.28(1) and (5), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature. The Tribe and its insurance carrier are prohibited from invoking Tribal sovereign immunity for tort claims up to the limits to which the State has waived sovereign immunity as set forth in section 768.28(5), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature, provided that the provision remains the same for State agencies as for the Tribe, but the Tribe and its insurance carrier are permitted to assert any available statutory or common law defense for tort claims of Patrons made pursuant to this Section.

7. In no event, however, shall the Tribe be deemed to have waived its Tribal immunity from suit beyond the limits set forth in section 768.28(5), Florida Statutes. These limitations are intended to include liability for compensatory damages, costs, pre-judgment interest, punitive damages, and attorney fees if otherwise allowable under State law arising out of any tort claim brought or asserted against the Tribe, its subordinate governmental and economic units, any Tribal officials, employees, servants, or agents in their official capacities and any entity which is owned, directly or indirectly by the Tribe.

8. All Patron tort claims brought pursuant to this provision shall be brought solely against the Seminole Tribe of Florida, a federally-recognized Indian tribe, as the sole party in interest.

9. In tort claim actions brought in State court pursuant to this Section, process shall be served on the Office of the General Counsel of the Seminole Tribe of Florida, and the Seminole Tribe of Florida shall have thirty (30) business days within which to plead thereto, consistent with section 768.28(7), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature, provided that the provision remains the same for State agencies as for the Tribe.

10. The provisions of section 768.28(8), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature, applies to all tort claims of patrons made pursuant to this Section, provided that the provision remains the same for State agencies as for the Tribe.

11. Notices explaining the procedures and time limitations with respect to making a tort claim shall be prominently displayed in the Tribe's Facilities, posted on the Tribe's website, and provided to any Patron for whom the Tribe has notice of the injury giving rise to the tort claim. Such notices shall explain the method and places for making a tort claim, including where the Patron must submit the form, the address for the Tribe's Risk Management Department and that the process is the exclusive method for asserting a tort claim arising under this Section against the Tribe, that the Tribe and its insurance carrier have one (1) year from the date the Patron gives notice of the tort claim by the Notice of Gaming Patron Tort Form to resolve the matter and after that time the Patron may bring a tort claim action against the Tribe in any State court of competent jurisdiction in

the Florida county in which the incident alleged to have caused injury occurred, that the exhaustion of the process is a pre-requisite to filing a tort claim action in State court, and that tort claims which fail to follow this process shall be forever barred.

12. The Tribe shall maintain an insurance policy which shall include coverage for tort claims made by a Patron or invitee for personal injuries alleged to have occurred at one of the Tribe's Facilities.

13. The Tribal Council of the Seminole Tribe of Florida may, in its discretion, consider Patron tort claims for compensation in excess of the limits of the Tribe's limited waiver of its Tribal sovereign immunity.

Part VII. ENFORCEMENT OF COMPACT PROVISIONS

A. The Tribe, the Commission and the SCA, to the extent authorized by this Compact, shall be responsible for regulating gaming activities conducted under this Compact. As part of its responsibilities, the Tribe has adopted or issued standards designed to ensure that the Tribe's Facilities are constructed, operated and maintained in a manner that adequately protects the environment and public health and safety.

Additionally, the Tribe and the Commission shall ensure that:

1. Operation of the conduct of Covered Games is in strict compliance with:
 - (a) The Seminole Tribal Gaming Code;
 - (b) All applicable rules, regulations, procedures, specifications, and standards lawfully adopted by the NIGC; and

(c) The provisions of this Compact, including, but not limited to, the Tribe's standards and the Tribe's Rules and Regulations; and

2. Reasonable measures are taken to:

(a) Assure the physical safety of Patrons, employees, and any other person while in the Tribe's Facilities;

(b) Prevent illegal activity at the Tribe's Facilities or with regard to the operation of Covered Games, including, but not limited to, the maintenance of employee procedures and a surveillance system;

(c) Ensure prompt notification is given to appropriate law enforcement authorities of persons who may be involved in illegal acts in accordance with applicable law;

(d) Ensure that the construction and maintenance of the Tribe's Facilities comply with the standards of the Florida Building Code, the provisions of which the Tribe has adopted as the Seminole Tribal Building Code; and

(e) Ensure adequate emergency access plans have been prepared to ensure the health and safety of all Patrons at the Tribe's Facilities.

B. All licenses for members and employees of the Commission shall be issued according to the same standards and terms applicable to Covered Game Employees. The Commission's officers shall be independent of the Tribal gaming operations, and shall be supervised by and accountable only to the Commission. A Commission officer shall be available at each Facility during all hours of operation upon reasonable notice, and shall have immediate access to any and all areas of any Facility for

the purpose of ensuring compliance with this Compact. The Commission shall investigate any suspected or reported violation of this Part and shall officially enter into its files timely written reports of investigations and any action taken thereon, and shall forward copies of such investigative reports to the SCA within thirty (30) calendar days of such filing. The scope of such reporting shall be determined by the existing memorandum of understanding between the Commission and the SCA, which may be amended by the Commission and the SCA from time-to-time. Any such violations shall be reported immediately to the Commission by Facility management, and the Commission shall notify the SCA as provided in a memorandum of understanding between the Commission and the SCA. In addition, the Commission shall promptly report to the SCA any such violations which it independently discovers.

C. In order to develop and foster a positive and effective relationship in the enforcement of this Compact, representatives of the Commission and the SCA shall meet, not less than on an annual basis, to review past practices and examine methods to improve the regulatory scheme created by this Compact. The meetings shall take place at a location mutually agreed to by the Commission and the SCA. The SCA, prior to or during such meetings, shall disclose to the Commission any concerns, suspected activities, or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

Part VIII. STATE MONITORING OF COMPACT

A. It is the express intent of the Tribe and the State for the Tribe to regulate its own gaming activities, but that the State is entitled to conduct random inspections as provided for in this Part to assure that the Tribe's gaming activities authorized by this Compact are operated in accordance with the terms of this Compact. The State may secure, and the Tribe will be required to provide all necessary cooperation, an annual independent audit of the conduct of Covered Games subject to this Compact. The audit shall:

1. Examine the Covered Games operated by the Tribe to assure compliance with the Tribe's Internal Control Policies and Procedures and any other standards, policies or procedures adopted by the Tribe, the Commission or the NIGC, which govern the play of Covered Games; and
2. Examine revenues in connection with the conduct of Covered Games and shall include only those matters necessary to verify the determination of Net Win and the basis and amount of the payments the Tribe is required to make to the State pursuant to Part XI, Sections B. and D. of this Compact and as defined by this Compact.

B. A copy of the audit report for the conduct of Covered Games shall be submitted to the Commission and the SCA within thirty (30) calendar days of completion. Representatives of the SCA may, upon request, meet with the Tribe and its auditors to discuss the audit or any matters in connection therewith; provided, such discussions are limited to Covered Games information. The annual independent audit shall be performed by an independent firm, with experience in auditing casino operations,

selected by the State, subject to the consent of the Tribe, which shall not be unreasonably withheld. The Tribe shall pay the auditing firm for the costs of the annual independent audit.

C. As provided herein, the SCA may monitor the conduct of Covered Games to ensure that the Covered Games are conducted in compliance with this Compact. In order to properly monitor the conduct of Covered Games, personnel of the SCA without prior notice shall have reasonable access to all public areas of the Facilities related to the conduct of Covered Games as provided herein.

1. While the Commission will act as the regulator of the Facilities, the SCA may review whether the Tribe's Facilities are in compliance with this Compact and the Tribe's Rules and Regulations applicable to Covered Games and may advise on such issues as it deems appropriate. In the event of a dispute or disagreement between Tribal and SCA regulators, the dispute or disagreement shall be resolved in accordance with the dispute resolution provisions of Part XIII of this Compact.

2. In order to fulfill its oversight responsibilities, the State has identified specific oversight testing procedures, set forth below in subsection 3, paragraphs (a), (b), and (c), which the SCA may perform on a routine basis.

3. (a) The SCA may inspect any Covered Games in operation at the Facilities on a random basis. Such inspections shall not exceed one (1) inspection per Facility per calendar month and each inspection shall be limited to not more than sixteen (16) hours spread over two (2) consecutive days. The SCA may conduct inspections of more than sixteen

(16) hours spread over those two (2) consecutive days, if the SCA determines that additional inspection hours are needed to address the issues of substantial non-compliance, provided that the SCA provides the Tribe with written notification of the need for additional inspection hours and provides the Tribe with a written summary of the substantial non-compliance issues that need to be addressed during the additional inspection hours. There is an annual limit of One Thousand Six Hundred (1,600) hours for all random inspections and audit reviews. Inspection hours shall be calculated on the basis of the actual amount of time spent by the SCA conducting the inspections at a Facility without a multiple for the number of SCA personnel engaged in the inspection activities. The purpose of the random inspections is to confirm that the Covered Games operate and play properly pursuant to the manufacturer's technical standards and are conducted in compliance with the Tribe's Internal Control Policies and Procedures and any other standards, policies or procedures adopted by the Tribe, the Commission or the NIGC which govern the play of Covered Games. The SCA shall provide notice to the Commission of such inspection at or prior to the commencement of the random inspections, and a Commission agent may accompany the inspection. The Tribe shall provide the SCA with a dedicated computer terminal at a Facility agreed to by the Tribe and the SCA by which the SCA will be able to access relevant electronic records.

(b) For each Facility, the SCA may perform one annual review of the Tribe's Slot Machine compliance audit.

(c) At least on an annual basis, the SCA may meet with the Tribe's Internal Audit Department for Gaming to review internal controls and the record of violations of same for each Facility.

4. The SCA will seek to work with and obtain the assistance of the Commission in the resolution of any conflicts with the management of the Facilities, and the State and the Tribe shall make their best efforts to resolve disputes through negotiation whenever possible. Therefore, in order to foster a spirit of cooperation and efficiency, the parties hereby agree that when disputes arise between the SCA staff and Commission regulators from the day-to-day regulation of the Facilities, they should generally be resolved first through meeting and conferring in good faith. This voluntary process does not proscribe the right of either party to seek other relief that may be available when circumstances require such relief. In the event of a dispute or disagreement between Tribal and SCA regulators, the dispute or disagreement shall be resolved in accordance with the dispute resolution provisions of Part XIII of this Compact.

5. Access to each Facility by the SCA shall be during the Facility's operating hours only. No advance notice is required when the SCA inspection is limited to public areas of the Facility; however, representatives of the SCA shall provide notice and photographic identification to the Commission of their presence before beginning any such inspections.

6. Before the SCA personnel enter any nonpublic area of a Facility, they shall provide one (1) hour notice and photographic identification to the Commission. The SCA personnel shall be accompanied in nonpublic areas of the Facility by a Commission officer. Notice of at least one (1) hour by the SCA to the Commission is required to assure that a Commission officer is available to accompany the SCA personnel at all times. This notice shall not count against the total number of inspection hours.

7. Any suspected or claimed violations of this Compact or law shall be directed in writing to the Commission; the SCA personnel, in conducting the functions assigned to them under this Compact, shall not unreasonably interfere with the functioning of any Facility.

D. Subject to the provisions herein, personnel of the SCA shall have the right to review and request copies of Documents of the Facility related to its conduct of Covered Games. The review and copying of such Documents shall be during normal business hours unless otherwise allowed by the Tribe at the Tribe's discretion. The Tribe cannot refuse said inspection and copying of such Documents, provided that the SCA personnel cannot require copies of Documents in such volume that it unreasonably interferes with the normal functioning of the Facilities or Covered Games. To the extent that the Tribe provides the State with information which the Tribe claims to be confidential and proprietary, or a trade secret, the Tribe shall clearly mark such information with the following designation: "Trade Secret, Confidential and Proprietary." If the State receives a request under chapter 119, Florida Statutes that would include such designated information, 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. Upon such notice from the Tribe, the State shall not release the requested information until a judicial determination is made. This designation and notification procedure does not excuse the State from complying with the requirements of the State's public records law, but is intended to provide the Tribe the opportunity to seek whatever judicial remedy it deems appropriate. Notwithstanding the foregoing procedure, the SCA may provide copies of tribal Documents to federal law enforcement and other State agencies or State consultants that the State deems reasonably necessary in order to conduct or complete any investigation of suspected criminal activity in connection with the Tribe's Covered Games or the operation of the Facilities or in order to assure the Tribe's compliance with this Compact.

E. At the completion of any SCA inspection or investigation, the SCA shall forward any written report thereof to the Commission, containing all pertinent, non-confidential, non-proprietary information regarding any violation of applicable laws or this Compact which was discovered during the inspection or investigation unless disclosure thereof would adversely impact an investigation of suspected criminal activity. Nothing herein prevents the SCA from contacting tribal or federal law enforcement authorities for suspected criminal wrongdoing involving the Commission.

F. Except as expressly provided in this Compact, nothing in this Compact shall be deemed to authorize the State to regulate the Tribe's government, including the Commission, or to interfere in any way with the Tribe's selection of its governmental officers, including members of the Commission.

Part IX. JURISDICTION

The obligations and rights of the State and the Tribe under this Compact are contractual in nature, and are to be construed in accordance with the laws of the State. This Compact shall not alter tribal, federal or state civil adjudicatory or criminal jurisdiction in any way.

Part X. LICENSING

The Tribe and the Commission shall comply with the licensing and hearing requirements set forth in 25 C.F.R. Parts 556 and 558, as well as the applicable licensing and hearing requirements set forth in the Seminole Tribal Gaming Code, as such may be amended from time-to-time. The Commission shall notify the SCA of any disciplinary hearings or revocation or suspension of licenses.

Part XI. PAYMENTS TO THE STATE OF FLORIDA

A. The parties acknowledge and recognize that this Compact provides the Tribe with partial but significant additional substantial exclusivity and other valuable consideration consistent with the goals of the IGRA, including special opportunities for tribal economic development through the Tribe's offering of gaming activities within the external boundaries of the State. In consideration thereof, the Tribe covenants and agrees, subject to the conditions agreed upon in Part XII of this Compact, to make the payments to the State derived from Net Win as set forth in Sections B. and D.

B. The Tribe shall make periodic Revenue Share Payments to the State derived from Net Win as set forth below, and any such payments shall be made to the

State via electronic funds transfer in a manner directed by the Florida Legislature. Of the amounts paid by the Tribe to the State pursuant to this Section, three (3) percent shall be distributed, as provided for by the Florida Legislature, to those local governments (including both counties and municipalities) in the State affected by the Tribe's operation of Covered Games. Revenue Share Payments will be due in accordance with the Payment Schedule set forth below.

1. Revenue Share Payments by the Tribe to the State shall be calculated as follows:
 - (a) During the Initial Payment Period, the Tribe agrees to pay the State a Revenue Share Payment in the amount equal to the amount calculated in accordance with subsections (i) through (vi) below.
 - (i) Twelve percent (12%) of all amounts up to Two Billion Dollars (\$2,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;
 - (ii) Fifteen percent (15%) of all amounts greater than Two Billion Dollars (\$2,000,000,000) up to and including Three Billion Dollars (\$3,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;
 - (iii) Seventeen and one half percent (17.5%) of all amounts greater than Three Billion Dollars (\$3,000,000,000) up to and including Three Billion Five Hundred Million Dollars

(\$3,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(iv) Twenty percent (20%) of all amounts greater than Three Billion Five Hundred Million Dollars (\$3,500,000,000) up to and including Four Billion Dollars (\$4,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(v) Twenty-two and one half percent (22.5%) of all amounts greater than Four Billion Dollars (\$4,000,000,000) up to and including Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(vi) Twenty-five percent (25%) of all amounts greater than Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle.

(b) During the Guarantee Payment Period, the Tribe agrees to pay the following fixed payments. In addition, within ninety (90) days after the end of the Guarantee Payment Period, the Tribe shall make an additional payment to the State equal to the amount above three billion dollars (\$3,000,000,000), if any, that would have been

owed by the Tribe to the State had the percentages set forth in Section B.1.(c) of this Part been applicable during the Guarantee Payment Period.

- (i) A payment of Three Hundred Twenty-Five Million Dollars (\$325,000,000) during the first (1st) Revenue Sharing Cycle;
 - (ii) A payment of Three Hundred Fifty Million Dollars (\$350,000,000) during the second (2nd) Revenue Sharing Cycle;
 - (iii) A payment of Three Hundred Seventy-Five Million Dollars (\$375,000,000) during the third (3rd) Revenue Sharing Cycle;
 - (iv) A payment of Four Hundred Twenty-Five Million Dollars (\$425,000,000) during the fourth (4th) Revenue Sharing Cycle;
 - (v) A payment of Four Hundred Seventy-Five Million Dollars (\$475,000,000) during the fifth (5th) Revenue Sharing Cycle;
 - (vi) A payment of Five Hundred Million Dollars (\$500,000,000) during the sixth (6th) Revenue Sharing Cycle;
 - (vii) A payment of Five Hundred Fifty Million Dollars (\$550,000,000) during the seventh (7th) Revenue Sharing Cycle;
- (c) During the Regular Payment Period, the Tribe agrees to pay for each Revenue Sharing Cycle a Revenue Share Payment to the State equal to the amount calculated in accordance with subsections (i) through (v) below.
- (i) Thirteen percent (13%) of all amounts up to Two Billion Dollars (\$2,000,000,000) of Net Win received by the Tribe from

the operation and play of Covered Games during each Revenue Sharing Cycle;

(ii) Seventeen and one half percent (17.5%) of all amounts greater than Two Billion Dollars (\$2,000,000,000) up to and including Three Billion Five Hundred Million Dollars (\$3,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(iii) Twenty percent (20%) of all amounts greater than Three Billion Five Hundred Million Dollars (\$3,500,000,000) up to and including Four Billion Dollars (\$4,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(iv) Twenty-two and one half percent (22.5%) of all amounts greater than Four Billion Dollars (\$4,000,000,000) up to and including Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle; and

(v) Twenty-five percent (25%) of all amounts greater than Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle.

(d) Monthly Payment

(i) On or before the fifteenth (15th) day of the month following each month of a Revenue Sharing Cycle during the Initial Payment Period, the Guarantee Payment Period, and the Regular Payment Period, the Tribe will remit to the State or its assignee the Monthly Payment. For purposes of this Section, the Monthly Payment shall be eight and one-third percent (8 1/3%) of the estimated or fixed Revenue Share Payment to be paid by the Tribe during such Revenue Sharing Cycle.

(ii) The Tribe will make available to the State at the time of the Monthly Payment the basis for the calculation of the payment.

(iii) During the Initial Payment Period and the Regular Payment Period, the Tribe will, on a monthly basis, internally "true up" the calculation of the estimated Revenue Share Payment based on the Tribe's un-audited financial statements related to Covered Games.

(e) Payment Verification during the Initial Payment Period, Guarantee Payment Period, and Regular Payment Period

(i) On or before the forty-fifth (45th) day after the third (3rd) month, sixth (6th) month, ninth (9th) month, and twelfth (12th) month of each Revenue Sharing Cycle during the Initial Payment Period, Guarantee Payment Period, and Regular Payment Period, provided that the twelve (12) month period does not coincide with the Tribe's fiscal year end date as indicated in subsection (iii)

below, the Tribe will provide the State with an audit report by its independent auditors as to the annual Revenue Share Payment calculation for each Revenue Sharing Cycle.

(ii) For each quarter within any Revenue Sharing Cycle, during the Initial Payment Period, Guarantee Payment Period, and Regular Payment Period, the Tribe agrees to engage its independent auditors to conduct a review of the un-audited net revenue from Covered Games. On or before the one hundred twentieth (120th) day after the end of the Tribe's fiscal year, the Tribe agrees to require its independent auditors to provide an audit report with respect to Net Win for Covered Games and the related payment of the Revenue Share Payment for each Revenue Sharing Cycle to the SCA for State review.

(iii) If the twelfth (12th) month of the Revenue Sharing Cycle does not coincide with the Tribe's fiscal year, the Tribe agrees to require its independent auditors to deduct Net Win from Covered Games for any of the months that are outside of the Revenue Sharing Cycle and to include Net Win from Covered Games for those months which fall outside of the Tribe's audit period but fall within the Revenue Sharing Cycle, prior to issuing the audit report.

(iv) No later than thirty (30) calendar days after the day the audit report is issued, the Tribe will remit to the State any underpayment of the annual Revenue Share Payment for each

Revenue Sharing Cycle during the Initial Payment Period and Regular Payment Period, and the State will either reimburse to the Tribe any overpayment of the Revenue Share Payment for each Revenue Sharing Cycle or authorize the overpayment to be deducted from the next successive Monthly Payments.

