

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF RHODE ISLAND**

)	
In re:)	Chapter 11
)	
UTGR, INC. d/b/a TWIN RIVER, <u>et al.</u> , ¹)	Case No. 09-12418 (ANV)
)	
Debtors.)	Jointly Administered
)	

**NOTICE OF FILING OF STATUS REPORT AND EMERGENCY
MOTION TO SCHEDULE CONFIRMATION HEARING**

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) are filing this Status Report to apprise the Court and all parties in interest of the recent passage by the Rhode Island General Assembly, and enactment by the Governor of Rhode Island, of the legislative initiatives that are among the conditions precedent to the effective date of the Debtors’ Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code, filed on February 10, 2010 [Docket No. 529]. As directed by the Court, this Status Report also requests by Emergency Motion that the Court schedule the Confirmation Hearing for as soon as reasonably practicable.

PLEASE TAKE FURTHER NOTICE that, pursuant to Rule 9013-2(a)(2) of the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Rhode Island, the Debtors have requested the Court consider the Motion without a hearing.

¹ The Debtors in these chapter 11 cases are BLB Management Services, Inc., BLB Worldwide Holdings, Inc., and UTGR, Inc.

Dated: May 28, 2010
Providence, Rhode Island

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**STATUS REPORT AND EMERGENCY MOTION
TO SCHEDULE CONFIRMATION HEARING**

The above-captioned debtors, as debtors and debtors in possession (collectively, the “Debtors”) hereby file (I) a status report (the “Status Report”) to apprise the Court and all parties in interest that the remaining legislative initiatives (the “Legislative Initiatives”) that are among the conditions precedent to the Effective Date of the Debtors’ Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code, filed on February 10, 2010 [Docket No. 529] (the “Plan”)² have been passed by the Rhode Island General Assembly and signed by the Governor of Rhode Island, as well as (II) an emergency motion (the “Motion”), as directed by the Court, seeking entry of an order, substantially in the form attached hereto as Exhibit A, scheduling the Confirmation Hearing for as soon as reasonably practicable.

Status Report

1. The Debtors are extremely pleased to inform the Court and all parties in interest that they have achieved another significant milestone in these chapter 11 cases by securing enactment of the remaining Legislative Initiatives. As presaged in the Debtors’ most recently-

¹ The Debtors in these chapter 11 cases are BLB Management Services, Inc., BLB Worldwide Holdings, Inc., and UTGR, Inc.

² All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

filed Status Report,³ the remaining Legislative Initiatives were passed by the Rhode Island House of Representatives on Tuesday, May 25 and by the Senate on Wednesday, May 26. The Governor signed the bill,⁴ which includes the following measures, into law on Thursday, May 27:

- (a) provision of up to \$3.6 million in State support for Twin River marketing efforts;
- (b) provision for a promotional points program of up to four percent (4%) of Twin River's net terminal income for the prior year;
- (c) provision to allow Twin River to operate all video lottery games on a 24-hour, seven-day basis;
- (d) amendment of Twin River's video lottery terminal contract (the "Master Contract") to modify certain minimum-employment requirements as a condition for exercising a second five-year license option;
- (e) confirmation of the right to seek compensation if the State of Rhode Island impairs Twin River's contractual rights; and
- (f) waiver, release, and acknowledgment of fulfillment of Twin River's obligations under the Master Contract.

2. Also as explained in the Debtors' most recently-filed Status Report, in mid-May, both chambers of the Rhode Island General Assembly passed, and the Governor signed, a bill that prohibits the Debtors from offering live greyhound racing, but maintains their license to operate video lottery terminals, which provision also was a key tenet of the Legislative Initiatives.⁵

³ Notice of Filing of Status Report and Emergency Motion to Continue May 25, 2010 Confirmation Hearing to May 27, 2010, filed on May 21, 2010 [Docket No. 667].

⁴ A copy of this legislation is attached hereto as Exhibit B.

⁵ A copy of this legislation is attached hereto as Exhibit C.

3. To be clear, upon enactment of the above-described bills, the Debtors are not presently seeking passage of any further legislative initiatives as conditions precedent to the Effective Date of the Plan.