C. The Annual Oversight Assessment, which shall not exceed Four Hundred Thousand Dollars (\$400,000) per year, indexed for inflation as determined by the Consumer Price Index, shall be determined and paid in quarterly installments within thirty (30) calendar days of receipt by the Tribe of an invoice from the SCA. The Tribe reserves the right to audit the invoices on an annual basis, a copy of which will be provided to the SCA, and any discrepancies found therein shall be reconciled within forty-five (45) calendar days of receipt of the audit by the SCA.

D. The Tribe shall make an annual donation to the Florida Council on Compulsive Gaming as an assignee of the State in an amount not less than One Million Seven-Hundred Fifty Thousand Dollars (\$1,750,000.00).

E. Except as expressly provided in this Part, nothing in this Compact shall be deemed to require the Tribe to make payments of any kind to the State or any of its agencies.

Part XII. GRANT OF EXCLUSIVITY; REDUCTION OF TRIBAL PAYMENTS
BECAUSE OF LOSS OF EXCLUSIVITY OR OTHER CHANGES IN STATE LAW

The intent of this Part is to provide the Tribe with the right to operate Covered Games on an exclusive basis throughout the State without competition from other

persons, organizations, or entities offering Covered Games or Other Casino-Style Games, subject to the exceptions and provisions set forth below.

A. If, after July 1, 2015, State law is amended by action of the Florida Legislature or an amendment to the Florida Constitution to authorize:

1. The operation of Class III Gaming or Other Casino-Style Games at any location under the jurisdiction of the State where such games were not in operation as of July 1, 2015; or
2. New forms of Class III Gaming or Other Casino-Style Gaming that were not in operation as of July 1, 2015, then the payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall cease, except as provided below in this Part, provided the Tribe gives written notice to the State of the violation of its exclusivity. For purpose of this Section, "authorize" or "authorized" means upon the Governor's approval and signature of an act passed by the Florida Legislature or upon the filing of an act in the Office of the Secretary of State without the Governor's signature; or for a constitutional amendment, upon certification by the Secretary of State of the approved amendment. The cessation of payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall continue until such gaming activities are no longer authorized, in which event the payments shall resume.

B. If the expansion of new Class III Gaming or Other Casino-Style Games beyond what was in operation as of July 1, 2015, is permitted and begins to be offered as a result of a court decision or administrative ruling or decision without being specifically authorized pursuant to Section A. of this Part, then the Tribe may assert a violation of its

exclusivity by providing written notice of such violation to the State. If the Tribe provides such notice, then the Tribe has the option to make its payments due to the State pursuant to Part XI, Sections B. and D. of this Compact into an escrow account to provide the Florida Legislature with the opportunity to pass legislation to reverse such decision or ruling. However, if the Florida Legislature fails to act or if such expanded gaming activities are not illegal after action by the Florida Legislature or subsequent court decision or administrative ruling or decision within twelve (12) months after the notice provided by the Tribe or by the end of the next regular session of the Florida Legislature following the Tribe's written notice, whichever is earlier, then all funds in the escrow account shall be returned to the Tribe and all further payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall cease until such gaming activities are no longer permitted, in which event the Payments to the State pursuant to Part XI, Section B. and D. of this Compact shall resume.

C. Exceptions: The following are exceptions to the exclusivity provided to the Tribe pursuant to the provisions of this Part.

1. Any Class III Gaming activity authorized by a tribal-state compact between the State and any other federally recognized tribe pursuant to IGRA, provided that the tribe has land in federal trust in the State as of July 1, 2015.
2. The operation of not more than the number of Slot Machines authorized by State law as of July 1, 2015, at each of the locations of the four (4) permitted pari-mutuel facilities in Broward County and at the locations of the four (4) permitted pari-mutuel facilities in Miami-Dade County, where an operating dates license has been issued for that location during the 2015-2016 fiscal year, whether

or not currently operating Slot Machines; provided that the location of such eight (8) pari-mutuel permits are not relocated or moved to any other location. If more than the number of Slot Machines authorized by State law as of July 1, 2015, are offered at any such location, then the Tribe shall be relieved of its obligations to make both the Guaranteed Minimum Compact Term Payment and any further Guaranteed Revenue Sharing Cycle Payment, but instead shall make payments to the State for all future Revenue Sharing Cycles based on the percentage payments set forth in Part XI, Section B.1.(c), but shall be permitted to exclude all revenue generated by Slot Machines at its Facilities in Broward County. Slot Machines may not offer games using tangible playing cards (e.g. paper or plastic), but may offer games using electronic or virtual cards.

3. The operation of not more than fifteen (15) blackjack (21) card game tables only at the locations of the four (4) permitted pari-mutuel facilities in Broward County and only at the locations of the four (4) permitted pari-mutuel facilities in Miami-Dade County, where an operating dates license has been issued for that location during the 2015-2016 fiscal year; provided that: (a) the maximum bet allowed for such games shall not exceed fifteen dollars (\$15.00) for each initial two card wager; (b) all wagers on splits and/or double downs shall not exceed the initial two card wager; (c) with the exception of a single side bet of not more than one dollar (\$1.00), no bonus or progressive components are permitted; (d) each blackjack (21) card game table shall have a maximum of seven (7) betting spots; (e) such licenses are not transferred or otherwise used to move or operate blackjack (21) card game tables at any other location; and (f) the

operation of such blackjack (21) card tables is approved by a county-wide referendum held after the Effective Date of this Compact. In addition to the above limited exception to the Tribe's exclusivity, the above referenced eight (8) locations may be permitted by State law to add not more than ten (10) additional blackjack (21) card game tables at each such facility, subject to all of the limitations listed above, except that the maximum bet allowed for the additional blackjack (21) card game tables shall not exceed twenty-five dollars (\$25.00) for each initial two card wager. However, these ten (10) additional blackjack (21) card game tables shall not be available until the fiscal year after the combined total of all annual revenue generated by the Tribe from its Banking or Banked Card Games at its Facilities in Broward County and all blackjack (21) card game tables operated by the pari-mutuel facilities in Broward and Miami-Dade Counties has increased by at least forty percent (40%) above the revenue generated by such Banking or Banked Card Games and blackjack (21) card tables during the "base fiscal year." For purposes of this provision, the "base fiscal year" means the first fiscal year after both of the following conditions have been satisfied: (a) the above referenced eight (8) locations have each offered fifteen (15) blackjack (21) card tables for a full fiscal year, and (b) and the Tribe's expansion projects at the Seminole Hard Rock Hotel & Casino - Tampa and Seminole Hard Rock Hotel & Casino - Hollywood have been fully completed and are open to the public.

4. The operation of Video Race Terminals and Slot Machines, both as defined in Part III, at not more than one additional pari-mutuel facility in Miami-Dade County and one pari-mutuel facility in Palm Beach County, if the operation

of such Video Race Terminals and Slot Machines is approved by a county-wide referendum held after the Effective Date of this Compact. However, this exception only applies if the following conditions are satisfied: (a) each pari-mutuel facility is limited to offering not more than five hundred (500) Slot Machines and two hundred and fifty (250) Video Race Terminals prior to October 1, 2018; (b) after October 1, 2018, each pari-mutuel facility, pursuant to State law, may add not more than an additional five hundred (500) Video Race Terminals and two hundred and fifty (250) Slot Machines; (c) no wager on a Video Race Terminal or Slot Machine may exceed \$5.00 per game or race; (d) only one game or race on a Video Race Terminal or Slot Machine may be played at a time and a player is not permitted to wager on a new game or race until the previous game or race has been completed; and (e) Slot Machines and Video Race Terminals may not offer games using tangible playing cards (e.g. paper or plastic), but may offer games using electronic or virtual cards.

5. The operation of a combined total of not more than Three Hundred Fifty (350) Historic Racing Machines, connected to a central server at that facility, and Electronic Bingo Machines, both as defined in Part III, at each permitted pari-mutuel facility with an operating dates license as of July 1, 2015, and located outside of Broward County, Miami-Dade County, or Palm Beach County.

6. The operation of Pari-Mutuel Wagering Activities at pari-mutuel facilities licensed by the State.

7. The operation of poker, as provided in State law, but not including any game that involves banking by the house or any player, other than Designated

Player Games at cardrooms licensed by the State, subject to the following conditions: (a) the maximum wager in any such Designated Player Game shall not exceed twenty-five dollars (\$25); (b) any player participating as a Designated Player occupies a playing position at the table; (c) each player participating in a Designated Player Game is offered in a clockwise rotation, the opportunity to be the Designated Player after each hand; (d) any player participating as a Designated Player for thirty (30) consecutive hands must subsequently play as a non-Designated Player for at least two (2) consecutive hands before resuming as a Designated Player; (e) Designated Players are not required to cover more than ten (10) times the minimum posted bet for players seated during any one game; (f) permitted pari-mutuel locations that offer Slot Machines and/or Video Race Terminals may not offer Designated Player Games; (g) permitted pari-mutuel cardroom locations offering Designated Player Games do not have Designated Player Game tables in excess of twenty-five percent (25%) of the total poker tables authorized at that cardroom.

8. The operation by the Florida Department of Lottery ("Lottery") of those types of lottery games authorized under State law, but not including (a) any player-activated or operated machine or device other than a Lottery Vending Machine or (b) any Banking or Banked Card Game or any game of skill and/or chance that is played or has been played in a casino by one or more players at a gaming table. However, not more than ten (10) Lottery Vending Machines may be installed at any facility or location and no Lottery Vending Machine that

dispenses electronic instant tickets may be installed at any licensed pari-mutuel facility.

9. The operation of games permitted by Chapters 546 and 849, Florida Statutes, as of July 1, 2015.

10. State law currently does not permit internet gaming involving wagering. However, after any change in State law to affirmatively allow internet/on-line gaming (or any functionally equivalent remote gaming system that permits a person to game from home or any other location that is remote from a casino or other commercial gaming facility), the Tribe shall no longer be required to make payments to the State based on the Guaranteed Revenue Sharing Cycle Payment and shall not be required to make the Guaranteed Minimum Compact Term Payment. Instead, if after the Initial Payment Period, the Tribe shall make payments based on the percentage amounts in Part XI, Section B.1.(c). This subsection does not apply if the Tribe offers, to players in the State, internet gaming involving wagering (or any functionally equivalent remote gaming system that permits a person to game from home or any other location that is remote from any of the Tribe's Facilities), as a Covered Game or as authorized by State law. Nothing herein limits the Tribe's right to offer internet gaming involving wagering under any applicable federal law.

Except as provided in this Part, any expanded gaming activities consistent with Part XII, Sections A. or B. authorized or permitted by the State shall relieve the Tribe of its obligations to make both the Guaranteed Minimum Compact Term Payment and any further Guaranteed Revenue Sharing Cycle Payment.

D. To the extent that the exclusivity provisions of this Part are not complied with and the Tribe's ongoing payment obligations to the State pursuant to Part XI, Sections B. and D. of this Compact cease, any outstanding payments that would have been due to the State from the Tribe prior to the end of the Tribe's ongoing payment obligations shall be made within thirty (30) business days after the end of the Tribe's ongoing payment obligations.

E. Any noncompliance with this Part's exclusivity provisions and the cessation of payments to be made pursuant to Part XI, Sections B. and D. of this Compact shall not excuse the Tribe from continuing to comply with all other provisions of this Compact, including continuing to pay the State the Annual Oversight Assessment as set forth in Part XI, Section C. of this Compact.

F. The Tribe acknowledges that the following events shall not trigger any remedy under this Compact and do not affect the exclusivity provisions of this Compact:

1. Any change to the tax rate paid to the State by licensed pari-mutuel permit holders for the operation of Slot Machines and/or blackjack (21) as authorized by Section C.3 of this Part, provided that the effective tax rate is not less than twenty-five percent (25%). If the effective tax rate on the operation of Slot Machines and/or blackjack (21) is less than twenty-five percent (25%), then the Tribe shall be relieved of its obligations to make both the Guaranteed Minimum Compact Term Payment and any further Guaranteed Revenue Sharing Cycle Payment, but instead shall make payments to the State for all future Revenue Sharing Cycles based on the percentage payments set forth in Part XI, Section

B.1.(c), but shall be permitted to exclude all revenue generated by Slot Machines at its Facilities in Broward County.

2. Any change in State law that expands the hours of operation for pari-mutuel facilities;

3. Any change in State law that allows for the placement of automatic teller machines on the gaming floor of a pari-mutuel facility that offers Slot Machines;

4. Any change in State law that allows a pari-mutuel permitholder to convert or modify its pari-mutuel permit to allow for the operation of a different type of Pari-Mutuel Wagering Activity;

5. Any change in State law that removes the requirement for pari-mutuel permitholders to conduct performances of live races or games in order to operate other authorized gaming activities; and

6. The use of a portion of the amounts paid by the Tribe to the State pursuant to Part XI of this Compact to fund a purse pool to be allocated to pari-mutuel permitholders located within the State, as provided for by the Florida Legislature.

G. If at any time after the Guarantee Payment Period the Tribe's Net Win from Banking or Banking Card Games and Live Table Games conducted at its Facilities in Broward County, for a Revenue Sharing Cycle during the Regular Payment Period, is less than the Tribe's Net Win from the operation of Banking or Banked Card Games in Broward County for the Fifth Revenue Sharing Cycle of the 2010 Compact, then after ninety (90) days written notice to the State, the Tribe may give up its exclusivity rights in Broward County and Miami-Dade County, which include any restrictions on the following in those counties: Class III Games or Other Casino-Style Games; numbers of

positions; tables or Slot Machines; tax rates; relocation; additional gaming facilities or locations; wager amounts; Lottery Vending Machines; Video Race Terminals or Historic Racing Machines. If the Tribe elects to relinquish its exclusivity rights in Broward and Miami-Dade Counties, then the Revenue Share payments due to the State pursuant to Part XI, Section B.1.(c) of this Compact for the next Revenue Sharing Cycle and future Revenue Sharing Cycles shall be calculated by excluding the Tribe's Net Win from its Facilities in Broward County. Further, if the Tribe elects to relinquish its exclusivity rights in Broward and Miami-Dade Counties, then the Tribe will no longer be permitted to offer Banking or Banked Card Games at its Facilities in Broward County unless the State permits others in the State to offer such games.

Part XIII. DISPUTE RESOLUTION

The Tribe and the State (for purposes of this Part, each a "Party" and collectively the "Parties") each agree to deal in good faith and to use their reasonable best efforts with respect to the terms and conditions contained in this Compact. In the event that either Party to this Compact believes that the other Party has failed to comply with any requirements of this Compact, or in the event of any dispute hereunder, including, but not limited to, a dispute over the proper interpretation of the terms and conditions of this Compact, the goal of the Parties is to resolve all disputes amicably and voluntarily whenever possible. In pursuit of this goal, the following procedures shall be invoked:

A. A Party asserting noncompliance or seeking an interpretation of this Compact first shall serve written notice on the other Party. The notice shall identify the specific Compact provision alleged to have been violated or in dispute and shall specify

in detail the asserting Party's contention and any factual basis for the claim.

Representatives of the Parties shall meet within thirty (30) calendar days of receipt of notice in an effort to resolve the dispute, unless they mutually agree to extend this period;

B. A Party asserting noncompliance or seeking an interpretation of this Compact under this Part shall be deemed to have certified that to the best of the Party's knowledge, information, and belief formed after reasonable inquiry, the claim of noncompliance or the request for interpretation of this Compact is warranted and made in good faith and not for any improper purpose, such as to harass or to cause unnecessary delay or the needless incurring of the cost of resolving the dispute;

C. If the Parties are unable to resolve a dispute through the process specified in Sections A. and B. of this Part, either Party can call for mediation under the Commercial Mediation Procedures of the American Arbitration Association (AAA) or any such successor procedures, provided that such mediation does not last more than sixty (60) calendar days, such time shall begin the day the mediator is appointed, unless an extension to this time limit is agreed to by the Parties. The disputes available for resolution through mediation are limited to matters arising under the terms of this Compact. If the Parties are unable to resolve a dispute through the process specified in Sections A., B., and C. of this Part, notwithstanding any other provision of law, either Party may bring an action in a United States District Court ("federal court") having venue regarding any dispute arising under this Compact. If the federal court declines to exercise jurisdiction, or federal precedent exists that holds that the federal court would not have jurisdiction over such a dispute, either Party may bring the action in the appropriate court of the Seventeenth Judicial Circuit in Broward County, Florida. The

Parties are entitled to all rights of appeal permitted by law in the court system in which the action is brought.

D. For purposes of actions based on disputes between the State and the Tribe that arise under this Compact and the enforcement of any judgment resulting therefrom, the Parties each expressly waives its right to assert sovereign immunity from suit and from enforcement of any ensuing judgment, and further consents to be sued in federal or state court, including the rights of appeal specified above, as the case may be, provided that:

1. The dispute is limited solely to issues arising under this Compact;
2. There is no claim for monetary damages, except that payment of any money required by the terms of this Compact, as well as injunctive relief or specific performance enforcing a provision of this Compact requiring the payment of money to the State may be sought; and
3. Nothing herein shall be construed to constitute a waiver of the sovereign immunity of the Tribe with respect to any third party that is made a party or intervenes as a party to the action.

In the event that intervention, joinder, or other participation by any additional party in any action between the State and the Tribe would result in the waiver of the Tribe's sovereign immunity as to that additional party, the waiver of the Tribe provided herein may be revoked.

E. The State shall not be precluded from pursuing any mediation or judicial remedy against the Tribe on the grounds that the State has failed to exhaust its Tribal administrative remedies.

F. Notwithstanding anything to the contrary in this Part, any failure of the Tribe to remit the payments pursuant to the terms of Part XI, Sections B. and D., will entitle the State to seek injunctive relief in federal or state court, at the State's election, to compel the payments after exhausting the dispute resolution process in Sections A. and B. of this Part.

Part XIV. CONSTRUCTION OF COMPACT; SEVERANCE; FEDERAL APPROVAL

A. Each section, subsection, and provision of this Compact shall stand separate and independent of every other section, subsection, or provision. In the event that the U.S. Department of Interior, a federal district court in Florida, or other court of competent jurisdiction shall find any section, subsection, or provision of this Compact to be invalid, the remaining sections, subsections, and provisions of this Compact shall remain in full force and effect, provided that severing the invalidated section, subsection, or provision does not undermine the overall intent of the Parties in entering into this Compact. However, if any part of Part XI or Part XII is held by a court of competent jurisdiction to be invalid, this Compact will become null and void.

B. It is understood that Part XII of this Compact, which provides for a cessation of the payments due to the State under Part XI, Sections B. and D. does not create any duty on the State, which could result in noncompliance or a violation of this Compact by the State, but only a remedy for the Tribe if certain gaming activities under State jurisdiction are expanded, authorized, or permitted.

C. This Compact, together with all addenda and approved amendments, sets forth the full and complete agreement of the Parties and subject to the terms hereof

supersedes any prior written or oral agreements or understandings with respect to the subject matter hereof.

D. This Compact is intended to meet the requirements of the IGRA as it reads on the Effective Date of this Compact, and where reference is made to the IGRA, or to an implementing regulation thereof, the reference is deemed to have been incorporated into this document as if set in full. Subsequent changes to the Indian Gaming Regulatory Act that diminish the rights of the State or Tribe may not be applied retroactively to alter the terms of this Compact, except to the extent that Federal law validly mandates that retroactive application without the respective consent of the State or Tribe.

In the event that a subsequent change in the IGRA, or to an implementing regulation thereof, mandates retroactive application without the respective consent of the State or the Tribe, the parties agree that this Compact is voidable by either the State or the Tribe if the subsequent change materially alters the provisions in the Compact relating to the play of Covered Games, Revenue Share Payments, cessation, reinstatement, or reduction of payments, or exclusivity.

E. Neither the presence in another tribal-state compact of language that is not included in this Compact, nor the absence in this Compact of language that is present in another tribal-state compact shall be a factor in construing the terms of this Compact.

F. The State and the Tribe hereto agree to defend the validity of this Compact.

G. The State and the Tribe shall cooperate in seeking approval of this Compact from the U.S. Secretary of the Interior and the State and the Tribe further agree

that, upon execution and ratification by the Florida Legislature, the Tribe shall submit the Compact to the Secretary forthwith.

Part XV. NOTICES

All notices required under this Compact shall be given by certified mail, return receipt requested, commercial overnight courier service, or personal delivery, to the following persons:

The Governor

400 South Monroe Street
PL-05, The Capitol
Tallahassee, Florida 32399

General Counsel to the Governor

400 South Monroe Street
Room 209, The Capitol
Tallahassee, Florida 32399

Chairman

Seminole Tribe of Florida
6300 Stirling Road
Hollywood, Florida 33024

General Counsel

Seminole Tribe of Florida
6300 Stirling Road
Hollywood, Florida 33024

President of the Florida Senate

409 The Capitol
404 South Monroe Street
Tallahassee, Florida 32399-1100

Speaker of the Florida House of Representatives

420 The Capitol
402 South Monroe Street
Tallahassee, Florida 32399-1300

The State Compliance Agency
(As Designated by State Law)

Part XVI. EFFECTIVE DATE AND TERM

A. This Compact, if approved by the Florida Legislature, and approved as a tribal-state compact within the meaning of the IGRA by action of the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8), shall become effective upon publication of a notice of approval in the Federal Register under 25 U.S.C. s. 2710(d)(8)(D).

B. This Compact shall have a term beginning on the Effective Date and ending on June 30, 2036.

C. The Tribe's 2010 Compact shall remain in effect until this Compact becomes effective under Section A. of this Part.

Part XVII. AMENDMENT OF COMPACT AND REFERENCES

A. Amendment of this Compact may only be made by written agreement of the State and the Tribe, subject to approval either by action of the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8) and shall become effective upon publication of the notice of approval in the Federal Register.

B. Legislative ratification is required for any amendment to the Compact that alters the provisions relating to Covered Games, the amount of Revenue Share Payments, cessation, reinstatement, or reduction in payments, or exclusivity.

C. Changes in the provisions of tribal ordinances, regulations and procedures referenced in this Compact may be made by the Tribe, which shall be provided to the SCA within fourteen (14) calendar days of becoming effective. If the State has an objection to any change to the tribal ordinance, regulation or procedure which is the subject of the notice on the ground that its adoption is a violation of the Tribe's obligations under this Compact, the State may invoke the dispute resolution provisions provided in Part XIII of this Compact.

Part XVIII. MISCELLANEOUS

A. Except to the extent expressly provided in this Compact, this Compact is not intended to, and shall not be construed to, create any right on the part of a third party to bring an action to enforce any of its terms.

B. If, after the Effective Date of this Compact, the State enters into a Compact with any other Tribe that contains more favorable terms with respect to the provisions of this Compact and the U.S. Secretary of the Interior approves such compact, either by publication of the notice of approval in the Federal Register or by operation of law under 25 U.S.C. s. 2710(d)(8), upon tribal notice to the State and the U.S. Secretary of the Interior, this Compact shall be deemed amended to contain the more favorable terms, unless the State objects to the change and can demonstrate, in a proceeding commenced under Part XIII, that the terms in question are not more favorable.

C. Upon the occurrence of certain events beyond the Tribe's control, including acts of God, war, terrorism, fires, floods, or accidents causing damage to or destruction of one or more of its Facilities or property necessary to operate the Facility or

Facilities, the Tribe's obligation to pay the Guaranteed Revenue Share Cycle Payment and the Guaranteed Minimum Compact Term Payment described in Part XI shall be reduced pro rata to reflect the percentage of the total Net Win lost to the Tribe from the impacted Facility or Facilities. Further, if an economic recession, defined as two consecutive quarters of negative economic growth either nationwide within the United States or state-wide in Florida, occurs during any Revenue Sharing Cycle during the Guarantee Payment Period, and the Tribe fails to generate sufficient Net Win to produce the fixed payments set forth in Part XI, Section B.1.(b) based on the percentages set forth in Part XI, Section B.1.(c), then not more than one (1) time during the Guarantee Payment Period, the Tribe shall be relieved of its obligation to make the fixed Guaranteed Revenue Sharing Cycle Payment for that Revenue Sharing Cycle, but will be required to make payments to the State for that Revenue Sharing Cycle based on the percentage payments set forth in Part XI, Section B.1.(c). In addition, the Tribe shall be required to pay the State before the end of that Revenue Sharing Cycle fifty percent (50%) of the difference between the amount generated by the percentages in Part XI, Section B.1.(c) and the Guaranteed Revenue Share Cycle Payment amount. The Tribe shall pay the remaining fifty percent (50%) of the difference during the following Revenue Sharing Cycle.

D. Smoking

The Tribe and the State recognize that opportunities to engage in gaming in smoke-free or reduced-smoke environments provides both health and other benefits to Patrons, and the Tribe has already instituted a non-smoking section at all of its Facilities. As part of its continuing commitment to this issue, the Tribe will:

1. Install and utilize a ventilation system at all new construction at its Facilities, which system exhausts tobacco smoke to the extent reasonably feasible under existing state-of-the-art technology;
2. Designate a smoke-free area for Slot Machines at all new construction at its Facilities;
3. Install non-smoking, vented tables for table games installed in its Facilities sufficient to reasonably respond to demand for such tables; and
4. Designate a non-smoking area for gaming within all of its Facilities.

E. The annual average minimum pay-out of all Slot Machines in each Facility shall not be less than eighty-five percent (85%).

F. Nothing in this Compact shall alter any of the existing memoranda of understanding, contracts, or other agreements entered into between the Tribe and any other federal, state, or local governmental entity.

G. The Tribe currently has as set forth in its Employee Fair Treatment and Dispute Resolution Policy, and agrees to maintain, standards that are comparable to the standards provided in federal laws and State laws forbidding employers from discrimination in connection with the employment of persons working at the Facilities on the basis of race, color, religion, national origin, gender, age, disability/handicap, or marital status. Nothing herein shall preclude the Tribe from giving preference in employment, promotion, seniority, lay-offs, or retention to members of the Tribe and other federally recognized tribes.

H. The Tribe shall, with respect to any Facility where Covered Games are played, adopt and comply with tribal requirements that meet the same minimum state

requirements applicable to Florida businesses with respect to environmental and building standards, except for any standards concerning smoking addressed in Section D. of this Part.

Part XIX. EXECUTION

The Governor of the State of Florida affirms that he has authority to act for the State in this matter and that, after approval by the Florida Legislature, no further action by the State or any State official is necessary for this Compact to take effect upon federal approval by action of the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8) and upon publication of the notice of approval in the Federal Register. The Governor also affirms that he will take all appropriate steps to effectuate its purposes and intent. The undersigned Chairman of the Tribal Council of the Seminole Tribe of Florida affirms that he is duly authorized and has the authority to execute this Compact on behalf of the Tribe. The Chairman also affirms that he will take all appropriate steps to effectuate its purposes and intent.

APPROVED:

State of Florida


Rick Scott
Governor

Date: 12-7-, 2015

Seminole Tribe of Florida


James Billie
Chairman of the Tribal Council

Date: 12-7-15, 2015

**2015 GAMING COMPACT BETWEEN THE SEMINOLE TRIBE OF FLORIDA
AND THE STATE OF FLORIDA**

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**2015 Gaming Compact Between the Seminole Tribe of Florida
and the State of Florida**

This Compact is made and entered into by and between the Seminole Tribe of Florida, a federally-recognized Indian Tribe, and the State of Florida, with respect to the operation of Covered Games, as defined herein, on the Tribe's Indian Lands as defined by the Indian Gaming Regulatory Act, P.L. 100-497, 102 Stat. 2467, 25 U.S.C. ss. 2701 *et seq.*

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Part I. TITLE

This document shall be referred to as the "2015 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida."

Part II. RECITALS

A. The Seminole Tribe of Florida is a federally-recognized tribal government possessing sovereign powers and rights of self-government.

B. The State of Florida is a state of the United States of America possessing the sovereign powers and rights of a state.

C. The State and the Tribe maintain a government-to-government relationship.

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D. The United States Supreme Court has long recognized the right of an Indian Tribe to regulate activity on lands within its jurisdiction, but the United States Congress, through the Indian Gaming Regulatory Act, has given states a role in the conduct of tribal gaming in accordance with negotiated tribal-state compacts.

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E. Pursuant to the Seminole Tribe Amended Gaming Ordinance, adopted by Resolution No. C-195-06, and approved by the Chairman of the National Indian Gaming Commission on July 10, 2006, as the same may be amended from time-to-time, hereafter referred to as the Seminole Tribal Gaming Code, the Seminole Tribe of Florida desires to offer the play of Covered Games, as defined in Part III of this Compact, as a means of generating revenues for purposes authorized by the Indian Gaming Regulatory Act, including without limitation the support of tribal governmental programs, such as health care, housing, sewer and water projects, police, fire suppression, general assistance for tribal elders, day care for children, economic development, educational opportunities, per capita payments to tribal members, and other typical and valuable governmental services and programs for tribal members.

F. The Tribe and the State entered into a tribal-state compact pursuant to the Indian Gaming Regulatory Act on April 7, 2010, which became effective on July 6, 2010, 75 Fed. Reg. 38,833, ("2010 Compact"). This Compact supersedes the 2010 Compact, unless this Compact is not approved by the Florida Legislature and the U.S. Secretary of the Interior or is invalidated by court action or change in federal law. In the event that this Compact is not approved by the Florida Legislature and the U.S. Secretary of the Interior or is invalidated by court action or change in federal law, then the 2010 Compact shall remain in effect.

Deleted: This Compact is the only gaming compact between the Tribe and the State.

G. The Tribe and the State affirm that it is in the best interests of the Tribe and the State to enter into this Compact. The Compact recognizes the Tribe's right to offer certain forms of Class III Gaming and provides significant additional substantial exclusivity for such activities in return for a reasonable revenue sharing arrangement

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between the Tribe and the State that will entitle the State to significant additional revenue participation.

H. Through this Compact, the Tribe intends to make significant new investments in its Facilities and its related infrastructure on its Indian Lands, including \$1.8 billion in capital expenditures by the Tribe, resulting in 4,800 new direct and indirect jobs from expanded operations at the Facilities, and over 14,500 direct and indirect construction jobs, as well as enhanced revenue for the Tribe and the State.

I. This Compact embodies an unprecedented level of cooperation between a state and a sovereign tribal government, which benefits the long-term economic and social well-being of the State and the Tribe.

Part III. DEFINITIONS

As used in this Compact:

A. "Annual Oversight Assessment" means the amount for reimbursement to the State for the actual and reasonable costs of the State Compliance Agency to perform its monitoring functions set forth under this Compact.

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B. "Banking or Banked Card Game(s)" means any banked card game, including but not limited to those games listed in 25 C.F.R. s. 502.4(a)(1), as in effect on July 1, 2015.

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C. "Class III gaming" means the forms of Class III gaming defined

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C. "Bingo Game", for the purpose of non-Indian gaming under State law, means and refers to the activity, commonly known as "bingo," in which participants pay a sum of money for the use of one or more bingo cards. When the game commences, numbers are drawn by chance, one by one, and announced. The players cover or mark

those numbers on the bingo cards which they have purchased until a player receives a given order of numbers in sequence that has been preannounced for that particular game. This player calls out "bingo" and is declared the winner of a predetermined prize. More than one game may be played upon a bingo card, and numbers called for one game may be used for a succeeding game or games.

D. "Class III Gaming" means those games included in 25 C.F.R. s. 502.4, as in effect on July 1, 2015.

E. "Commission" means the Seminole Tribal Gaming Commission, which is the tribal governmental agency that has the authority to carry out the Tribe's regulatory and oversight responsibilities under this Compact.

F. "Compact" means this 2015 Gaming Compact Between the Seminole Tribe of Florida and the State of Florida, as the same may be amended or supplemented in accordance with its terms.

G. "Covered Game(s)" means the following Class III Gaming activities:

1. Slot Machine(s).

2. Banking or Banked Card Game(s).

3. Raffle(s) and Drawing(s).

4. Live Table Game(s).

5. Any new game authorized by State law for any person for any purpose.

H. "Covered Game Employee(s)" or "Covered Employee(s)" means any individual employed and licensed by the Tribe whose responsibilities include the rendering of services with respect to the operation, maintenance or management of Covered Games, including, but not limited to, the following: managers and assistant

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Deleted: 1. (a) .Slot machines, meaning any mechanical or electrical contrivance, terminal that may or may not be capable of downloading slot games from a central server system, machine, or other device that, upon insertion of a coin, bill, ticket, token, or similar object or upon payment of any consideration whatsoever, including the use of any electronic payment system, except a credit card or debit card, is available to play or operate, the play or operation of which, whether by reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing or operating the contrivance, terminal, machine, or other device to receive cash, billets, tickets, tokens, or electronic credits to be exchanged for cash or to receive merchandise or anything of value whatsoever, whether the payoff is made automatically from the machine or manually.

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Deleted: machines may use spinning reels, video displays, or both. ¶
(b) If at any time, Florida law authorizes the use of electronic payments systems utilizing credit or debit card payment for the play or operation of slot machines for any person, the Tribe shall be authorized to use such payment systems.

Deleted: banked card games, including baccarat, chemin de fer, and blackjack (21); provided, that the Tribe shall not offer such games at its Brighton or Big Cypress Facilities unless and until the State of Florida permits any other person, organization or entity to offer such games.

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managers; accounting personnel; Commission officers; surveillance and security personnel; cashiers, supervisors, and floor personnel; cage personnel; and any other employee whose employment duties require or authorize access to areas of the Facility related to the conduct of Covered Games or the technical support or storage of Covered Game components. This definition does not include the Tribe's elected officials provided that such individuals are not directly involved in the operation, maintenance, or management of Covered Games or Covered Games components.

I. "Designated Player" means the player identified by a button as the player in the dealer position, seated at any traditional player position in a Designated Player Game, who is not required to cover all wagers.

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J. "Designated Player Game(s)" means games consisting of at least three (3) cards in which players compare their cards only to those cards of the player in the dealer position, who also pays winners and collects from losers. The ranking of poker hands in such game(s) shall be consistent with the definition of traditional poker hand rankings provided in Hoyle's Modern Encyclopedia of Card Games, 1974 Ed.

K. "Documents" means books, records, electronic, magnetic and computer media documents and other writings and materials, copies thereof, and information contained therein.

L. "Effective Date" means the date on which this Compact becomes effective pursuant to Part XVI, Section A.

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M. "Electronic Bingo Machine" means a card minding device, which may only be used in connection with a Bingo Game, which is certified in advance by an

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independent testing laboratory licensed or contracted by the Division of Pari-Mutuel

Wagering as a bingo aid device that meets all of the following requirements:

1. The device must aid a Bingo Game player by (a) storing in the memory of the device not more than three (3) bingo faces of tangible bingo cards, as defined by section 849.0931(1)(b), Florida Statutes, as of July 1, 2015, purchased by a player; (b) comparing the numbers drawn and then individually entered into the device by the player to the bingo faces previously stored in the memory of the device and (c) identifying preannounced winning bingo patterns marked or covered on the stored bingo faces.
2. The device must not be capable of accepting or dispensing any coins, currency, or tokens.
3. The device must not be capable of monitoring any bingo card face other than the faces of the tangible bingo card or cards purchased by the player for that game.
4. The device must not be capable of displaying or representing the game result through any means other than highlighting the winning numbers marked or covered on the bingo card face or giving an audio alert that the player's card has a prize-winning pattern. No casino game graphics, themes or titles, including but not limited to depictions of slot machine-style symbols, cards, craps, roulette, or lotto may be used.
5. The device must not be capable of determining the outcome of any game.
6. Progressive prizes in excess of two thousand five hundred dollars (\$2,500) are prohibited.

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7. Other than progressive prizes not to exceed two thousand five hundred dollars (\$2,500), no prize exceeding one thousand dollars (\$1,000) may be awarded.

8. No Electronic Bingo Machine may contain more than one player position for playing bingo.

9. No Electronic Bingo Machine may contain or be linked to more than one video display.

10. Prizes must be awarded based solely on the results of the Bingo Game.
No additional element of chance may be used.

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N. "Facility" means a building or buildings of the Tribe in which the Covered Games authorized by this Compact are conducted.

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Q. "Guaranteed Minimum Compact Term Payment" means a minimum total payment for the Guarantee Payment Period of Three Billion Dollars (\$3,000,000,000), which shall include all Revenue Share Payments during the Guarantee Payment Period.

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P. "Guarantee Payment Period" means the seven (7) year period beginning on July 1, 2017, and ending on June 30, 2024.

Q. "Guaranteed Revenue Sharing Cycle Payment" means the payments as provided in Part XI of the Compact.

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R. "Historic Racing Machine(s)" means an individual historic race terminal linked to a central server as part of a network-based video game, where the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed

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or contracted by the Division of Pari-Mutuel Wagering as complying with all of the following requirements:

1. All data on previously conducted horse races must be stored in a secure format on the central server, which is located at the pari-mutuel facility.

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2. Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used.

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3. One (1) or more of the following three (3) bet types must be offered on all Historic Racing Machines: Win-Place-Show, Quinella, or Tri-Fecta.

4. All Historic Racing Machines must offer one (1) or both of the following racing types: Thoroughbreds or Harness.

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5. Progressive prizes in excess of two thousand five hundred dollars (\$2,500) are prohibited.

6. Other than progressive prizes not to exceed two thousand five hundred dollars (\$2,500), no prize exceeding one thousand dollars (\$1,000) may be awarded.

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7. After each wager is placed, the Historic Racing Machine must display a video of at least the final eight (8) seconds of the horse race before any prize is awarded or indicated on the Historic Racing Machine.

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8. The display of the video of the horse race must occupy at least seventy percent (70%) of the Historic Racing Machine's video screen and no Historic Racing Machine may contain or be linked to more than one video display.

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9. No casino game graphics, themes or titles, including but not limited to depictions of slot machine-style symbols, cards, craps, roulette, lotto, or bingo may be used.

10. No video reel or mechanical reel displays are permitted.

11. No Historic Racing Machine may contain more than one player position for placing wagers.

12. No coins, currency or tokens may be dispensed from a Historic Racing Machine.

13. Prizes must be awarded based solely on the results of a previously conducted horse race. No additional element of chance may be used. However, a random number generator must be used to select the race from the central server to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any "Quick Pick" bets. To prevent an astute player from recognizing the race based on the entrants and thus knowing the results before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed.

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S. "Indian Gaming Regulatory Act" or "IGRA" means the Indian Gaming Regulatory Act, Pub. L. 100-497, Oct. 17, 1988, 102 Stat. 2467, codified at 25 U.S.C. ss. 2701 *et seq.* and 18 U.S.C. ss. 1166 to 1168.

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T. "Indian Lands" means the lands defined as such in the IGRA, 25 U.S.C. s. 2703(4).

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U. "Initial Payment Period" means the period beginning on the Effective Date and ending on June 30, 2017.

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V. "Live Table Game(s)" means (1) dice games such as craps and sic-bo and any similar variations thereof, and (2) wheel games such as roulette, big six, and any similar variations thereof, but not including any game that is otherwise authorized as a Slot Machine, Banking or Banked Card Game, Raffle, or Drawing.

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W. "Lottery Vending Machine(s)" means any of the following four (4) types of machines:

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1. A machine to dispense pre-printed paper instant lottery tickets, but that does not read or reveal the results of the ticket, or allow a player to redeem any ticket. The machine, or any machine or device linked to the machine, may not include or make use of video reels or mechanical reels or other video depictions of slot machine or casino game themes or titles for game play. This does not preclude the use of casino game themes or titles on such tickets or signage or advertising displays on the machines;

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2. A machine to dispense pre-determined electronic instant lottery tickets that displays an image of the ticket on a video screen on the machine and the player must touch the image of the ticket on the video screen to reveal the outcome of the ticket, provided the machine does not permit a player to redeem winnings, does not make use of video reels or mechanical reels or simulate the play of any casino game, and the lottery retailer is paid the same amount as would be paid for the sale of paper instant lottery tickets;

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3. A machine to dispense a paper lottery ticket with numbers selected by the player or randomly by the machine. The machine does not reveal the winning numbers and the winning numbers are selected at a subsequent time and different

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location through a drawing by the Florida Lottery. The machine, or any machine or device linked to the machine, may not include or make use of video reels or mechanical reels or other video depictions of slot machine or casino game themes or titles for game play. The machine may not be used to redeem a winning ticket. This does not preclude the use of casino game themes or titles for signage or advertising displays on the machine; or

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4. A point-of-sale system to sell tickets for draw lottery games at gasoline pumps at retail fuel stations, provided that the system must: dispense a paper lottery receipt after the purchaser uses a credit card or debit card to purchase the ticket; process transactions through a platform that is certified or otherwise approved by the Florida Lottery; not directly dispense money or permit payment of winnings at the point-of-sale terminal; and not include or make use of video reels or mechanical reels or other Slot Machine or casino game themes or titles.

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X. "Monthly Payment" means the monthly Revenue Share Payment which the Tribe remits to the State on the fifteenth (15th) day of the month following each month of the Revenue Sharing Cycle.

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Y. "Net Win" means the total receipts from the play of all Covered Games less all prize payouts and free play or promotional credits issued by the Tribe.

Deleted: T. "Net Revenue Base" means the Net Win for the twelve (12) month period immediately preceding the offering of, for public or private use, Class III or other casino-style gaming at any of the licensed pari-mutuel facilities in Broward and Miami-Dade Counties, except that if the commencement of such new gaming is made during the Initial Period, "Net Revenue Base" means Net Win for the twelve (12) month period immediately preceding this Compact.¶
U

Z. "Other Casino-Style Game(s)" means the following games, to the extent not otherwise included as Class III Gaming: Slot Machines, table games including any player-banked card game, electronically-assisted Bingo Games, electronically-assisted pull-tab games, video lottery terminals (VLTs), and any similar games, whether or not such games are determined through the use of a random number generator.