Motion⁶

4. On May 21, 2010, the Court entered an order vacating, at the request of the Debtors, the Confirmation Hearing scheduled for May 25, 2010, and providing that the “Court will reschedule the hearing on Confirmation after the Rhode Island House of Representatives and Senate have voted on the Legislative Initiatives, and the Court and the interested parties have had adequate opportunity to review the results of said legislation and executive action.”⁷

5. Since the Court’s May 21 Order, the Legislative Initiatives have become legally operative and the Debtors are therefore requesting the Confirmation Hearing be rescheduled for approximately one week from the date of filing this Motion, which time period the Debtors believe allows parties in interest adequate opportunity to review the enacted bills attached hereto as Exhibits B and C.

6. More specifically, the Debtors are asking the Court to reschedule the Confirmation Hearing for as soon as reasonably practicable—and respectfully request the Court select either Thursday, June 3, 2010 or Tuesday, June 8, 2010—acknowledging, of course, this request is subject to the Court’s discretion and availability. The Debtors are requesting these hearing dates, instead of waiting for the already-scheduled June 15, 2010 omnibus hearing, for a

⁶ The United States Bankruptcy Court for the District of Rhode Island has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief requested herein are section 105 of the Bankruptcy Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 9013-2 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the District of Rhode Island (the “Local Bankruptcy Rules”).

⁷ Order Vacating Hearing on Confirmation of Debtors’ Second Amended Plan of Reorganization [Docket No. 668].

number of reasons. Most significantly, there are presently no objections to the Plan, which was overwhelmingly approved by voting creditors, and confirmation already has been delayed several times as a result of pending votes on the Legislative Initiatives. With that effort now successfully concluded, it is in the best interests of the Debtors' businesses, their creditors, and, given the Debtors' status as the third-largest source of tax revenue for the State of Rhode Island, the general public, to obtain confirmation of Plan and emerge from bankruptcy as expeditiously as possible.

7. In addition to the notice provided through this Status Report and Motion, the Debtors informed the Office of the United States Trustee for the District of Rhode Island ("U.S. Trustee"), counsel for the Official Committee of Unsecured Creditors (the "Creditors' Committee"), counsel for the Executive Branch of the State of Rhode Island, and counsel for other key creditor constituencies, by electronic mail sent last night, that the Debtors would be filing this Status Report and seeking to reschedule the Confirmation Hearing as requested herein.

8. In sum, with the significant benefits provided by the Legislative Initiatives in place, the Debtors look forward to the opportunity to seek confirmation of their Plan, which would represent the most important step yet towards reaching the Effective Date—and towards making Plan distributions to creditors.

Notice

9. The Debtors have provided notice of this Motion through the Court's electronic filing system and via overnight mail, email, or fax to: (a) the U.S. Trustee; (b) counsel to the Creditors' Committee; (c) applicable local, state, and federal regulatory entities; (d) counsel to the Administrative Agents for the First and Second Lien Lenders; (e) counsel to the equity sponsors; (f) counsel to those certain contractors who have asserted mechanic's liens against the Debtors; (g) the Internal Revenue Service; (h) the Securities and Exchange Commission; and (i)

any persons who have filed a request for notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002.

No Prior Request

10. Except as stated herein, no prior motion for the relief requested herein has been made to this or any other court.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as the Court deems appropriate.

Dated: May 28, 2010
Providence, Rhode Island

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EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
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In re:)	Chapter 11
)	
UTGR, INC. d/b/a TWIN RIVER, <u>et al.</u> , ¹)	Case No. 09-12418 (ANV)
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Debtors.)	Jointly Administered
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ORDER SCHEDULING CONFIRMATION HEARING

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order scheduling a Confirmation Hearing; and as more fully set forth in the Motion; and the Court having found that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and the Court having found that notice of the Motion was appropriate under the particular circumstances; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Motion is granted as set forth in this order (the “Order”).

¹ The Debtors in these chapter 11 cases are BLB Management Services, Inc., BLB Worldwide Holdings, Inc., and UTGR, Inc.

² All capitalized terms used but otherwise not defined herein shall have the meanings ascribed to them in the Motion.

2. The Confirmation Hearing shall be scheduled for [June 3, 2010/June 8, 2010], at 1:00 p.m. (prevailing Eastern Time).

3. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this order in accordance with the Motion.

4. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Dated: _____, 2010
Providence, Rhode Island

Arthur N. Votolato
United States Bankruptcy Judge

EXHIBIT B

Approved Legislative Initiatives (Overall)

2010 -- H 8157 AS AMENDED

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LC02676
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

—————
A N A C T

RELATING TO AUTHORIZING THE FIRST AMENDMENTS TO THE MASTER VIDEO
LOTTERY TERMINAL CONTRACTS

Introduced By: Representatives Costantino, Carter, Melo, San Bento, and Jackson

Date Introduced: May 19, 2010

Referred To: Placed on House Calendar

It is enacted by the General Assembly as follows:

1 **PART A – Authorized Amendment to UTGR Master Contract**

2 SECTION 1. Purpose. The general assembly hereby finds that the Twin River facility
3 located in the Town of Lincoln is an important source of revenue for the State of Rhode Island.
4 The purpose of the following sections related to UTGR is to help effectuate a plan for
5 reorganization, pursuant to the United States Bankruptcy Code, for UTGR, and thereby
6 strengthen the commercial health of the Twin River facility and protect for the people of Rhode
7 Island the public's share of revenues generated at the Twin River facility. It is the intent of the
8 general assembly that this act, being necessary for the welfare of the State and its citizens, shall
9 be liberally construed so as to effectuate its purposes, including without limitation, the state's
10 attempt to minimize certain commercial risks faced by UTGR when it operates the facility and
11 the business conducted thereon.

12 SECTION 2. Definitions. For purposes of this act, the following terms shall have the
13 following meanings, and to the extent that such terms are defined in Chapters 322 and 323 of the
14 Public Laws of 2005, those terms are hereby amended as follows, provided that such terms, as they
15 may be amended hereby, only apply to UTGR and Twin River and shall have no effect with
16 regard to NGJA or Newport Grand.

17 (a) "Control" of an entity means the power of a person (or persons acting in concert) to
18 cause the entity to be managed in accordance with the wishes of that person (or persons acting in

1 concert) whether by means of being the beneficial owner of more than fifty percent (50%) of the
2 issued share capital or voting rights in that entity, or having the right to appoint or remove a
3 majority of the directors or otherwise control the votes at board meetings of that entity.

4 (b) "Director" means the director of the division of lotteries.

5 (c) "Division" means the division of lotteries within the department of revenue and/or any
6 successor as party to the UTGR Master Contract.

7 (d) "Division Percentage" means for any Marketing Year, the Division's percentage of net
8 terminal income as set forth in section 42-61.2-7.

9 (e) "First Amendment" means that certain first amendment to the UTGR Master Contract
10 authorized herein, which first amendment is to be entered into by and between the Division, the
11 department of transportation, and UTGR.

12 (f) "Lincoln Park" and Twin River" each means the gaming and entertainment facility
13 located at 100 Twin River Road, Lincoln, Rhode Island.

14 (g) "Marketing Program" means that Marketing Program authorized in section 4(a)(iii) of
15 this act, which program shall include marketing expenditures as defined by the Division.

16 (h) "Marketing Year" means each fiscal year of the state or a portion thereof between the
17 effective date of the First Amendment and the termination date of the UTGR Master Contract.

18 (i) "Master Contract" means with respect to UTGR, the UTGR Master Contract.

19 (j) "Plan" means that plan of reorganization filed pursuant to chapter 11 of title 11 of the
20 United States Code (11 U.S.C. sections 101-1532) and to be confirmed by order of the United
21 States Bankruptcy Court for the District of Rhode Island in those cases jointly administered under
22 case number 09-12418 (ANV).

23 (k) "Promotional Points Program" means that promotional points program authorized in
24 section 4(a)(ii) of this act.

25 (l) "State" means the State of Rhode Island.

26 (m) "Term" means with respect to UTGR, the UTGR Term.

27 (n) "UTGR" means UTGR, Inc., a Delaware corporation and including such entity, as
28 reorganized under the Plan, and any UTGR Business Affiliate. References herein to "UTGR"
29 shall include its permitted successors and assigns under the UTGR Master Contract, if licensed by
30 the Rhode Island department of business regulation.

31 (o) "UTGR" Business Affiliate" means any corporation, trust, partnership, joint venture
32 or any other form of business entity that Controls, is Controlled by or is under common Control
33 with, UTGR.

34 (p) "UTGR Master Contract" means that certain master video lottery terminal contract

1 made as of July 18, 2005 by and between the Division, department of transportation, and UTGR,
2 as such UTGR Master Contract is amended and extended as authorized herein and/or as such
3 UTGR Master Contract may be assigned as permitted herein.

4 (q) "UTGR Term" means the term of the UTGR Master Contract, which term commences
5 on the effective date of the UTGR Master Contract and continues through and including the fifth
6 (5th) anniversary of such effective date; provided that UTGR shall have two (2) successive five
7 (5) year extension options consistent with the terms of the UTGR Master Contract.