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AA. "Pari-Mutuel Wagering Activity(ies)" means those pari-mutuel gaming activities authorized by Chapter 550, Florida Statutes, as of July 1, 2015, and which does not include any Other Casino-Style Game or any game or device that includes video reels or mechanical reels or other Slot Machine or casino game themes or titles.

BB. "Patron(s)" means any person who is on the premises of a Facility, or who is entering the Tribe's Indian Lands for the purpose of playing Covered Games authorized by this Compact.

CC. "Regular Payment Period" means the period beginning on July 1, 2024, and terminating at the end of the term of this Compact.

DD. "Revenue Share Payment(s)" means the periodic payment(s) by the Tribe to the State provided for in Part XI of this Compact.

EE. "Revenue Sharing Cycle" means the annual (12-month) period of the Tribe's operation of Covered Games at its Facilities beginning on July 1st of each fiscal year. However, during the Initial Payment Period the first Revenue Sharing Cycle shall begin on July 1st of the previous year, and the Tribe shall receive a credit for any amount paid to the State under the 2010 Compact for that Revenue Sharing Cycle.

FF. "Rules and Regulations" means the rules and regulations promulgated by the Commission for implementation of this Compact.

GG. "Slot Machine(s)" means any mechanical or electrical contrivance, terminal that may or may not be capable of downloading slot games from a central server system, machine, or other device that, upon insertion of a coin, bill, ticket, token, or similar object or upon payment of any consideration whatsoever including the use of any electronic payment system, except a credit card or debit card, is available to play or

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operate, the play or operation of which, whether by reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing or operating the contrivance, terminal, machine, or other device to receive cash, billets, tickets, token, or electronic credits to be exchanged for cash or to receive merchandise or anything of value whatsoever, whether the payoff is made automatically from the machine or manually. The term includes associated equipment necessary to conduct the operation of the contrivance, terminal, machine, or other device. Slot Machines may use spinning reels, video display, or both. If at any time State law authorizes the use of electronic payments systems utilizing credit or debit card payment for the play or operation of Slot Machines for any person, then the Tribe shall be authorized to use such payment systems.

HH. "State" means the State of Florida.

IJ. "State Compliance Agency" or "SCA" means the state agency designated by the Florida Legislature that has the authority to carry out the State's oversight responsibilities under this Compact.

JJ. "Tribe" means the Seminole Tribe of Florida or any division, section, agency, or instrumentality thereof, whether or not legally organized or separate from the Tribe's government. With respect to the authorization to conduct Covered Games, "Tribe" also means any legal entity wholly owned and controlled by the Seminole Tribe of Florida or any of the foregoing, as well as any management contractor approved under the IGRA, 25 U.S.C. s. 2711, or any licensee of the Commission consistent with 25 C.F.R. s. 522.10, conducting Covered Games pursuant to this Compact under the authority of the Seminole Tribe of Florida. All such entities shall be subject to and under

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the control of the Seminole Tribe of Florida as required by the IGRA and all Net Win from such Covered Games conducted by such entities shall be subject to the Revenue Share Payments provided for in Part XI of this Compact.

KK. "Video Race Terminal" means an individual race terminal linked to a central server as part of a network-based video game, where the terminals allow pari-mutuel wagering by players on the results of previously conducted horse races, but only if the game is certified in advance by an independent testing laboratory licensed or contracted by the Division of Pari-Mutuel Wagering as complying with all of the following requirements:

1. All data on previously conducted horse races must be stored in a secure format on the central server, which is located at the pari-mutuel facility.
2. Only horse races that were recorded at licensed pari-mutuel facilities in the United States after January 1, 2005, may be used.
3. After each wager is placed, the Video Race Terminal must display a video of at least the final seconds of the horse race before any prize is awarded or indicated on the Video Race Terminal.
4. The display of the video of the horse race must be shown on the Video Race Terminal's video screen.
5. No mechanical reel displays are permitted.
6. No Video Race Terminal may contain more than one player position for placing wagers.
7. No coins, currency or tokens may be dispensed from a Video Race Terminal.

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8. Prizes must be awarded based solely on the results of a previously conducted horse race. No additional element of chance may be used. However, a random number generator must be used to select the race from the central server to be displayed to the player(s) and to select numbers or other designations of race entrants that will be used in the various bet types for any "Quick Pick" bets. To prevent an astute player from recognizing the race based on the entrants and thus knowing the results before placing a wager, the entrants of the race may not be identified until after all wagers for that race have been placed.

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Part IV. AUTHORIZATION AND LOCATION OF COVERED GAMES

A. The Tribe and State agree that the Tribe is authorized to operate Covered Games on its Indian Lands, as defined in the JGRA, in accordance with the provisions of this Compact. Nothing herein is intended to prohibit the Tribe from operating Slot Machines that employ video and/or mechanical displays of roulette, wheels or other table game themes. Nothing in this Compact shall in any way limit, restrict or regulate the Tribe's right to operate any game that is Class II gaming under the JGRA.

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B. The Tribe is authorized to conduct Covered Games under this Compact at only the following seven (7) existing Facilities, on its Indian Lands, except as provided in Section C of this Part:

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Seminole Indian Casino - Brighton
Okeechobee, FL

Seminole Indian Casino - Coconut Creek
Coconut Creek, FL

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Seminole Indian Casino - Hollywood
Hollywood, FL

Seminole Indian Casino - Immokalee
Immokalee, FL

Seminole Indian Casino - Big Cypress
Clewiston, FL

Seminole Hard Rock Hotel & Casino - Hollywood
Hollywood, FL

Seminole Hard Rock Hotel & Casino - Tampa
Tampa, FL

C. Any of the Facilities existing on Indian Lands identified in Section B, of
this Part may be relocated, expanded, or replaced by another Facility on the same Indian
Lands with advance notice to the State of sixty (60) calendar days.

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D. There shall be a cap on the number of Slot Machines, Banking or Banked
Card Games, and Live Table Games that may be offered by the Tribe, as follows:

1. The cap on the total number of Slot Machines shall be the average of three
thousand five hundred (3,500) Slot Machines for each of the seven (7) authorized
Facilities (whether or not all such Facilities are in operation), with a per Facility
cap of six thousand (6,000) Slot Machines; and

2. The cap on the total number of Banking or Banked Card Games and Live
Table Games offered by the Tribe shall be an average of one hundred and fifty
(150) tables for each of the seven (7) authorized Facilities (whether or not all such
Facilities are in operation), with a per Facility cap of three hundred (300) tables;
and

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3. These caps shall not apply to any electronic tablets or mobile devices used by Patrons to play Covered Games while at the Tribe's Facilities.

Part V. RULES AND REGULATIONS; MINIMUM REQUIREMENTS FOR OPERATIONS

A. At all times during the term of this Compact, the Tribe shall be responsible for all duties which are assigned to it and the Commission under this Compact. However, for purposes of 25 C.F.R. s. 522.10, the Commission may license persons or entities to operate Covered Games unless it determines that the person or entity fails to meet the requirements set forth in sections 551.107(5)-(6), Florida Statutes, as of July 1, 2015, for the issuance of a slot machine occupational license. The Commission shall promulgate any rules and regulations necessary to implement this Compact. Nothing in this Compact shall be construed to affect the Commission's right to amend its rules and regulations, provided that any such amendment shall be in conformity with this Compact. The SCA may propose additional rules and regulations consistent with and related to the implementation of this Compact to the Commission at any time, and the Commission shall give good faith consideration to such suggestions and shall notify the SCA of its response or action with respect thereto.

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B. All Facilities shall comply with, and all Covered Games authorized under this Compact shall be operated in accordance with the requirements set forth in this Compact, including but not limited to, those set forth in Sections C₂ and D₂ of this Part and the Tribe's Internal Control Policies and Procedures. In addition, all Facilities and all Covered Games shall be operated in strict compliance with tribal internal control

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standards that provide a level of control that equals or exceeds those set forth in the National Indian Gaming Commission's ("NIGC") Minimum Internal Control Standards, 25 C.F.R. Part 542 (2009), or at the option of the Tribe, any new internal control standards issued by the NIGC. The Tribe may amend or supplement its internal control standards from time-to-time, provided that such changes continue to provide a level of control that equals or exceeds those set forth above.

C. The Tribe and the Commission shall retain all Documents in compliance with the requirements set forth in the Tribe's Record Retention Policies and Procedures.

D. Compulsive Gambling.

The Tribe will continue and maintain its program to combat problem gambling and curtail compulsive gambling and work with the Florida Council on Compulsive Gambling or other organizations dedicated to assisting problem gamblers. The Tribe will continue to maintain the following safeguards against problem gambling.

1. The Tribe will provide a comprehensive training and education program designed in cooperation with the Florida Council on Compulsive Gambling or other organization dedicated to assisting problem gamblers to every new Covered Game Employee who interacts with Patrons.
2. The Tribe will make printed and electronic materials available to Patrons, which include contact information for the Florida Council on Compulsive Gambling 24-Hour Helpline or other hotline dedicated to assisting problem gamblers, and will work with the Florida Council on Compulsive Gambling or other organization dedicated to assisting problem gamblers to provide contact information for the Florida Council on Compulsive Gambling or other

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organization dedicated to assisting problem gamblers, and to provide such information on the Facilities' internet website. The Tribe will continue to display all literature from the Florida Council on Compulsive Gambling or other organization dedicated to assisting problem gamblers within the Facilities.

3. The Commission shall establish a list of the Patrons voluntarily excluded from the Tribe's Facilities, pursuant to subsection 5 of this Section.

4. The Tribe shall employ its best efforts to exclude Patrons on such list from entry into its Facilities; provided that nothing in this Compact shall create for Patrons who are excluded but gain access to the Facilities, or any other person, a cause of action or claim against the State, the Tribe or the Commission or any other person, entity, or agency for failing to enforce such exclusion.

5. Patrons who believe they may be playing Covered Games on a compulsive basis may request that their names be placed on the list of Patrons voluntarily excluded from the Tribe's Facilities.

6. All Covered Game Employees shall receive training on identifying players who have a problem with compulsive gambling and shall be instructed to ask them to leave. Signs bearing a toll-free help-line number and educational and informational materials shall be made available at conspicuous locations and automated teller machines in each Facility, which aim at the prevention of problem gaming and which specify where Patrons may receive counseling or assistance for gambling problems. All Covered Game Employees shall also be screened by the Tribe for compulsive gambling habits. Nothing in this Section shall create for Patrons, or any other person, a cause of action or claim against the

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State, the Tribe or the Commission or any other person, entity, or agency for failing to identify a Patron or person who is a compulsive gambler and/or ask that person to leave.

7. The Tribe shall follow the rules for exclusion of Patrons set forth in the Seminole Tribal Gaming Code.

8. The Tribe shall make diligent efforts to prevent underage individuals from loitering in the area of each Facility where the Covered Games take place.

9. The Tribe shall assure that advertising and marketing of the Covered Games at the Facilities contain a responsible gambling message and a toll-free help-line number for problem gamblers, where practical, and that such advertising and marketing make no false or misleading claims.

E. The State may secure an annual independent audit of the conduct of Covered Games subject to this Compact, as set forth in Part VIII.

F. Summaries of the rules for playing Covered Games and promotional contests shall be visibly displayed in the Facilities. Complete sets of rules shall be available in the Facilities upon request. Copies of all such Covered Game rules shall be provided to the SCA upon request.

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G. The Tribe shall provide the Commission and SCA with a chart of the supervisory lines of authority with respect to those directly responsible for the conduct of Covered Games, and shall promptly notify those agencies of any material changes thereto.

H. The Tribe engages in and shall continue to maintain proactive approaches to prevent improper alcohol sales, drunk driving, underage drinking, and underage

gambling. These approaches involve intensive staff training, screening and certification, Patron education, and the use of security personnel and surveillance equipment in order to enhance Patrons' enjoyment of the Facilities and provide for Patron safety. Staff training includes specialized employee training in nonviolent crisis intervention, driver's license verification and the detection of intoxication. Patron education is carried out through notices transmitted on valet parking stubs, posted signs in the Facilities, and in brochures. Roving and fixed security officers, along with surveillance cameras, assist in the detection of intoxicated Patrons, investigate problems, and engage with Patrons to de-escalate volatile situations. To help prevent alcohol-related crashes, the Tribe will continue to operate the "Safe Ride Home Program," a free taxi service at all Facilities where alcohol is served. The Tribe shall maintain these programs and policies in its Alcohol Beverage Control Act for the duration of the Compact but may replace such programs and policies with either stricter or more extensive programs and policies. The Tribe shall provide the State with written notice of any changes to the Tribe's Alcohol Beverage Control Act, which notice shall include a copy of such changes and shall be sent on or before the effective date of the change. Nothing in this Section shall create for Patrons, or any other person, a cause of action or claim against the State, the Tribe or the Commission or any other person, entity, or agency for failing to fulfill the requirements of this Section.

I. No person under the age of twenty-one (21) shall be allowed to play Covered Games, unless otherwise permitted by State law.

J. The Tribe may establish and operate Facilities that operate Covered Games only on its Indian Lands as defined by the JGRA and as specified in Part IV.

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K. The Commission shall keep a record of, and shall report at least quarterly to the SCA, the number of Covered Games in each Facility, by the name or type of each and any identifying number.

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L. The Tribe and the Commission shall make available a copy of the following documents to any member of the public upon request within ten (10) business days: the minimum internal control standards of the NIGC, 25 C.F.R. Part 542 (2009), or any new internal control standards issued by the NIGC and accepted by the Tribe; the Seminole Tribal Gaming Code; this Compact; the rules of each Covered Game operated by the Tribe; and the administrative procedures for addressing Patron tort claims under Part VI.

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~~Part VI. PATRON DISPUTES; WORKERS COMPENSATION; TORT CLAIMS; PRIZE CLAIMS; LIMITED CONSENT TO SUIT~~

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A. All Patron disputes involving Covered Games will be resolved in accordance with the procedures established in the Seminole Tribal Gaming Code.

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B. Tort claims by employees of the Tribe's Facilities will be handled pursuant to the provisions of the Tribe's Workers' Compensation Ordinance, which shall provide workers the same or better protections as set forth in the State's workers' compensation laws.

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C. Disputes by employees of the Tribe's Facilities will be handled pursuant to the provisions of the Tribe's policy for gaming employees, as set forth in the Tribe's Employee Fair Treatment and Dispute Resolution Policy.

D. Tort remedies for Patrons.

1. A Patron who claims to have suffered personal injury after the Effective Date at one of the Tribe's Facilities where Covered Games are played is required to provide written notice in the form of the Notice of Gaming Patron Tort Form to the Tribe's Risk Management Department, in a reasonable and timely manner, but in no event later than three (3) years after the date of the incident giving rise to the claimed injury occurs, or the claim shall be forever barred.

2. The Tribe shall make the Notice of Gaming Patron Tort Form available to the Patron at the time in which the Tribe responds to an incident alleged to have caused a Patron's injury. The Patron may also obtain the Notice of Gaming Patron Tort Form from the Tribe's website or upon written request to the Tribe's Risk Management Department. The Notice of Gaming Patron Tort Form must include the address for the Tribe's Risk Management Department and provide notice of the Tribe's administrative procedures for addressing Patron tort claims, including notice of the relevant deadlines that may bar such claims if the Tribe's administrative procedures are not followed. It is the Patron's responsibility to complete the Notice of Gaming Patron Tort Form and forward the Notice of Gaming Patron Tort Form to the Tribe's Risk Management Department within the time period set forth herein. Nothing herein shall interfere with any tort claim a Patron might have arising under the Federal Tort Claim Act.

3. The Tribe, or its insurance carrier, shall have thirty (30) business days from the date the Tribe's Risk Management Department receives the Notice of Gaming Patron Tort Form to respond to the Patron. If the Tribe, or its insurance

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carrier, fails to respond within thirty business (30) days, the Patron may bring a tort claim against the Tribe as set forth in Section D.5. of this Part.

4. Upon receiving the Notice of Gaming Patron Tort Form from the Patron,

the Tribe's Risk Management Department shall forward the notification to the

Tribe's insurance carrier. The Tribe will use its best efforts to assure that its

insurance carrier contacts the Patron within thirty (30) business days following

receipt of the Notice of Gaming Patron Tort Form from the Patron if the insurance carrier and not the Tribe is to respond to the Patron.

5. If the Tribe's insurance carrier contacts the Patron, it will handle the tort

claim to conclusion. If the Patron and the Tribe and the insurance carrier are not

able to resolve the claim in good faith within one (1) year after the Patron

provided the Notice of Gaming Patron Tort Form to the Tribe's Risk Management

Department, the Patron may bring a tort claim action against the Tribe in any

State court of competent jurisdiction in the Florida county in which the incident

alleged to have caused injury occurred, as provided in this Compact, and subject

to a four (4) year statute of limitations, which shall begin to run from the date of

the incident of the alleged claimed injury. A Patron's submission of a notice of

injury to the Tribe in the Notice of Gaming Patron Tort Form pursuant to this

Section and the fulfillment of the good faith attempt at resolution pursuant to this

subsection are conditions precedent to filing a tort claim action in State court, and

claims that fail to follow this process shall be forever barred.

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6. For tort claims of Patrons made and tort claim actions brought in State court pursuant to this Section, the Tribe agrees to waive its Tribal sovereign immunity to the same extent as the State, waives its sovereign immunity, as specified in sections 768.28(1) and (5), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature. The Tribe and its insurance carrier are prohibited from invoking Tribal sovereign immunity for tort claims up to the limits to which the State has waived sovereign immunity as set forth in section 768.28(5), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature, provided that the provision remains the same for State agencies as for the Tribe, but the Tribe and its insurance carrier are permitted to assert any available statutory or common law defense for tort claims of Patrons made pursuant to this Section.

7. In no event, however, shall the Tribe be deemed to have waived its Tribal immunity from suit beyond the limits set forth in section 768.28(5), Florida Statutes. These limitations are intended to include liability for compensatory damages, costs, pre-judgment interest, punitive damages, and attorney fees if otherwise allowable under State law arising out of any tort claim brought or asserted against the Tribe, its subordinate governmental and economic units, any Tribal officials, employees, servants, or agents in their official capacities and any entity which is owned, directly or indirectly by the Tribe.

8. All Patron tort claims brought pursuant to this provision shall be brought solely against the Seminole Tribe of Florida, a federally-recognized Indian tribe, as the sole party in interest.

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9. In tort claim actions brought in State court pursuant to this Section, process shall be served on the Office of the General Counsel of the Seminole Tribe of Florida, and the Seminole Tribe of Florida shall have thirty (30) business days within which to plead thereto, consistent with section 768.28(7), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature, provided that the provision remains the same for State agencies as for the Tribe.

10. The provisions of section 768.28(8), Florida Statutes, as such provision may be amended from time-to-time by the Florida Legislature, applies to all tort claims of patrons made pursuant to this Section, provided that the provision remains the same for State agencies as for the Tribe.

11. Notices explaining the procedures and time limitations with respect to making a tort claim shall be prominently displayed in the Tribe's Facilities, posted on the Tribe's website, and provided to any Patron for whom the Tribe has notice of the injury giving rise to the tort claim. Such notices shall explain the method and places for making a tort claim, including where the Patron must submit the form, the address for the Tribe's Risk Management Department and that the process is the exclusive method for asserting a tort claim arising under this Section against the Tribe, that the Tribe and its insurance carrier have one (1) year from the date the Patron gives notice of the tort claim by the Notice of Gaming Patron Tort Form to resolve the matter and after that time the Patron may bring a tort claim action against the Tribe in any State court of competent jurisdiction in

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the Florida county in which the incident alleged to have caused injury occurred, that the exhaustion of the process is a pre-requisite to filing a tort claim action in State court, and that tort claims which fail to follow this process shall be forever barred.

12. The Tribe shall maintain an insurance policy which shall include coverage for tort claims made by a Patron or invitee for personal injuries alleged to have occurred at one of the Tribe's Facilities.

13. The Tribal Council of the Seminole Tribe of Florida may, in its discretion, consider Patron tort claims for compensation in excess of the limits of the Tribe's limited waiver of its Tribal sovereign immunity.

Part VII. ENFORCEMENT OF COMPACT PROVISIONS

A. The Tribe, the Commission and the SCA, to the extent authorized by this Compact, shall be responsible for regulating gaming activities conducted under this Compact. As part of its responsibilities, the Tribe has adopted or issued standards designed to ensure that the Tribe's Facilities are constructed, operated and maintained in a manner that adequately protects the environment and public health and safety. Additionally, the Tribe and the Commission shall ensure that:

1. Operation of the conduct of Covered Games is in strict compliance with:
 - (a) The Seminole Tribal Gaming Code;
 - (b) All applicable rules, regulations, procedures, specifications, and standards lawfully adopted by the NIGC; and

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(a) Prohibit the insurer or the Tribe from invoking tribal sovereign immunity

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(b) . Include covered

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(d) . Provide that any award or judgment rendered in favor of a Patron or invitee shall be satisfied solely from insurance proceeds.¶
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(c) The provisions of this Compact, including, but not limited to, the
Tribe's standards and the Tribe's Rules and Regulations; and

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2. Reasonable measures are taken to:

(a) Assure the physical safety of Patrons, employees, and any other
person while in the Tribe's Facilities;

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(b) Prevent illegal activity at the Tribe's Facilities or with regard to the
operation of Covered Games, including, but not limited to, the
maintenance of employee procedures and a surveillance system;

(c) Ensure prompt notification is given to appropriate law enforcement
authorities of persons who may be involved in illegal acts in accordance
with applicable law;

(d) Ensure that the construction and maintenance of the Tribe's
Facilities comply with the standards of the Florida Building Code, the
provisions of which the Tribe has adopted as the Seminole Tribal Building
Code; and

(e) Ensure adequate emergency access plans have been prepared to
ensure the health and safety of all Patrons at the Tribe's Facilities.

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B. All licenses for members and employees of the Commission shall be
issued according to the same standards and terms applicable to Covered Game
Employees. The Commission's officers shall be independent of the Tribal gaming
operations, and shall be supervised by and accountable only to the Commission. A

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Commission officer shall be available at each Facility during all hours of operation upon
reasonable notice, and shall have immediate access to any and all areas of any Facility for

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the purpose of ensuring compliance with this Compact. The Commission shall investigate any suspected or reported violation of this Part and shall officially enter into its files timely written reports of investigations and any action taken thereon, and shall forward copies of such investigative reports to the SCA within thirty (30) calendar days of such filing. The scope of such reporting shall be determined by the existing memorandum of understanding between the Commission and the SCA, which may be amended by the Commission and the SCA from time-to-time. Any such violations shall be reported immediately to the Commission by Facility management, and the Commission shall notify the SCA as provided in a memorandum of understanding between the Commission and the SCA. In addition, the Commission shall promptly report to the SCA any such violations which it independently discovers.

C. In order to develop and foster a positive and effective relationship in the enforcement of this Compact, representatives of the Commission and the SCA shall meet, not less than on an annual basis, to review past practices and examine methods to improve the regulatory scheme created by this Compact. The meetings shall take place at a location mutually agreed to by the Commission and the SCA. The SCA, prior to or during such meetings, shall disclose to the Commission any concerns, suspected activities, or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

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Part VIII. STATE MONITORING OF COMPACT

A. It is the express intent of the Tribe and the State for the Tribe to regulate its own gaming activities, but that the State is entitled to conduct random inspections as provided for in this Part to assure that the Tribe's gaming activities authorized by this Compact are operated in accordance with the terms of this Compact. The State may secure, and the Tribe will be required to provide all necessary cooperation, an annual independent audit of the conduct of Covered Games subject to this Compact. The audit shall:

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1. Examine the Covered Games operated by the Tribe to assure compliance with the Tribe's Internal Control Policies and Procedures and any other standards, policies or procedures adopted by the Tribe, the Commission or the NIGC, which govern the play of Covered Games; and
2. Examine revenues in connection with the conduct of Covered Games and shall include only those matters necessary to verify the determination of Net Win and the basis and amount of the payments the Tribe is required to make to the State pursuant to Part XI, Sections B. and D. of this Compact and as defined by this Compact.

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B. A copy of the audit report for the conduct of Covered Games shall be submitted to the Commission and the SCA within thirty (30) calendar days of completion. Representatives of the SCA may, upon request, meet with the Tribe and its auditors to discuss the audit or any matters in connection therewith; provided, such discussions are limited to Covered Games information. The annual independent audit shall be performed by an independent firm, with experience in auditing casino operations,

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selected by the State, subject to the consent of the Tribe, which shall not be unreasonably withheld. The Tribe shall pay the auditing firm for the costs of the annual independent audit.

C. As provided herein, the SCA may monitor the conduct of Covered Games to ensure that the Covered Games are conducted in compliance with this Compact. In order to properly monitor the conduct of Covered Games, personnel of the SCA without prior notice shall have reasonable access to all public areas of the Facilities related to the conduct of Covered Games as provided herein.

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1. While the Commission will act as the regulator of the Facilities, the SCA may review whether the Tribe's Facilities are in compliance with this Compact and the Tribe's Rules and Regulations applicable to Covered Games and may advise on such issues as it deems appropriate. In the event of a dispute or disagreement between Tribal and SCA regulators, the dispute or disagreement shall be resolved in accordance with the dispute resolution provisions of Part XIII of this Compact.

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2. In order to fulfill its oversight responsibilities, the State has identified specific oversight testing procedures, set forth below in subsection 3, paragraphs (a), (b), and (c), which the SCA may perform on a routine basis.

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3. (a) The SCA may inspect any Covered Games in operation at the Facilities on a random basis. Such inspections shall not exceed one (1) inspection per Facility per calendar month and each inspection shall be limited to not more than sixteen (16) hours spread over two (2) consecutive days. The SCA may conduct inspections of more than sixteen

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(16) hours spread over those two (2) consecutive days, if the SCA determines that additional inspection hours are needed to address the issues of substantial non-compliance, provided that the SCA provides the Tribe with written notification of the need for additional inspection hours and provides the Tribe with a written summary of the substantial non-compliance issues that need to be addressed during the additional inspection hours. There is an annual limit of One Thousand ~~Six~~ Hundred (1, ~~600~~) hours for all random inspections and audit reviews. Inspection hours shall be calculated on the basis of the actual amount of time spent by the SCA conducting the inspections at a Facility without a multiple for the number of SCA ~~personnel~~ engaged in the inspection activities. The purpose of the random inspections is to confirm that the Covered Games operate and play properly pursuant to the manufacturer's technical standards and are conducted in compliance with the ~~Tribe's~~ Internal Control Policies and Procedures and any other standards, policies or procedures adopted by the Tribe, the Commission or the ~~NIGC~~ which govern the play of Covered Games. The SCA shall provide notice to the Commission of such inspection at or prior to the commencement of the random inspections, and a Commission agent may accompany the inspection. The Tribe shall provide the SCA with a dedicated computer terminal at a Facility agreed to by the Tribe and the SCA by which the SCA will be able to access relevant electronic records.

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(b) For each Facility, the SCA may perform one annual review of the

Tribe's Slot Machine compliance audit.

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(c) At least on an annual basis, the SCA may meet with the Tribe's Internal Audit Department for Gaming to review internal controls and the record of violations of same for each Facility.

4. The SCA will seek to work with and obtain the assistance of the Commission in the resolution of any conflicts with the management of the Facilities, and the State and the Tribe shall make their best efforts to resolve disputes through negotiation whenever possible. Therefore, in order to foster a spirit of cooperation and efficiency, the parties hereby agree that when disputes arise between the SCA staff and Commission regulators from the day-to-day regulation of the Facilities, they should generally be resolved first through meeting and conferring in good faith. This voluntary process does not proscribe the right of either party to seek other relief that may be available when circumstances require such relief. In the event of a dispute or disagreement between Tribal and SCA regulators, the dispute or disagreement shall be resolved in accordance with the dispute resolution provisions of Part XIII of this Compact.
5. Access to each Facility by the SCA shall be during the Facility's operating hours only. No advance notice is required when the SCA inspection is limited to public areas of the Facility; however, representatives of the SCA shall provide notice and photographic identification to the Commission of their presence before beginning any such inspections.

6. Before the SCA personnel enter any nonpublic area of a Facility, they shall provide one (1) hour notice and photographic identification to the Commission. The SCA personnel shall be accompanied in nonpublic areas of the Facility by a Commission officer. Notice of at least one (1) hour by the SCA to the Commission is required to assure that a Commission officer is available to accompany the SCA personnel at all times. This notice shall not count against the total number of inspection hours.

7. Any suspected or claimed violations of this Compact or law shall be directed in writing to the Commission; the SCA personnel, in conducting the functions assigned to them under this Compact, shall not unreasonably interfere with the functioning of any Facility.

D. Subject to the provisions herein, personnel of the SCA shall have the right to review and request copies of Documents of the Facility related to its conduct of Covered Games. The review and copying of such Documents shall be during normal business hours unless otherwise allowed by the Tribe at the Tribe's discretion. The Tribe cannot refuse said inspection and copying of such Documents, provided that the SCA personnel cannot require copies of Documents in such volume that it unreasonably interferes with the normal functioning of the Facilities or Covered Games. To the extent that the Tribe provides the State with information which the Tribe claims to be confidential and proprietary, or a trade secret, the Tribe shall clearly mark such information with the following designation: "Trade Secret, Confidential and Proprietary." If the State receives a request under chapter 119, Florida Statutes that would include such designated information, the State shall promptly notify the Tribe of such a

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request and the Tribe shall promptly notify the State about its intent to seek judicial protection from disclosure. Upon such notice from the Tribe, the State shall not release the requested information until a judicial determination is made. This designation and notification procedure does not excuse the State from complying with the requirements of the State's public records law, but is intended to provide the Tribe the opportunity to seek whatever judicial remedy it deems appropriate. Notwithstanding the foregoing procedure, the SCA may provide copies of tribal Documents to federal law enforcement and other State agencies or State consultants that the State deems reasonably necessary in order to conduct or complete any investigation of suspected criminal activity in connection with the Tribe's Covered Games or the operation of the Facilities or in order to assure the Tribe's compliance with this Compact.

E. At the completion of any SCA inspection or investigation, the SCA shall forward any written report thereof to the Commission, containing all pertinent, non-confidential, non-proprietary information regarding any violation of applicable laws or this Compact which was discovered during the inspection or investigation unless disclosure thereof would adversely impact an investigation of suspected criminal activity. Nothing herein prevents the SCA from contacting tribal or federal law enforcement authorities for suspected criminal wrongdoing involving the Commission.

F. Except as expressly provided in this Compact, nothing in this Compact shall be deemed to authorize the State to regulate the Tribe's government, including the Commission, or to interfere in any way with the Tribe's selection of its governmental officers, including members of the Commission.

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Part IX. JURISDICTION

The obligations and rights of the State and the Tribe under this Compact are contractual in nature, and are to be construed in accordance with the laws of the State. This Compact shall not alter tribal, federal or state civil adjudicatory or criminal jurisdiction in any way.

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Part X. LICENSING

The Tribe and the Commission shall comply with the licensing and hearing requirements set forth in 25 C.F.R. Parts 556 and 558, as well as the applicable licensing and hearing requirements set forth in the Seminole Tribal Gaming Code, as such may be amended from time-to-time. The Commission shall notify the SCA of any disciplinary hearings or revocation or suspension of licenses.

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Part XI. PAYMENTS TO THE STATE OF FLORIDA

A. The parties acknowledge and recognize that this Compact provides the Tribe with partial but significant additional substantial exclusivity and other valuable consideration consistent with the goals of the IGRA, including special opportunities for tribal economic development through the Tribe's offering of gaming activities within the external boundaries of the State. In consideration thereof, the Tribe covenants and agrees, subject to the conditions agreed upon in Part XII of this Compact, to make the payments to the State derived from Net Win as set forth in Sections B. and D.

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B. The Tribe shall make periodic Revenue Share Payments to the State derived from Net Win as set forth below, and any such payments shall be made to the

State via electronic funds transfer in a manner directed by the Florida Legislature. Of the amounts paid by the Tribe to the State pursuant to this Section, three (3) percent shall be distributed, as provided for by the Florida Legislature, to those local governments (including both counties and municipalities) in the State affected by the Tribe's operation of Covered Games. Revenue Share Payments will be due in accordance with the Payment Schedule set forth below.

1. Revenue Share Payments by the Tribe to the State shall be calculated as follows:

- (a) During the Initial Payment Period, the Tribe agrees to pay the State a Revenue Share Payment in the amount equal to the amount calculated in accordance with subsections (i) through (vi) below.

- (i) Twelve percent (12%) of all amounts up to Two Billion Dollars (\$2,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;
- (ii) Fifteen percent (15%) of all amounts greater than Two Billion Dollars (\$2,000,000,000) up to and including Three Billion Dollars (\$3,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;
- (iii) Seventeen and one half percent (17.5%) of all amounts greater than Three Billion Dollars (\$3,000,000,000) up to and including Three Billion Five Hundred Million Dollars

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(b) Commencing with the first (1st) Revenue Sharing Cycle after the Initial Period, the Tribe agrees to pay for each Revenue Sharing Cycle a Revenue Share Payment to the State

Deleted: (the "Percentage Revenue Share Amount"). For the first (1st), second (2nd) and third (3rd) Revenue Sharing Cycles, the Tribe agrees to pay the greater of the (1) Percentage Revenue Share Amount or (2) the Guaranteed Minimum Revenue Sharing Cycle Payment for each such Revenue Sharing Cycle

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(\$3,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(iv) Twenty percent (20%) of all amounts greater than Three Billion Five Hundred Million Dollars (\$3,500,000,000) up to and including Four Billion Dollars (\$4,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(v) Twenty-two and one half percent (22.5%) of all amounts greater than Four Billion Dollars (\$4,000,000,000) up to and including Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(vi) Twenty-five percent (25%) of all amounts greater than Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle.

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(b) During the Guarantee Payment Period, the Tribe agrees to pay the following fixed payments. In addition, within ninety (90) days after the end of the Guarantee Payment Period, the Tribe shall make an additional payment to the State equal to the amount above three billion dollars (\$3,000,000,000), if any, that would have been

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owed by the Tribe to the State had the percentages set forth in
Section B.1.(c) of this Part been applicable during the Guarantee
Payment Period.

(i) A payment of Three Hundred Twenty-Five Million Dollars
(\$325,000,000) during the first (1st) Revenue Sharing Cycle;

(ii) A payment of Three Hundred Fifty Million Dollars
(\$350,000,000) during the second (2nd) Revenue Sharing Cycle;

(iii) A payment of Three Hundred Seventy-Five Million Dollars
(\$375,000,000) during the third (3rd) Revenue Sharing Cycle;

(iv) A payment of Four Hundred Twenty-Five Million Dollars
(\$425,000,000) during the fourth (4th) Revenue Sharing Cycle;

(v) A payment of Four Hundred Seventy-Five Million Dollars
(\$475,000,000) during the fifth (5th) Revenue Sharing Cycle;

(vi) A payment of Five Hundred Million Dollars
(\$500,000,000) during the sixth (6th) Revenue Sharing Cycle;

(vii) A payment of Five Hundred Fifty Million Dollars
(\$550,000,000) during the seventh (7th) Revenue Sharing Cycle;

(c) During the Regular Payment Period, the Tribe agrees to pay for
each Revenue Sharing Cycle a Revenue Share Payment to the State equal
to the amount calculated in accordance with subsections (i) through (v)
below.

(i) Thirteen percent (13%) of all amounts up to Two Billion
Dollars (\$2,000,000,000) of Net Win received by the Tribe from

the operation and play of Covered Games during each Revenue

Sharing Cycle;

(ii) Seventeen and one half percent (17.5%) of all amounts greater than Two Billion Dollars (\$2,000,000,000) up to and including Three Billion Five Hundred Million Dollars (\$3,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue

Sharing Cycle;

(iii) Twenty percent (20%) of all amounts greater than Three Billion Five Hundred Million Dollars (\$3,500,000,000) up to and including Four Billion Dollars (\$4,000,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle;

(iv) Twenty-two and one half percent (22.5%) of all amounts greater than Four Billion Dollars (\$4,000,000,000) up to and including Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle; and

(v) Twenty-five percent (25%) of all amounts greater than Four Billion Five Hundred Million Dollars (\$4,500,000,000) of Net Win received by the Tribe from the operation and play of Covered Games during each Revenue Sharing Cycle.

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(d) Monthly Payment

(i) On or before the fifteenth (15th) day of the month following each month of a Revenue Sharing Cycle during the Initial Payment Period, the Guarantee Payment Period, and the Regular Payment Period, the Tribe will remit to the State or its assignee the Monthly Payment. For purposes of this Section, the Monthly Payment shall be eight and one-third percent (8 $\frac{1}{3}$ %) of the estimated or fixed Revenue Share Payment to be paid by the Tribe during such Revenue Sharing Cycle.

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(ii) The Tribe will make available to the State at the time of the Monthly Payment the basis for the calculation of the payment.

(iii) During the Initial Payment Period and the Regular Payment Period, the Tribe will, on a monthly basis, internally "true up" the calculation of the estimated Revenue Share Payment based on the Tribe's un-audited financial statements related to Covered Games.

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(e) Payment Verification during the Initial Payment Period, Guarantee Payment Period, and Regular Payment Period

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(i) On or before the forty-fifth (45th) day after the third (3rd) month, sixth (6th) month, ninth (9th) month, and twelfth (12th) month of each Revenue Sharing Cycle during the Initial Payment Period, Guarantee Payment Period, and Regular Payment Period, provided that the twelve (12) month period does not coincide with the Tribe's fiscal year end date as indicated in subsection (iii)

below, the Tribe will provide the State with an audit report by its independent auditors as to the annual Revenue Share Payment calculation for each Revenue Sharing Cycle.

(ii) For each quarter within any Revenue Sharing Cycle, during the Initial Payment Period, Guarantee Payment Period, and Regular Payment Period, the Tribe agrees to engage its independent auditors to conduct a review of the un-audited net revenue from Covered Games. On or before the one hundred twentieth (120th) day after the end of the Tribe's fiscal year, the Tribe agrees to require its independent auditors to provide an audit report with respect to Net Win for Covered Games and the related payment of the Revenue Share Payment for each Revenue Sharing Cycle to the SCA for State review.

(iii) If the twelfth (12th) month of the Revenue Sharing Cycle does not coincide with the Tribe's fiscal year, the Tribe agrees to require its independent auditors to deduct Net Win from Covered Games for any of the months that are outside of the Revenue Sharing Cycle and to include Net Win from Covered Games for those months which fall outside of the Tribe's audit period but fall within the Revenue Sharing Cycle, prior to issuing the audit report.

(iv) No later than thirty (30) calendar days after the day the audit report is issued, the Tribe will remit to the State any underpayment of the annual Revenue Share Payment for each

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Revenue Sharing Cycle during the Initial Payment Period and Regular Payment Period, and the State will either reimburse to the Tribe any overpayment of the Revenue Share Payment for each Revenue Sharing Cycle or authorize the overpayment to be deducted from the next successive Monthly Payments.

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3. . If, after any change in State law to affirmatively allow internet/on-line gaming (or any functionally equivalent remote gaming system that permits a person to game from home or any other location that is remote from a casino or other commercial gaming facility), the Tribe's Net Win from the operation of Covered Games at all of its Facilities combined drops more than five percent (5%) below its Net Win from the previous twelve (12) month period (Revenue Level A), the Tribe shall no longer be required to make payments to the State based on the Guaranteed Minimum Revenue Sharing Cycle and shall not be required to make the Guaranteed Minimum Compact Term Payment. However, the Tribe shall continue to make payments based on the Percentage Revenue Share Amount. The Tribe shall resume making the Guaranteed Minimum Revenue Sharing Cycle Payment for any subsequent Revenue Sharing Cycle in which its Net Win rises above Revenue Level A. This Subsection does not apply if: ¶
(a) the decline in Net Win is due to acts of God, war, terrorism, fires, floods, or accidents causing damage to or destruction of one or more of its Facilities or property necessary to operate the Facility of Facilities; or ¶
(b) the Tribe offers internet/on-line gaming (or any functionally equivalent remote gaming system that permits a person to game from home or any other location that is remote from any of the Tribe's Facilities), as authorized by law.¶
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F. . On the Effective Date of this Compact, any moneys remitted by the Tribe before the Effective Date of this Compact shall be released to the State without further obligation or encumbrance. ¶
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C. The Annual Oversight Assessment, which shall not exceed Four Hundred Thousand Dollars (\$400,000) per year, indexed for inflation as determined by the Consumer Price Index, shall be determined and paid in quarterly installments within thirty (30) calendar days of receipt by the Tribe of an invoice from the SCA. The Tribe reserves the right to audit the invoices on an annual basis, a copy of which will be provided to the SCA, and any discrepancies found therein shall be reconciled within forty-five (45) calendar days of receipt of the audit by the SCA.

D. The Tribe shall make an annual donation to the Florida Council on Compulsive Gaming as an assignee of the State in an amount not less than One Million Seven-Hundred Fifty Thousand Dollars (\$1,750,000.00).

E. Except as expressly provided in this Part, nothing in this Compact shall be deemed to require the Tribe to make payments of any kind to the State or any of its agencies.