8 SECTION 3. Unless otherwise amended by this act, the terms, conditions, provisions,
9 and definitions of chapters 322 and 323 of the public laws of 2005 are hereby incorporated herein
10 by reference and shall remain in full force and effect.

11 SECTION 4. Authorized Procurement of First Amendment to the Master Video Lottery
12 Terminal Contract.

13 (a) Notwithstanding any provisions of the general laws or regulations adopted thereunder
14 to the contrary, including, but not limited to, the provisions of: Chapters 322 and 323 of the
15 public laws of 2005; chapter 2 of title 37 of the general laws; chapter 61 of title 42 of the general
16 laws; and chapter 61.2 of title 42 of the general laws, the Division is hereby expressly authorized
17 and empowered, and with respect to section 4(a)(vi) of this act the department of transportation is
18 also hereby expressly authorized and empowered, to enter into with UTGR a First Amendment to
19 the UTGR Master Contract, to be become effective upon the effective date of the Plan for the
20 following purposes and containing the following terms and conditions, all of which shall be set
21 forth in more particular detail in the First Amendment:

22 (i) to provide for a UTGR Term commencing on the effective date of the UTGR Master
23 Contract and continuing through and including the fifth (5th) anniversary of such effective date;
24 provided that UTGR shall have two (2) successive five (5) years extension options with the First
25 Extension Term, as defined in the UTGR Master Contract, commencing on July 18, 2010 and the
26 Second Extension Term, as defined in the UTGR Master Contract, commencing on July 18, 2015.
27 Except as otherwise provided herein in section 4(a)(vi), the exercise of the option to extend said
28 Master Contract shall be subject to the terms and conditions of section 2.5 of the UTGR Master
29 Contract; provided however, section 2.5B of the UTGR Master Contract shall be amended such
30 that with respect to UTGR's exercise of its option to extend for the Second Extension Term,
31 UTGR shall be required to certify to the Division that (i) there are 650 full-time equivalent
32 employees at the Twin River facility on the date of the exercise of the option for the Second
33 Extension Term; and (ii) for the one-year period preceding the date said Second Extension Term
34 option is exercised, there had been 650 full-time equivalent employees on average, as the term

1 full-time equivalent employee is defined in section 2.5B of the UTGR Master Contract and as
2 confirmed by the Rhode Island department of labor and training.

3 (ii) to provide for a Promotional Points Program at Twin River, pursuant to the terms and
4 conditions established from time to time by the Division during the UTGR Term, such terms to
5 include, but not limited to, a State fiscal year audit of the Promotional Points Program, the cost of
6 which audit shall be borne by UTGR. The approved amount of the Promotional Points Program
7 shall not exceed four percent (4%) of the amount of UTGR's net terminal income of the prior
8 Marketing Year. Said promotional points are to be used by UTGR to provide promotional points
9 to customers and prospective customers of UTGR at Twin River. Nothing herein shall prohibit
10 UTGR, with prior approval from the Division, from spending additional funds on the Promotional
11 Points Program; provided, however, that said additional amounts shall not be funded in any part
12 by net terminal income.

13 (iii) to provide for a Marketing Program for Twin River, commencing July 1, 2010,
14 which shall be monitored by the Division and pursuant to which, for each Marketing Year, to the
15 extent UTGR's marketing expenditures exceed four million dollars (\$4,000,000), the Division
16 shall pay UTGR an amount equal to the product of such excess multiplied by the Division
17 Percentage, provided, however, that (1) the total amount payable by the Division for each
18 Marketing Year pursuant to this section 4(a)(iii) shall be capped at an amount equal to the
19 Division Percentage multiplied by six million dollars (\$6,000,000) and (2) the Division shall not
20 owe any amount pursuant to this section 4(a)(iii) in any given Marketing Year unless, pursuant to
21 subsection 42-61.2-7(a), the State has received net terminal income for such Marketing Year in an
22 amount equal to or exceeding the amount of net terminal income the State received for the State's
23 fiscal year 2009; provided, further, that in any partial Marketing Year, the total amount payable
24 by the Division shall be capped at an amount equal to six million dollars (\$6,000,000) multiplied
25 by the Division Percentage, the product of which shall be further reduced by multiplying it by a
26 fraction, (A) the numerator of which is the number of days in any such partial Marketing Year
27 and (B) the denominator of which is 365. (It is anticipated that the only partial Marketing Years
28 shall occur between the effective date of the First Amendment and the last day of the fiscal year
29 of the State during which such effective date occurred and/or the first day of the fiscal year of the
30 State in which the termination of the UTGR Master Contract occurs and the termination date of
31 the UTGR Master Contract, as the case may be).