Part XII. GRANT OF EXCLUSIVITY; REDUCTION OF TRIBAL PAYMENTS BECAUSE OF LOSS OF EXCLUSIVITY OR OTHER CHANGES IN STATE LAW

The intent of this Part is to provide the Tribe with the right to operate Covered Games on an exclusive basis throughout the State without competition from other

persons, organizations, or entities offering Covered Games or Other Casino-Style Games, subject to the exceptions and provisions set forth below.

A. If, after July 1, 2015, State law is amended by action of the Florida Legislature or an amendment to the Florida Constitution to authorize:

1. The operation of Class III Gaming or Other Casino-Style Games at any location under the jurisdiction of the State where such games were not in operation as of July 1, 2015; or

2. New forms of Class III Gaming or Other Casino-Style Gaming that were not in operation as of July 1, 2015, then the payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall cease, except as provided below in this Part, provided the Tribe gives written notice to the State of the violation of its exclusivity. For purpose of this Section, "authorize" or "authorized" means upon the Governor's approval and signature of an act passed by the Florida Legislature or upon the filing of an act in the Office of the Secretary of State without the Governor's signature; or for a constitutional amendment, upon certification by the Secretary of State of the approved amendment. The cessation

of payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall continue until such gaming activities are no longer authorized, in which event the payments shall resume.

B. If the expansion of new Class III Gaming or Other Casino-Style Games beyond what was in operation as of July 1, 2015, is permitted and begins to be offered as a result of a court decision or administrative ruling or decision without being specifically authorized pursuant to Section A. of this Part, then the Tribe may assert a violation of its

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exclusivity by providing written notice of such violation to the State. If the Tribe provides such notice, then the Tribe has the option to make its payments due to the State pursuant to Part XI, Sections B. and D. of this Compact into an escrow account to provide the Florida Legislature with the opportunity to pass legislation to reverse such decision or ruling. However, if the Florida Legislature fails to act or if such expanded gaming activities are not illegal after action by the Florida Legislature or subsequent court decision or administrative ruling or decision within twelve (12) months after the notice provided by the Tribe or by the end of the next regular session of the Florida Legislature following the Tribe's written notice, whichever is earlier, then all funds in the escrow account shall be returned to the Tribe and all further payments due to the State pursuant to Part XI, Sections B. and D. of this Compact shall cease until such gaming activities are no longer permitted, in which event the Payments to the State pursuant to Part XI, Section B. and D. of this Compact shall resume.

C. Exceptions: The following are exceptions to the exclusivity provided to the Tribe pursuant to the provisions of this Part.

- Any Class III Gaming activity authorized by a tribal-state compact between the State and any other federally recognized tribe pursuant to JGRA, provided that the tribe has land in federal trust in the State as of July 1, 2015.
- The operation of not more than the number of Slot Machines authorized by State law as of July 1, 2015, at each of the locations of the four (4) permitted pari-mutuel facilities in Broward County and at the locations of the four (4) permitted pari-mutuel facilities in Miami-Dade County, where an operating dates license has been issued for that location during the 2015-2016 fiscal year, whether

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Deleted: For purposes of this provision, Class III gaming or other casino-style gaming includes, but is not limited to, the following: slot machines, electronically-assisted bingo or electronically-assisted pull-tab games, table games, and video lottery terminals (VLTs) or any similar games, whether or not such games are determined through the use of a random number generator. ¶
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or not currently operating Slot Machines; provided that the location of such eight (8) pari-mutuel permits are not relocated or moved to any other location. If more than the number of Slot Machines authorized by State law as of July 1, 2015, are offered at any such location, then the Tribe shall be relieved of its obligations to make both the Guaranteed Minimum Compact Term Payment and any further Guaranteed Revenue Sharing Cycle Payment, but instead shall make payments to the State for all future Revenue Sharing Cycles based on the percentage payments set forth in Part XI, Section B.1.(c), but shall be permitted to exclude all revenue generated by Slot Machines at its Facilities in Broward County. Slot Machines may not offer games using tangible playing cards (e.g. paper or plastic), but may offer games using electronic or virtual cards.

3. The operation of not more than fifteen (15) blackjack (21) card game tables only at the locations of the four (4) permitted pari-mutuel facilities in Broward County and only at the locations of the four (4) permitted pari-mutuel facilities in Miami-Dade County, where an operating dates license has been issued for that location during the 2015-2016 fiscal year; provided that: (a) the maximum bet allowed for such games shall not exceed fifteen dollars (\$15.00) for each initial two card wager; (b) all wagers on splits and/or double downs shall not exceed the initial two card wager; (c) with the exception of a single side bet of not more than one dollar (\$1.00), no bonus or progressive components are permitted; (d) each blackjack (21) card game table shall have a maximum of seven (7) betting spots; (e) such licenses are not transferred or otherwise used to move or operate blackjack (21) card game tables at any other location; and (f) the

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operation of such blackjack (21) card tables is approved by a county-wide referendum held after the Effective Date of this Compact. In addition to the above limited exception to the Tribe's exclusivity, the above referenced eight (8) locations may be permitted by State law to add not more than ten (10) additional blackjack (21) card game tables at each such facility, subject to all of the limitations listed above, except that the maximum bet allowed for the additional blackjack (21) card game tables shall not exceed twenty-five dollars (\$25.00) for each initial two card wager. However, these ten (10) additional blackjack (21) card game tables shall not be available until the fiscal year after the combined total of all annual revenue generated by the Tribe from its Banking or Banked Card Games at its Facilities in Broward County and all blackjack (21) card game tables operated by the pari-mutuel facilities in Broward and Miami-Dade Counties has increased by at least forty percent (40%) above the revenue generated by such Banking or Banked Card Games and blackjack (21) card tables during the "base fiscal year." For purposes of this provision, the "base fiscal year" means the first fiscal year after both of the following conditions have been satisfied: (a) the above referenced eight (8) locations have each offered fifteen (15) blackjack (21) card tables for a full fiscal year, and (b) and the Tribe's expansion projects at the Seminole Hard Rock Hotel & Casino - Tampa and Seminole Hard Rock Hotel & Casino - Hollywood have been fully completed and are open to the public.

4. The operation of Video Race Terminals and Slot Machines, both as defined in Part III, at not more than one additional pari-mutuel facility in Miami-Dade County and one pari-mutuel facility in Palm Beach County, if the operation

Deleted: 3. (a) . If at any time, by action of the Florida Legislature or an amendment to the Florida Constitution, Florida law allows for the play of any additional type of Class III or other casino-style gaming at any of the presently operating licensed pari-mutuel facilities in Broward and Miami-Dade Counties, the Tribe may be entitled to a reduction in the Revenue Sharing Payment as described in Part XII, Section B. 3.(b).¶
(b) If the Tribe's annual Net Win from its Facilities located in Broward County for the twelve (12) month period after the gaming specified in Part XII, subsection 3.(a) begins to be offered for public or private use is less than the Net Revenue Base, the Revenue Share Payments due to the State, pursuant to Part XI, Section B. 1.(b) of this Compact, for the next Revenue Sharing Cycle and future Revenue Sharing Cycles shall be calculated by reducing the Tribe's payment on revenue generated from its Facilities in Broward County by fifty percent (50%) of that reduction in annual Net Win from its facilities in Broward County. This paragraph does not apply if the decline in Net Win is due to acts of God, war, terrorism, fires, floods, or accidents causing damage to or destruction of one or more of its Facilities or property necessary to operate the Facility or Facilities.¶
(c) . If the Tribe's annual Net Win from its Facilities located in Broward County subsequently equals or exceeds the Net Revenue Base, then the Tribe's payments due to the State, pursuant to Part XI, Section B.1.(b) of this Compact shall again be calculated without any reduction, but may be reduced again under the provisions set forth above.¶
4. If at any time Florida law is amended by action of the Florida Legislature or an amendment to the Florida Constitution to allow the play of Class III gaming or other casino-style gaming, as defined in Part XII, Section A., at any location in Miami-Dade County or Broward County under the jurisdiction of the State that is not presently licensed for the play of such games at such locations, other than those facilities set forth in Part XII, Sections B.2. and B.3., and such games were not in play as of February 1, 2010, and such gaming begins to be offered for public or private use, the Payments due the State pursuant to Part XI, Section B.1.(b) of this Compact, shall be calculated by excluding the Net Win from the Tribe's Facilities in Broward County.

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of such Video Race Terminals and Slot Machines is approved by a county-wide referendum held after the Effective Date of this Compact. However, this exception only applies if the following conditions are satisfied: (a) each pari-mutuel facility is limited to offering not more than five hundred (500) Slot Machines and two hundred and fifty (250) Video Race Terminals prior to October 1, 2018; (b) after October 1, 2018, each pari-mutuel facility, pursuant to State law, may add not more than an additional five hundred (500) Video Race Terminals and two hundred and fifty (250) Slot Machines; (c) no wager on a Video Race Terminal or Slot Machine may exceed \$5.00 per game or race; (d) only one game or race on a Video Race Terminal or Slot Machine may be played at a time and a player is not permitted to wager on a new game or race until the previous game or race has been completed; and (e) Slot Machines and Video Race Terminals may not offer games using tangible playing cards (e.g. paper or plastic), but may offer games using electronic or virtual cards.

5. The operation of a combined total of not more than Three Hundred Fifty (350) Historic Racing Machines, connected to a central server at that facility, and Electronic Bingo Machines, both as defined in Part III, at each permitted pari-mutuel facility with an operating dates license as of July 1, 2015, and located outside of Broward County, Miami-Dade County, or Palm Beach County.

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6. The operation of Pari-Mutuel Wagering Activities at pari-mutuel facilities licensed by the State,

7. The operation of poker, as provided in State law, but not including any game that involves banking by the house or any player, other than Designated

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Player Games at cardrooms licensed by the State, subject to the following conditions: (a) the maximum wager in any such Designated Player Game shall not exceed twenty-five dollars (\$25); (b) any player participating as a Designated Player occupies a playing position at the table; (c) each player participating in a Designated Player Game is offered in a clockwise rotation, the opportunity to be the Designated Player after each hand; (d) any player participating as a Designated Player for thirty (30) consecutive hands must subsequently play as a non-Designated Player for at least two (2) consecutive hands before resuming as a Designated Player; (e) Designated Players are not required to cover more than ten (10) times the minimum posted bet for players seated during any one game; (f) permitted pari-mutuel locations that offer Slot Machines and/or Video Race Terminals may not offer Designated Player Games; (g) permitted pari-mutuel cardroom locations offering Designated Player Games do not have Designated Player Game tables in excess of twenty-five percent (25%) of the total poker tables authorized at that cardroom.

8. The operation by the Florida Department of Lottery ("Lottery") of those types of lottery games authorized under State law, but not including (a) any player-activated or operated machine or device other than a Lottery Vending Machine or (b) any Banking or Banked Card Game or any game of skill and/or chance that is played or has been played in a casino by one or more players at a gaming table. However, not more than ten (10) Lottery Vending Machines may be installed at any facility or location and no Lottery Vending Machine that

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dispenses electronic instant tickets may be installed at any licensed pari-mutuel facility.

9. The operation of games permitted by Chapters 546 and 849, Florida Statutes, as of July 1, 2015.

10. State law currently does not permit internet gaming involving wagering. However, after any change in State law to affirmatively allow internet/on-line gaming (or any functionally equivalent remote gaming system that permits a person to game from home or any other location that is remote from a casino or other commercial gaming facility), the Tribe shall no longer be required to make payments to the State based on the Guaranteed Revenue Sharing Cycle Payment and shall not be required to make the Guaranteed Minimum Compact Term Payment. Instead, if after the Initial Payment Period, the Tribe shall make payments based on the percentage amounts in Part XI, Section B.1.(c). This subsection does not apply if the Tribe offers, to players in the State, internet gaming involving wagering (or any functionally equivalent remote gaming system that permits a person to game from home or any other location that is remote from any of the Tribe's Facilities), as a Covered Game or as authorized by State law. Nothing herein limits the Tribe's right to offer internet gaming involving wagering under any applicable federal law.

Except as provided in this Part, any expanded gaming activities consistent with Part XII, Sections A. or B. authorized or permitted by the State shall relieve the Tribe of its obligations to make both the Guaranteed Minimum Compact Term Payment and any further Guaranteed Revenue Sharing Cycle Payment.

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D. To the extent that the exclusivity provisions of this Part are not complied with and the Tribe's ongoing payment obligations to the State pursuant to Part XI, Sections B. and D. of this Compact cease, any outstanding payments that would have been due to the State from the Tribe prior to the end of the Tribe's ongoing payment obligations shall be made within thirty (30) business days after the end of the Tribe's ongoing payment obligations.

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E. Any noncompliance with this Part's exclusivity provisions and the cessation of payments to be made pursuant to Part XI, Sections B. and D. of this Compact shall not excuse the Tribe from continuing to comply with all other provisions of this Compact, including continuing to pay the State the Annual Oversight Assessment as set forth in Part XI, Section C. of this Compact.

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F. The Tribe acknowledges that the following events shall not trigger any remedy under this Compact and do not affect the exclusivity provisions of this Compact:

1. Any change to the tax rate paid to the State by licensed pari-mutuel permit holders for the operation of Slot Machines and/or blackjack (21) as authorized by Section C.3 of this Part, provided that the effective tax rate is not less than twenty-five percent (25%). If the effective tax rate on the operation of Slot Machines and/or blackjack (21) is less than twenty-five percent (25%), then the Tribe shall be relieved of its obligations to make both the Guaranteed Minimum Compact Term Payment and any further Guaranteed Revenue Sharing Cycle Payment, but instead shall make payments to the State for all future Revenue Sharing Cycles based on the percentage payments set forth in Part XI, Section

B.1.(c), but shall be permitted to exclude all revenue generated by Slot Machines at its Facilities in Broward County.

2. Any change in State law that expands the hours of operation for pari-mutuel facilities;

3. Any change in State law that allows for the placement of automatic teller machines on the gaming floor of a pari-mutuel facility that offers Slot Machines;

4. Any change in State law that allows a pari-mutuel permitholder to convert or modify its pari-mutuel permit to allow for the operation of a different type of Pari-Mutuel Wagering Activity;

5. Any change in State law that removes the requirement for pari-mutuel permitholders to conduct performances of live races or games in order to operate other authorized gaming activities; and

6. The use of a portion of the amounts paid by the Tribe to the State pursuant to Part XI of this Compact to fund a purse pool to be allocated to pari-mutuel permitholders located within the State, as provided for by the Florida Legislature.

G. If at any time after the Guarantee Payment Period the Tribe's Net Win from Banking or Banking Card Games and Live Table Games conducted at its Facilities in Broward County, for a Revenue Sharing Cycle during the Regular Payment Period, is less than the Tribe's Net Win from the operation of Banking or Banked Card Games in Broward County for the Fifth Revenue Sharing Cycle of the 2010 Compact, then after ninety (90) days written notice to the State, the Tribe may give up its exclusivity rights in Broward County and Miami-Dade County, which include any restrictions on the following in those counties: Class III Games or Other Casino-Style Games; numbers of

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positions; tables or Slot Machines; tax rates; relocation; additional gaming facilities or locations; wager amounts; Lottery Vending Machines; Video Race Terminals or Historic Racing Machines. If the Tribe elects to relinquish its exclusivity rights in Broward and Miami-Dade Counties, then the Revenue Share payments due to the State pursuant to Part XI, Section B.1.(c) of this Compact for the next Revenue Sharing Cycle and future Revenue Sharing Cycles shall be calculated by excluding the Tribe's Net Win from its Facilities in Broward County. Further, if the Tribe elects to relinquish its exclusivity rights in Broward and Miami-Dade Counties, then the Tribe will no longer be permitted to offer Banking or Banked Card Games at its Facilities in Broward County unless the State permits others in the State to offer such games.

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Part XIII. DISPUTE RESOLUTION

The Tribe and the State (for purposes of this Part, each a "Party" and collectively the "Parties") each agree to deal in good faith and to use their reasonable best efforts with respect to the terms and conditions contained in this Compact. In the event that either Party to this Compact believes that the other Party has failed to comply with any requirements of this Compact, or in the event of any dispute hereunder, including, but not limited to, a dispute over the proper interpretation of the terms and conditions of this Compact, the goal of the Parties is to resolve all disputes amicably and voluntarily whenever possible. In pursuit of this goal, the following procedures shall be invoked:

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A. A Party asserting noncompliance or seeking an interpretation of this Compact first shall serve written notice on the other Party. The notice shall identify the specific Compact provision alleged to have been violated or in dispute and shall specify

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in detail the asserting Party's contention and any factual basis for the claim.

Representatives of the Parties shall meet within thirty (30) calendar days of receipt of notice in an effort to resolve the dispute, unless they mutually agree to extend this period;

B. A Party asserting noncompliance or seeking an interpretation of this Compact under this Part shall be deemed to have certified that to the best of the Party's knowledge, information, and belief formed after reasonable inquiry, the claim of noncompliance or the request for interpretation of this Compact is warranted and made in good faith and not for any improper purpose, such as to harass or to cause unnecessary delay or the needless incurring of the cost of resolving the dispute;

C. If the Parties are unable to resolve a dispute through the process specified in Sections A. and B. of this Part, either Party can call for mediation under the Commercial Mediation Procedures of the American Arbitration Association (AAA) or any such successor procedures, provided that such mediation does not last more than sixty (60) calendar days, such time shall begin the day the mediator is appointed, unless an extension to this time limit is agreed to by the Parties. The disputes available for resolution through mediation are limited to matters arising under the terms of this Compact. If the Parties are unable to resolve a dispute through the process specified in Sections A., B., and C. of this Part, notwithstanding any other provision of law, either Party may bring an action in a United States District Court ("federal court") having venue regarding any dispute arising under this Compact. If the federal court declines to exercise jurisdiction, or federal precedent exists that holds that the federal court would not have jurisdiction over such a dispute, either Party may bring the action in the appropriate court of the Seventeenth Judicial Circuit in Broward County, Florida. The

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Parties are entitled to all rights of appeal permitted by law in the court system in which the action is brought.

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D. For purposes of actions based on disputes between the State and the Tribe that arise under this Compact and the enforcement of any judgment resulting therefrom, the Parties each expressly waives its right to assert sovereign immunity from suit and from enforcement of any ensuing judgment, and further consents to be sued in federal or state court, including the rights of appeal specified above, as the case may be, provided that:

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1. The dispute is limited solely to issues arising under this Compact;

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2. There is no claim for monetary damages, except that payment of any

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money required by the terms of this Compact, as well as injunctive relief or specific performance enforcing a provision of this Compact requiring the payment of money to the State may be sought; and

3. Nothing herein shall be construed to constitute a waiver of the sovereign immunity of the Tribe with respect to any third party that is made a party or intervenes as a party to the action.

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In the event that intervention, joinder, or other participation by any additional party in any action between the State and the Tribe would result in the waiver of the Tribe's sovereign immunity as to that additional party, the waiver of the Tribe provided herein may be revoked.

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E. The State shall not be precluded from pursuing any mediation or judicial remedy against the Tribe on the grounds that the State has failed to exhaust its Tribal administrative remedies.

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F. Notwithstanding anything to the contrary in this Part, any failure of the Tribe to remit the payments pursuant to the terms of Part XI, Sections B. and D., will entitle the State to seek injunctive relief in federal or state court, at the State's election, to compel the payments after exhausting the dispute resolution process in Sections A. and B. of this Part.

Part XIV. CONSTRUCTION OF COMPACT; SEVERANCE; FEDERAL APPROVAL

A. Each section, subsection, and provision of this Compact shall stand separate and independent of every other section, subsection, or provision. In the event that the U.S. Department of Interior, a federal district court in Florida, or other court of competent jurisdiction shall find any section, subsection, or provision of this Compact to be invalid, the remaining sections, subsections, and provisions of this Compact shall remain in full force and effect, provided that severing the invalidated section, subsection, or provision does not undermine the overall intent of the Parties in entering into this Compact. However, if any part of Part XI or Part XII is held by a court of competent jurisdiction to be invalid, this Compact will become null and void.

B. It is understood that Part XII of this Compact, which provides for a cessation of the payments due to the State under Part XI, Sections B. and D. does not create any duty on the State, which could result in noncompliance or a violation of this Compact by the State, but only a remedy for the Tribe if certain gaming activities under State jurisdiction are expanded, authorized, or permitted.

C. This Compact, together with all addenda and approved amendments, sets forth the full and complete agreement of the Parties and subject to the terms hereof

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supersedes any prior written or oral agreements or understandings with respect to the subject matter hereof.

D. This Compact is intended to meet the requirements of the JGRA as it reads on the Effective Date of this Compact, and where reference is made to the JGRA, or to an implementing regulation thereof, the reference is deemed to have been incorporated into this document as if set in full. Subsequent changes to the Indian Gaming Regulatory Act that diminish the rights of the State or Tribe may not be applied retroactively to alter the terms of this Compact, except to the extent that Federal law validly mandates that retroactive application without the respective consent of the State or Tribe.

In the event that a subsequent change in the JGRA, or to an implementing regulation thereof, mandates retroactive application without the respective consent of the State or the Tribe, the parties agree that this Compact is voidable by either the State or the Tribe if the subsequent change materially alters the provisions in the Compact relating to the play of Covered Games, Revenue Share Payments, cessation, reinstatement, or reduction of payments, or exclusivity.

E. Neither the presence in another tribal-state compact of language that is not included in this Compact, nor the absence in this Compact of language that is present in another tribal-state compact shall be a factor in construing the terms of this Compact.

F. The State and the Tribe hereto agree to defend the validity of this Compact.

G. The State and the Tribe shall cooperate in seeking approval of this Compact from the U.S. Secretary of the Interior and the State and the Tribe further agree

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that, upon execution and ratification by the Florida Legislature, the Tribe shall submit the Compact to the Secretary forthwith.

Part XV. NOTICES

All notices required under this Compact shall be given by certified mail, return receipt requested, commercial overnight courier service, or personal delivery, to the following persons:

The Governor
400 South Monroe Street
PL-05, The Capitol
Tallahassee, Florida 32399

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General Counsel to the Governor
400 South Monroe Street
Room 209, The Capitol
Tallahassee, Florida 32399

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Chairman
Seminole Tribe of Florida
6300 Stirling Road
Hollywood, Florida 33024

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

President of the Florida Senate
409 The Capitol
404 South Monroe Street
Tallahassee, Florida 32399-1100

Speaker of the Florida House of Representatives
420 The Capitol
402 South Monroe Street
Tallahassee, Florida 32399-1300

The State Compliance Agency
(As Designated by State Law)

Part XVI. EFFECTIVE DATE AND TERM

A. This Compact, if approved by the Florida Legislature, and approved as a tribal-state compact within the meaning of the IGRA by action of the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8), shall become effective upon publication of a notice of approval in the Federal Register under 25 U.S.C. s. 2710(d)(8)(D).

B. This Compact shall have a term beginning on the Effective Date and ending on June 30, 2036.

C. The Tribe's 2010 Compact shall remain in effect until this Compact becomes effective under Section A. of this Part.

Part XVII. AMENDMENT OF COMPACT AND REFERENCES

A. Amendment of this Compact may only be made by written agreement of the State and the Tribe, subject to approval either by action of the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8) and shall become effective upon publication of the notice of approval in the Federal Register.

B. Legislative ratification is required for any amendment to the Compact that alters the provisions relating to Covered Games, the amount of Revenue Share Payments, cessation, reinstatement, or reduction in payments, or exclusivity.

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Deleted: B. This Compact shall have a term of twenty (20) years (240 months) beginning on the first day of the month following the month in which the Compact becomes effective under Section A of this Part; provided, however, that the authorization for the Tribe to conduct banking or banked card games as defined in Part III, Section F(2) shall terminate on the last day of the sixtieth (60th) month after this Compact becomes effective unless the authorization to conduct such games is renewed by the parties or the State permits any other person, organization or entity, except for any other federally recognized tribe pursuant to Indian Gaming Regulatory Act, provided that the tribe has land in federal trust in the State as of February 1, 2010, to conduct such games. In the event that the Tribe's authorization to conduct banking or banked card games terminates, the Payments due the State pursuant to Part XI, Sections B.1.(b) and D of this Compact shall be calculated by excluding the Net Win from the Tribe's Facilities in Broward County. Such Payments remain subject to the provisions of Part XII. ¶
.C. The Tribe's authorization to offer banked or banking card games shall automatically terminate five (5) years from the Effective Date unless renewed by affirmative act of the Florida Legislature. In the event that the authorization to offer banked and banking card games is terminated, the Tribe shall have ninety (90) days to close such games after which the State shall be entitled to seek immediate injunctive relief in any court of competent jurisdiction. The Tribe expressly waives its right to assert sovereign immunity in such action for immediate injunctive relief.¶

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C. Changes in the provisions of tribal ordinances, regulations and procedures referenced in this Compact may be made by the Tribe, ~~which shall be provided to the SCA within fourteen (14) calendar days of becoming effective.~~ If the State has an objection to any change to the tribal ordinance, regulation or procedure which is the subject of the notice on the ground that its adoption ~~is~~ a violation of the Tribe's obligations under this Compact, the State may invoke the dispute resolution provisions provided in Part XIII of this Compact.

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Part XVIII. MISCELLANEOUS

A. Except to the extent expressly provided in this Compact, this Compact is not intended to, and shall not be construed to, create any right on the part of a third party to bring an action to enforce any of its terms.

B. If, after the Effective Date of this Compact, the State enters into a Compact with any other Tribe that contains more favorable terms with respect to the provisions of this Compact and the U.S. Secretary of the Interior approves such compact, either by publication of the notice of approval in the Federal Register or by operation of law under 25 U.S.C. s. 2710(d)(8), upon tribal notice to the State and the U.S. Secretary ~~of the Interior~~, this Compact shall be deemed amended to contain the more favorable terms, unless the State objects to the change and can demonstrate, in a proceeding commenced under Part XIII, that the terms in question are not more favorable.

C. Upon the occurrence of certain events beyond the Tribe's control, including acts of God, war, terrorism, fires, floods, or accidents causing damage to or destruction of one or more of its Facilities or property necessary to operate the Facility or

Facilities, the Tribe's obligation to pay the Guaranteed Revenue Share Cycle Payment and the Guaranteed Minimum Compact Term Payment described in Part XI shall be reduced pro rata to reflect the percentage of the total Net Win lost to the Tribe from the

impacted Facility or Facilities. Further, if an economic recession, defined as two consecutive quarters of negative economic growth either nationwide within the United States or state-wide in Florida, occurs during any Revenue Sharing Cycle during the Guarantee Payment Period, and the Tribe fails to generate sufficient Net Win to produce the fixed payments set forth in Part XI, Section B.1.(b) based on the percentages set forth in Part XI, Section B.1.(c), then not more than one (1) time during the Guarantee Payment Period, the Tribe shall be relieved of its obligation to make the fixed Guaranteed Revenue Sharing Cycle Payment for that Revenue Sharing Cycle, but will be required to make payments to the State for that Revenue Sharing Cycle based on the percentage payments set forth in Part XI, Section B.1.(c). In addition, the Tribe shall be required to pay the State before the end of that Revenue Sharing Cycle fifty percent (50%) of the difference between the amount generated by the percentages in Part XI, Section B.1.(c) and the Guaranteed Revenue Share Cycle Payment amount. The Tribe shall pay the remaining fifty percent (50%) of the difference during the following Revenue Sharing Cycle.

D. Smoking

The Tribe and the State recognize that opportunities to engage in gaming in smoke-free or reduced-smoke environments provides both health and other benefits to Patrons, and the Tribe has already instituted a non-smoking section at all of its Facilities. As part of its continuing commitment to this issue, the Tribe will:

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Deleted: and the Net Win specified under Part XII, Section B, for purposes of determining whether the Tribe's Payments described in Part XI shall cease, shall be reduced pro rata to reflect the percentage of the total Net Win lost to the Tribe from the impacted Facility or Facilities. The foregoing shall not excuse any obligations of the Tribe to make Payments to the State as and when required hereunder or in any related document or agreement.

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1. Install and utilize a ventilation system at all new construction at its Facilities, which system exhausts tobacco smoke to the extent reasonably feasible under existing state-of-the-art technology;

2. Designate a smoke-free area for Slot Machines at all new construction at its Facilities;

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3. Install non-smoking, vented tables for table games installed in its Facilities sufficient to reasonably respond to demand for such tables; and

4. Designate a non-smoking area for gaming within all of its Facilities;

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E. The annual average minimum pay-out of all Slot Machines in each

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Facility shall not be less than eighty-five percent (85%).

F. Nothing in this Compact shall alter any of the existing memoranda of understanding, contracts, or other agreements entered into between the Tribe and any other federal, state, or local governmental entity.

G. The Tribe currently has as set forth in its Employee Fair Treatment and Dispute Resolution Policy, and agrees to maintain, standards that are comparable to the standards provided in federal laws and State laws forbidding employers from discrimination in connection with the employment of persons working at the Facilities on the basis of race, color, religion, national origin, gender, age, disability/handicap, or marital status. Nothing herein shall preclude the Tribe from giving preference in employment, promotion, seniority, lay-offs, or retention to members of the Tribe and other federally recognized tribes.

H. The Tribe shall, with respect to any Facility where Covered Games are played, adopt and comply with tribal requirements that meet the same minimum state

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requirements applicable to Florida businesses with respect to environmental and building standards, except for any standards concerning smoking addressed in Section D. of this Part.

Part XIX. EXECUTION

The Governor of the State of Florida affirms that he has authority to act for the State in this matter and that, after approval by the Florida Legislature, no further action by the State or any State official is necessary for this Compact to take effect upon federal approval by action of the U.S. Secretary of the Interior or by operation of law under 25 U.S.C. s. 2710(d)(8) and upon publication of the notice of approval in the Federal Register. The Governor also affirms that he will take all appropriate steps to effectuate its purposes and intent. The undersigned Chairman of the Tribal Council of the Seminole Tribe of Florida affirms that he is duly authorized and has the authority to execute this Compact on behalf of the Tribe. The Chairman also affirms that he will take all appropriate steps to effectuate its purposes and intent.

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APPROVED:

State of Florida

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Date: _____, 2015

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Rick Scott
Governor

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Seminole Tribe of Florida

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Date: _____, 2015

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James Billie
Chairman of the Tribal Council

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The 2015 Seminole Compact Building on A Partnership That Works

Jan. 16, 2016



2015 SEMINOLE COMPACT OVERVIEW

- ❖ **\$3 Billion Guarantee** over 7 Year Guarantee Period
- ❖ Saves 3,500 Jobs and **Creates Over 15,000 More Jobs**
- ❖ **Minimum \$1.8 Billion Tourism Investment** in Tampa and Hollywood
- ❖ **Adds Flexibility for State Lawmakers** in the Exceptions part of the Compact
- ❖ **Puts a Ceiling on Total Gaming Positions** the Tribe May Operate



2015 SEMINOLE COMPACT EXPANDED GAMING FOR SEMINOLE TRIBE

The Following Two Items Constitute The Only Gaming Expansion Authorized By The Compact

- ❖ Adds Craps and Roulette: Planned 55 Total C&R Tables Statewide
- ❖ Adds Banked Card Games at Brighton and Big Cypress: Planned total of 5 Tables

EBITDA Based on # of Craps/Roulette Tables and Win per Table						
		55	60	70	80	90
Avg. Win Per Table	\$ 3,000	\$ 22,584,375	\$ 24,637,500	\$ 28,743,750	\$ 32,850,000	\$ 36,956,250
	\$ 3,333	\$ 25,091,241	\$ 27,372,263	\$ 31,934,306	\$ 36,496,350	\$ 41,058,394
	\$ 3,666	\$ 27,598,106	\$ 30,107,025	\$ 35,124,863	\$ 40,142,700	\$ 45,160,538
	\$ 4,000	\$ 30,112,500	\$ 32,850,000	\$ 38,325,000	\$ 43,800,000	\$ 49,275,000
Likely EBITDA Range						



2015 SEMINOLE COMPACT EXCEPTIONS

- ❖ The Legislature could increase the current limit on slots at pari-mutuels in Broward and Miami-Dade, but tribe would be relieved of the guarantee
 - *NEW ITEM, ADDS PENALTY FOR EXPANSION BEYOND 2,000*
- ❖ The Legislature could add up to 15 Blackjack tables with \$15 max bet to each existing pari-mutuel facility that operates slots in Broward and Miami-Dade. The addition of the games would need to be approved by a county-wide referendum held after the Effective Date of the Compact
 - *CHANGED ITEM; PRIOR THEY COULD HAVE ADDED UNLIMITED TABLES AT UNLIMITED BETS WITH NO REAL THREAT OF LOSS FROM SEMINOLE PAYMENTS*
- ❖ The Legislature could add up to 750 slots and 750 video race terminals phased in over three years to one facility in Palm Beach County and one facility in Miami-Dade County. The addition of the games would need to be approved by a county-wide referendum held after the Effective Date of the Compact.
 - *NEW ITEM*



2015 COMPACT STATE REVENUE SHARE PROJECTIONS

	TOTAL	AVG.
7 Year Guarantee Period	\$3.0B	\$429M
20 Year Total	\$9.9B	\$495M



LEGISLATIVE OPTIONS THAT BENEFIT PARI-MUTUELS COULD EXCEED \$100M

Pari-Mutuel Benefit Items	Estimated Annual Benefit
10% Tax Reduction	\$ 52,167,097
5% Tax Reduction	\$ 26,083,549
Limited Scope Table Games	\$ 35,000,000
Decoupling	\$ 35,000,000
Purse Pool	\$ 20,000,000
ATMs on the Floor	Minor
24 Hour Operation	Minor
TOTAL (w/5% Tax Reduction)	\$ 116,083,549
TOTAL (w/10% Tax Reduction)	\$ 142,167,097



Florida Chamber Poll Findings

- ❖ 9 in 10 voters say it is important that the State's entertainment options be Family Friendly
- ❖ By a 2-to-1 margin, voters want to keep the number of gambling opportunities about the same
- ❖ The Seminole Compact comes in #1 as doing the most to control the amount of gaming in the State among the choices of the Compact, the Legislature, the Chamber and groups opposed to gaming, Governor Scott and entertainment companies like Disney,
- ❖ Among those Floridians with an initial impression on the new 2015 Compact, 58% approve; after hearing about the specific provisions of the new 2015 Compact, 3 out of 4 voters approve it



Proposed 2015 Compact: Revenue Overview (Simple Ratification)

January 20, 2016

Presented by:



The Florida Legislature
Office of Economic and
Demographic Research
850.487.1402
<http://edr.state.fl.us>

Current Indian Gaming Compact...

- The existing Compact has a term of 20 years, which began the first day of the month following the publication of the notice of approval in the Federal Register --- effectively August 1, 2010. Based on this, the expiration date is July 31, 2030.
- An exception was made for the authorization of banking or banked card games (including baccarat, chemin de fer, and blackjack). That authorization expired July 31, 2015.
- Roulette, craps, roulette-styled games, and craps-styled games were expressly prohibited.
- The covered games can be offered at all seven facilities, but two are slots-only:
 - Seminole Indian Casino – Brighton (Glades) --- **Slots Only**
 - Seminole Indian Casino – Coconut Creek (Broward)
 - Seminole Indian Casino – Hollywood (Broward)
 - Seminole Indian Casino – Immokalee (Collier)
 - Seminole Indian Casino – Big Cypress (Hendry) --- **Slots Only**
 - Seminole Hard Rock Hotel & Casino – Hollywood (Broward)
 - Seminole Hard Rock Hotel & Casino – Tampa (Hillsborough)

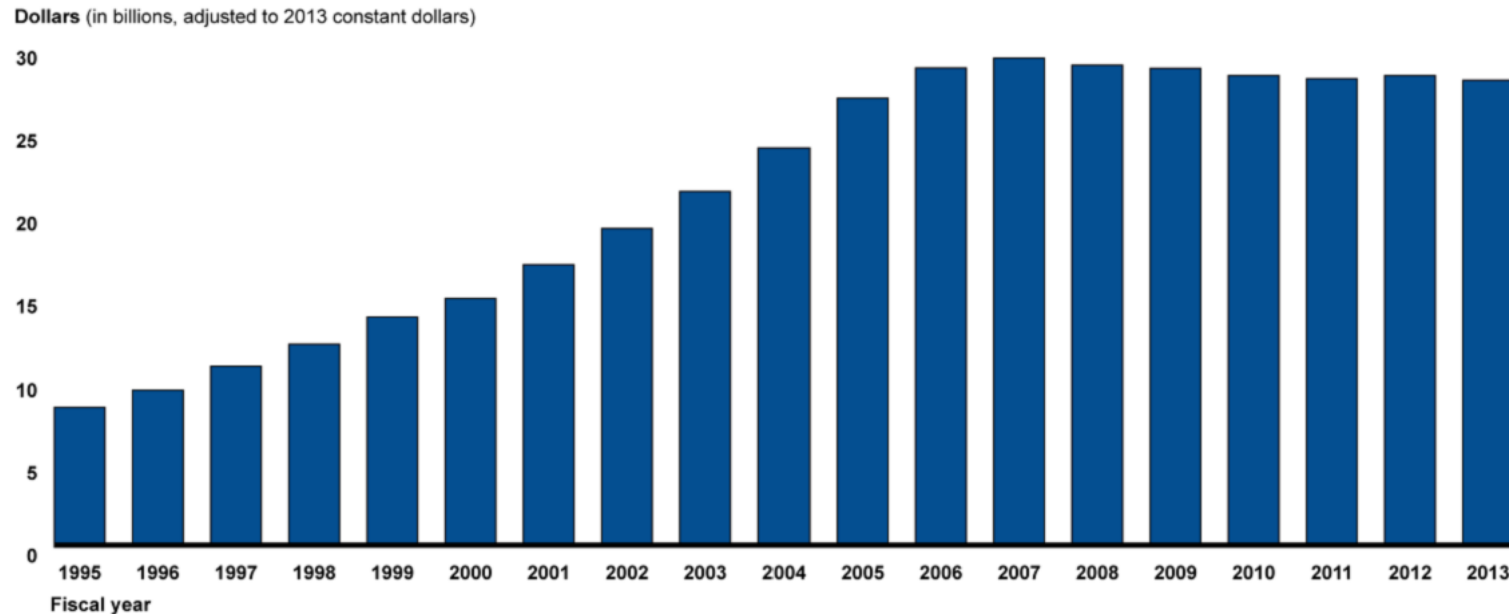
Revenue Sharing Details...

- ***Guaranteed Minimum Payments were required for the first five years of the Compact which totaled \$1.0 billion.***
 - ***\$150 million for Fiscal Years 2010-11 and 2011-12 ✓***
 - ***\$233 million for Fiscal Years 2012-13 and 2013-14 ✓***
 - ***\$234 million for Fiscal Year 2014-15 ✓***
- If the Revenue Sharing calculation exceeded the Minimum Guarantee, a True-up Payment had to be made.
 - True-up payments were generated in Fiscal Years 2012-13, 2013-14 and 2014-15; each payment was received in the immediately following fiscal year.
- The Compact also provides the following Revenue Sharing schedule.
 - 12% of Net Win up to \$2 billion ***(in place through 2012-13)***
 - 15% of Net Win between \$2 billion and \$3 billion ***(triggered in 2013-14)***
 - 17.5% of Net Win between \$3 billion and \$3.5 billion ***(not reached in forecast)***
 - 20% of Net Win between \$3.5 billion and \$4 billion ***(not reached in forecast)***
 - 22.5% of Net Win between \$4 billion and \$4.5 billion ***(not reached in forecast)***
 - 25% of Net Win over \$4.5 billion ***(not reached in forecast)***

Indian Gaming Across States...

Florida's estimate assumes annual long-term growth of about 1.6% per year, but slightly higher growth rates over the next few years.

Growth of Indian Gaming Revenues, Fiscal Years from 1995 to 2013 (GAO)

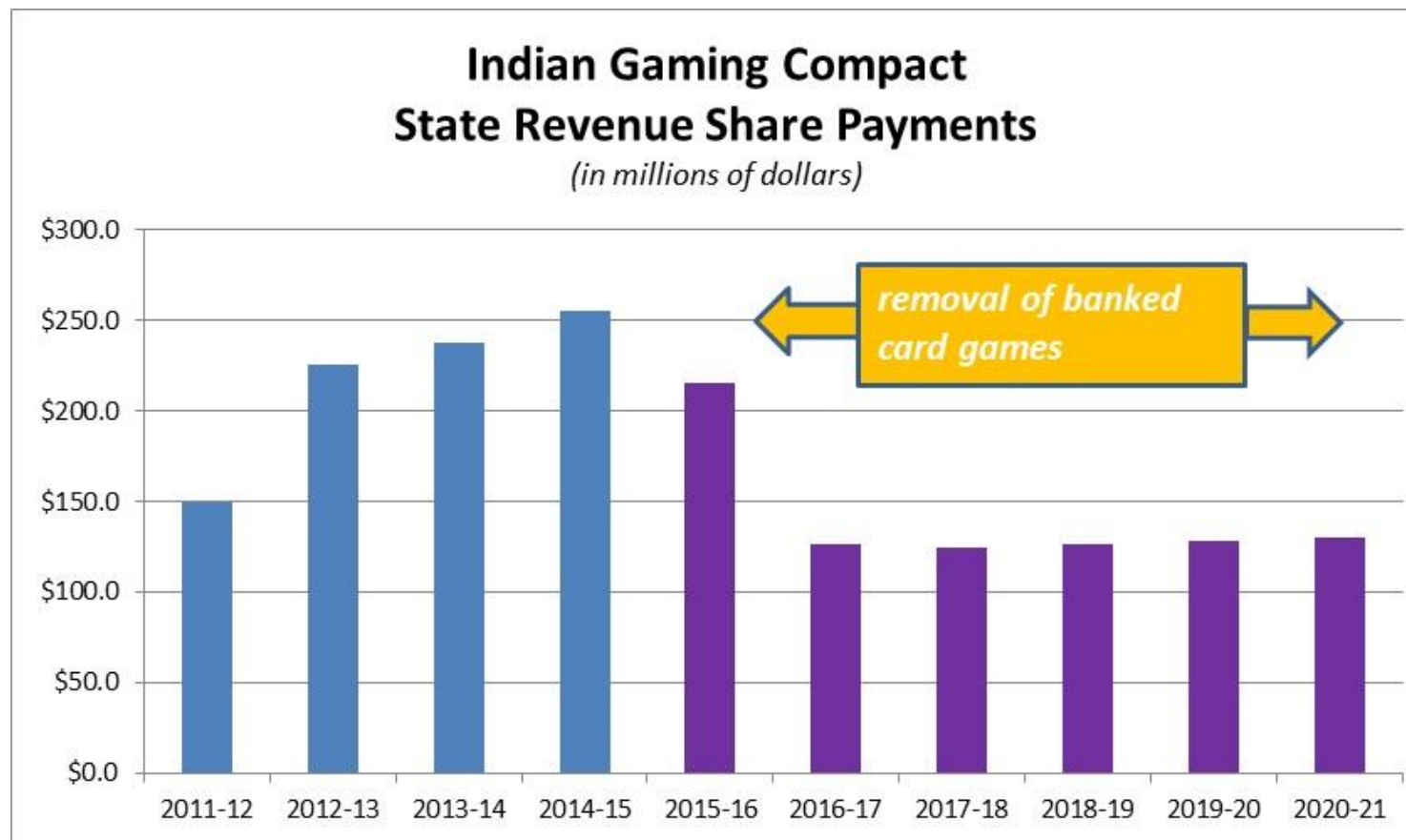


Source: GAO analysis of National Indian Gaming Commission data. | GAO-15-355

- In fiscal year 2013, about 240 of the 566 federally recognized tribes operated more than 400 Indian gaming operations across 28 states, generating \$28.0 billion. These establishments included a broad range of operations, from tribal bingo to multimillion dollar casino gaming facilities. Of these establishments, a few large operations account for a major portion of the revenue. [GAO-15-355T]

- **HISTORY...** True-up payments are received the year after they are generated, so they appear here in Fiscal Years 2013-14 (\$4.3m), 2014-15 (\$21.7m), and 2015-16 (\$38.8 m). By the end of FY 2014-15, the Compact generated \$1.0648 billion in revenue sharing over its first five years (\$1 billion through the minimum payments, and \$64.8 million in true-up payments).

- **FORECAST...** The Revenue Estimating Conference's convention of looking at current law / current administration means that the current forecast assumes that the authorization expires. This removes all revenue sharing related to Broward County, as well as the banked card games for the remainder of the forecast. FY 2015-16 contains the mid-year transition.



Proposed Compact...

The Revenue Estimating Conference considered the simple ratification of the Compact, with no other changes. The key revenue provisions are:

- 1) IGRA approval prior to June 30, 2016, and application of the new Compact provisions to the entire 2015-16 fiscal year.
- 2) Restoration of banked card games (and all of the share from Broward).
- 3) Extension of banked card games to potentially two facilities (Brighton and Big Cypress).
- 4) Addition of Craps and Roulette at potentially all seven facilities.
- 5) New Revenue Sharing brackets and guarantee.

Adjustments to Net Win...

Net Win		Add Back	Add New Banked	Add New	
	Current	Broward + Banked	Card Games at	Craps &	
	<u>Forecast</u>	<u>Card Games</u>	<u>2 Facilities</u>	<u>Roulette</u>	<u>Total</u>
2015-16	1,428.0	879.7	**	**	2,307.7
2016-17	1,017.8	1,359.1	8.6	40.6	2,426.1
2017-18	1,038.2	1,386.3	8.8	41.4	2,474.6
2018-19	1,054.4	1,407.9	8.9	42.0	2,513.2
2019-20	1,070.8	1,429.9	9.0	42.7	2,552.4
2020-21	1,087.5	1,452.2	9.2	43.4	2,592.2
2021-22	1,104.5	1,474.9	9.3	44.0	2,632.7
2022-23	1,121.7	1,497.9	9.5	44.7	2,673.8
2023-24	1,139.2	1,521.2	9.6	45.4	2,715.5

Based on Nevada;
assumes 45 tables.

Revenue Sharing Adjustments...

The term of the 2015 Compact is from its effective date through June 30, 2036.

- **Initial Payment Period (IPP)**... runs from the effective date to June 30, 2017. During the Initial Payment Period, the revenue share rates and brackets are equal to those in the 2010 Compact.
- **Guarantee Payment Period (GPP)**... runs through the seven-year period beginning July 1, 2017 and ending June 30, 2024. During the Guarantee Payment Period, the Tribe will make payments as specified, ranging from \$325 million in the first year to \$550 million in the last year, for a total of \$3 billion.
- At the end of the seven-year period, a **true-up payment** is required if the amount due using the revenue share rates and brackets outlined in the 2015 Compact would have generated more than \$3 billion.

New Revenue Sharing Rates (effective July 1, 2017)

	Current	2015	
<u>Brackets</u>	<u>Compact</u>	<u>Compact</u>	<u>difference</u>
\$0-\$2.0B	12.0%	13.0%	1.0%
\$2.0B-\$3.0B	15.0%	17.5%	2.5%
\$3.0B-\$3.5B	17.5%	17.5%	0.0%
\$3.5B-\$4.0B	20.0%	20.0%	0.0%
\$4.0B-\$4.5B	22.5%	22.5%	0.0%
\$4.5B+	25.0%	25.0%	0.0%

Revenue Sharing

	Current <u>Forecast</u>	2015 <u>Compact</u>	<u>Impact</u>	
2015-16	215.4	286.2	70.7	Initial Payment Period
2016-17	126.2	303.9	177.7	
2017-18	124.4	325.0	200.6	
2018-19	126.4	350.0	223.6	Guarantee Payment Period
2019-20	128.3	375.0	246.7	
2020-21	130.3	425.0	294.7	
2021-22	132.4	475.0	342.6	
2022-23	134.4	500.0	365.6	
2023-24	136.5	550.0	413.5	

Amounts shown for the new Compact are by year of obligation (not receipt). The Compact establishes the actual amount due to the State for each of the seven years in the Guarantee period.

At this time, the Conference does not believe a true-up payment will be needed. The minimum guarantee generates more than the application of the brackets over the seven-year period. Even with the changes set in motion by the new Compact, the state does not move out of the second bracket (net win greater than \$3 billion) in the forecast window.

Revenue Sharing			
	2015 Compact Minimum <u>Guarantee</u>	2015 Compact Revenue Share <u>Calculated</u>	<u>difference</u>
2017-18	325.0	343.1	-18.1
2018-19	350.0	349.8	0.2
2019-20	375.0	356.7	18.3
2020-21	425.0	363.6	61.4
2021-22	475.0	370.7	104.3
2022-23	500.0	377.9	122.1
2023-24	<u>550.0</u>	<u>385.2</u>	<u>164.8</u>
7-Year	3,000.0	2,547.0	453.0

Key Assumption for Impact Conference...

- Cannibalization—creating demand for one product at the expense of another; substitution of one purchase for another. It can be detected through:
 - The shifting among state revenue sources when the gambling product is a substitute purchase replacing the purchase of another good which would have been taxed in a different manner. (+ or – depending on the difference in tax rates)
 - The shifting among gambling products that are substitutes for each other. (+ or - depending on the difference in tax rates)
 - The shifting between a nontaxable purchase to a taxed gambling product. (+)
- Conference assumed that the additional \$40+ million from craps and roulette would mostly come from additional out-of-state visitors and Floridians who used to leave the state to play this type of game—essentially eliminating the cannibalization effect from this change. This comports with the Tribe's stated plans to attract additional tourists.

Adjustments Not Included...

- Stated intention to undertake significant fixed capital investment, since no guarantees or deadlines were provided.
- New non-tribal gaming and other adjustments authorized by the compact, but requiring additional legislation.
- Cash Adjustments to line the estimate up with state fiscal years.

Initial Payment Period

Comparison of Cash Numbers for Fiscal Years 2015-16 and 2016-17

Current Forecast		2015 Compact		difference
	<i>FY15-16</i>		<i>FY15-16</i>	<i>FY15-16</i>
■ june 14-15	19.5	■ june 14-15	19.5	0.0
jul-may 15-16	157.1	jul-may 15-16	262.3	105.2
true-up	<u>38.8</u>	true-up	<u>38.8</u>	<u>0.0</u>
	215.4		320.6	105.2
	<i>FY16-17</i>		<i>FY16-17</i>	<i>FY16-17</i>
■ june 15-16	14.3	■ june 15-16	23.8	9.6
jul-may 16-17	<u>112.0</u>	jul-may 16-17	<u>278.6</u>	<u>166.6</u>
	126.2		302.4	176.2

Difference column shows additional \$281.4 million that could be appropriated in the upcoming budget.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/14
Meeting Date

Bill Number (if applicable)

Topic Compact

Amendment Barcode (if applicable)

Name Jeff Woodburn

Job Title Policy Director / Deputy COS

Address Capital
Street

Phone 717-9310

City

State

Zip

Email jeff.woodburn@myfloridacomm.com

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing EOG / Governor

Appearing at request of Chair: ☒ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

<u>Meeting Date</u>		<u>Bill Number (if applicable)</u>	
Topic <u>Gaming Compact</u>		<u>Amendment Barcode (if applicable)</u>	
Name <u>James F. Allen</u>			
Job Title <u>CEO</u>			
Address <u>1 Seminole Way Hollywood FL</u>		Phone <u>954 732 5910</u>	
<u>Street</u>			
<u>City</u>	<u>State</u>	<u>Zip</u>	
Speaking: <input checked="" type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Information		Waive Speaking: <input type="checkbox"/> In Support <input type="checkbox"/> Against (The Chair will read this information into the record.)	
Representing <u>Seminole Tribe of Florida</u>		Email <u>JAMES.ALLEN@STOF</u> <u>GAMING.COM</u>	
Appearing at request of Chair: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Lobbyist registered with Legislature: <input type="checkbox"/> Yes <input type="checkbox"/> No	

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-20-2016

Meeting Date

N/A

Bill Number (if applicable)

Topic Proposed Compact - Fiscal Impact

N/A

Amendment Barcode (if applicable)

Name Amy J. Baker

Job Title Coordinator, EDR

Address Suite 574, Pepper Building

Street

Phone 850-487-8272

Tallahassee

City

FL

State

32399

Zip

Email baker.amy@leg.state.fl

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Legislature (staff)

Appearing at request of Chair: ☒ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/16

Meeting Date

Bill Number (if applicable)

Topic 2015 COMPACT

Amendment Barcode (if applicable)

Name LEON BIEGALSKI

Job Title DEPUTY SECRETARY DBPR

Address 1940 N. MONROE ST

Street

TALLAHASSEE

City

FL

State

32399

Zip

Phone (850) 487-9512

Email LEON.BIEGALSKI@myfloridalicense.com

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20
Meeting Date

Bill Number (if applicable)

Topic Compact

Amendment Barcode (if applicable)

Name John Zachem

Job Title Director, Paramutual Wagering Division

Address _____ Phone 850-487-4827
Street

City

State

Zip

Email _____

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing DBPR

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20
Meeting Date

Bill Number (if applicable)

Topic Compact

Amendment Barcode (if applicable)

Name Secretary Ken Lawson

Job Title Secretary DBPR

Address _____
Street

Phone 850-487-4827

City

State

Zip

Email _____

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing DBPR

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/2016

Meeting Date

Bill Number (if applicable)

Topic Workshop and Testimony on the Indian Gaming Compact

Amendment Barcode (if applicable)

Name Antonio Jefferson

Job Title City Manager

Address 14615 Main Street

Phone 8508565257

Street

Gretna

Florida

32332

Email ajefferson@mygretna.com

City

State

Zip

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing City of Gretna

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/2016

*Meeting Date**Bill Number (if applicable)*Topic Indian Gaming Compact Testimony*Amendment Barcode (if applicable)*Name Tom VenturaJob Title President , Ocala Breeders' Sales CompanyAddress 1701 SW 60th Ave.Phone 352-237-2154*Street*OcalaFL34474*City**State**Zip*Email tomv@obssales.comSpeaking: ☐ For ☐ Against ☒ InformationWaive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)Representing Ocala Breeders' Sales CompanyAppearing at request of Chair: ☐ Yes ☒ NoLobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-26-2016

Meeting Date

Bill Number (if applicable)

Topic Indian Gaming Compact

Amendment Barcode (if applicable)

Name John Sowinski

Job Title President No Casinos

Address 201 S. Orange Ave, Suite 880
Street
Orlando FL 32806
City State Zip

Phone 407-608-5930

Email sowinski@nmessage.com

Speaking: ☐ For ☒ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing No Casinos, Inc.

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/16
Meeting Date

Bill Number (if applicable)

Topic Compads Workshop

Amendment Barcode (if applicable)

Name Howard Korman

Job Title CEO - Taylorville Greyhound Realty

Address 455 Park Ave 32073

Phone (904) 646-0801

City

State

Zip

Email _____

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-20-16
Meeting Date

Bill Number (if applicable)

Topic Decoupling

Amendment Barcode (if applicable)

Name Lonny Powell

Job Title CEO

Address 800 SW 60th Ave
Street

Phone 352-629-2168

Ocala FL 34474
City State Zip

Email lpowell@FTBA.com

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FLORIDA THOROUGHBRED BREEDERS + OWNERS ASSN

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

01/20/2016

Meeting Date

Bill Number (if applicable)

Topic Discussion on the Indian Gaming Compact

Amendment Barcode (if applicable)

Name Joseph Pennacchio

Job Title President

Address 1800 SW 3rd St

Phone 954-972-5400

Street

Pompano

FL

33069

Email

City

State

Zip

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Standardbred Breeders and Owners Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

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This form is part of the public record for

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan 20, 2016

Meeting Date

Bill Number (if applicable)

Topic Seminole Gaming Compact

Amendment Barcode (if applicable)

Name Amber Kelly

Job Title Legislative Assistant

Address 4853 S. Orange Ave

Street

Orlando

City

FL

State

32806

Zip

Phone (407) 418-0250

Email amberk@floridafamilyaction.org

Speaking: ☐ For ☒ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Family Action

(Legislative arm of FL Family Policy Council)

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan 20, 2016
Meeting Date

Bill Number (if applicable)

Topic Seminole Gaming Compact

Amendment Barcode (if applicable)

Name Bill Bunkley

Job Title President

Address PO BOX 341644
Street
Tampa FL 33694
City State Zip

Phone (813) 264-2977

Email _____

Speaking: ☐ For ☒ Against ☐ Information

Waive Speaking: ☐ In Support ☒ Against
(The Chair will read this information into the record.)

Representing FL Ethics & Religious Liberty
Commission Inc.

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/16
Meeting Date

Bill Number (if applicable)

Topic Seminole Compact

Amendment Barcode (if applicable)

Name Clarence Jackson

Job Title Commissioner

Address 150 First Street

Phone 850.567.2004

Street

Gretna
City

FL
State

32332
Zip

Email clarencejackson@fla.com

Speaking: ☐ For ☒ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing City of Gretna

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-20-16

Meeting Date

Bill Number (if applicable)

Topic GAMING

Amendment Barcode (if applicable)

Name ISADORE HAVENICK

Job Title VP, NAPLES / FT. MYERS TRACK / MAGIC CITY CASINO

Address 10601 BONITA BEACH RD., SE

Phone 239. 992. 2411

Street

BONITA SPRINGS, FL 34135

Email IHAVENICK@MAGICCITYCASINO.COM

City

State

Zip

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing NAPLES FT MYERS TRACK / MAGIC CITY CASINO

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

CourtSmart Tag Report

Room: EL 110 Case No.:
Caption: Senate Regulated Industries Committee

Type:
Judge:

Started: 1/20/2016 1:32:28 PM
Ends: 1/20/2016 3:31:14 PM Length: 01:58:47

1:32:26 PM	Recording Paused
1:32:42 PM	Recording Resumed
1:33:13 PM	come to order
1:34:16 PM	roll call
1:34:22 PM	quorum
1:34:37 PM	tab 1 CS/SB 854
1:35:06 PM	Representative Roberson
1:36:45 PM	Senator Latvala
1:37:13 PM	Representative Roberson
1:38:11 PM	Amendment 1 barcode 601878
1:38:26 PM	Representative Roberson
1:39:01 PM	Amendment 2 barcode 513168
1:39:34 PM	Representative Roberson
1:39:45 PM	Amendment 3 barcode 247344
1:40:09 PM	Representative Roberson
1:40:32 PM	CS/SB 854 as amended
1:42:19 PM	CS/SB 854 as amended favorably
1:42:42 PM	tab 2 Workshop on Indian Gaming Compact
1:42:59 PM	Jeff Woodburn, Director of Policy, Office of the Governor
1:59:07 PM	Questions
2:00:08 PM	Senator Margolis
2:00:44 PM	Senator Bradley
2:02:04 PM	Senator Margolis
2:02:24 PM	Senator Bradley
2:03:36 PM	Senator Latvala
2:04:39 PM	Jeff Woodburn
2:07:29 PM	Ken Lawson, Secretary of DBPR
2:07:53 PM	John Zachem, Director of Parimutal Wagering Division
2:10:17 PM	Senator Latvala
2:10:29 PM	Jeff Woodburn
2:11:06 PM	Senator Latvala
2:11:20 PM	Jeff Woodburn
2:13:02 PM	Senator Latvala
2:14:03 PM	Jeff Woodburn
2:14:41 PM	Senator Stargel
2:15:00 PM	Jeff Woodburn
2:15:41 PM	Senator Stargel
2:15:56 PM	Jeff Woodburn
2:17:33 PM	Senator Braynon
2:17:38 PM	Jeff Woodburn
2:18:51 PM	Ken Lawson, Sec. DBPR
2:19:24 PM	Leon Biegalski, DBPR
2:20:33 PM	Jeff Woodburn
2:20:51 PM	Senator Negron
2:21:02 PM	Jeff Woodburn
2:22:42 PM	Senator Negron
2:22:47 PM	Jeff Woodburn
2:23:33 PM	Senator Negron
2:23:40 PM	Jeff Woodburn
2:24:41 PM	Senator Richter
2:25:19 PM	Jeff Woodburn
2:26:07 PM	Senator Richter

2:26:17 PM	Jeff Woodburn
2:26:41 PM	Senator Margolis
2:26:58 PM	Jeff Woodburn
2:28:04 PM	Senator Margolis
2:28:10 PM	Jeff Woodburn
2:29:09 PM	Senator Bradley
2:29:20 PM	Jeff Woodburn
2:29:53 PM	Senator Flores
2:31:49 PM	Jeff Woodburn
2:34:46 PM	Senator Abruzzo
2:35:55 PM	Senator Margolis
2:37:03 PM	Senator Latvala
2:38:50 PM	Jeff Woodburn
2:41:29 PM	Senator Latvala
2:41:33 PM	Jeff Woodburn
2:43:30 PM	Senator Abruzzo
2:44:31 PM	Senator Braynon
2:45:58 PM	Jeff Woodburn
2:49:40 PM	Senator Richter
2:50:46 PM	Jeff Woodburn
2:51:08 PM	James (Jim) Allen, CEO of Seminole Gaming
3:12:17 PM	Senator Abruzzo
3:14:58 PM	Jim Allen
3:15:43 PM	Senator Abruzzo
3:16:02 PM	Jim Allen
3:16:19 PM	Senator Latvala
3:17:47 PM	Jim Allen
3:18:48 PM	Senator Latvala
3:19:02 PM	Jim Allen
3:20:43 PM	Senator Bradley
3:21:35 PM	Senator Braynon
3:22:21 PM	Jim Allen
3:24:07 PM	Senator Sachs
3:25:00 PM	Jim Allen
3:26:26 PM	Senator Diaz de la Portilla
3:26:44 PM	Senator Flores
3:26:55 PM	Jim Allen
3:28:26 PM	Senator Margolis
3:28:33 PM	Jim Allen
3:29:11 PM	Senator Diaz de la Portilla
3:30:24 PM	Senator Bradley
3:30:40 PM	Meeting Adjourned