32 (iv) to provide that the UTGR Master Contract shall not be assigned by either party
33 without the prior written consent of the other party and to further provide that so long as the
34 proposed assignee of UTGR or any of its permitted successors shall have been found to be

1 qualified by the Division to hold a video lottery terminal license, the Division shall not
2 unreasonably withhold or delay its consent to such proposed assignment. Proposed assignees
3 and/or successors shall be subject to licensure by the appropriate regulatory authorities.

4 (v) to permit UTGR, at its discretion, to maintain and operate all video lottery games at
5 Twin River up to twenty-four (24) hours per day, up to seven (7) days per week, including
6 without limitation, federal and state recognized holidays.

7 (vi) to irrevocably waive, release, acknowledge the fulfillment of or to deem fulfilled, as
8 applicable, as of the effective date of the Plan, (1) any obligation, covenant, condition or
9 commitment performed or to be performed by UTGR, BLB and/or any BLB affiliate under or in
10 connection with the UTGR Master Contract prior to and/or including the effective date of the
11 Plan; (2) any UTGR breach, default, noncompliance or delayed compliance on the part of UTGR,
12 BLB and/or any BLB affiliate of any representation, warranty, covenant, term or condition any
13 time prior to and/or including the effective date of the Plan, and (3) in connection with UTGR's
14 right to exercise the option for the First Extension Term only, any prior obligation, covenant,
15 condition, circumstance or commitment under section 2.5.B of the UTGR Master Contract;
16 specifically, said waiver, release, and acknowledgement of section 2.5B shall not relate to the
17 Second Extension Term.

18 (b) The entry into by the Division, department of transportation, and UTGR of the First
19 Amendment is hereby authorized, approved, ratified and confirmed in all respects.

20 (c) Any amounts related to the Marketing Program payable by the Division shall be paid
21 on a frequency agreed by the Division (but no less frequently than annually) out of that share of
22 net terminal income disbursed pursuant to subsection 42-61.2-7(a)(1) as an administrative
23 expense of the Division, after allocation of net terminal income pursuant to subsections 42-61.2-
24 7(a)(1), (2), (3), (4), (5), and (6).

25 SECTION 5. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video
26 Lottery Terminal" is hereby amended as follows:

27 **42-61.2-7. Division of revenue. [Effective June 30, 2009 and expires June 30, 2010.] -**

28 (a) Notwithstanding the provisions of section 42-61-15, the allocation of net terminal
29 income derived from video lottery games is as follows:

30 (1) For deposit in the general fund and to the state lottery division fund for
31 administrative purposes: Net terminal income not otherwise disbursed in accordance with
32 subdivisions (a)(2) -- (a)~~(7)~~(6) herein;

33 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
34 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally

1 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible
2 community shall receive more than twenty-five percent (25%) of that community's currently
3 enacted municipal budget as its share under this specific subsection. Distributions made under
4 this specific subsection are supplemental to all other distributions made under any portion of
5 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by
6 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and
7 shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total
8 state distribution shall be the same total amount distributed in the fiscal year ending June 30,
9 2008 and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the
10 total state distribution shall be the same total amount distributed in the fiscal year ending June 30,
11 2009 and shall be made from general appropriations, provided however that \$784,458 of the total
12 appropriation shall be distributed equally to each qualifying distressed community.

13 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
14 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-
15 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
16 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
17 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
18 less than the prior fiscal year.

19 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-
20 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
21 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
22 shall the exemption in any fiscal year be less than the prior fiscal year.

23 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
24 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
25 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
26 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
27 distributions by community shall be identical to the distributions made in the fiscal year ending
28 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,
29 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,
30 funding shall be determined by appropriation.

31 (2) To the licensed video lottery retailer:

32 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-
33 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
34 (\$384,996);

1 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
2 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
3 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
4 (\$384,996).

5 (b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed
6 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-
7 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven
8 thousand six hundred eighty-seven dollars (\$767,687);

9 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
10 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
11 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
12 (\$767,687).

13 (3) (i) To the technology providers who are not a party to the GTECH Master Contract
14 as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net
15 terminal income of the provider's terminals;

16 (ii) To contractors who are a party to the Master Contract as set forth and referenced in
17 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

18 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted
19 proportionately from the payments to technology providers the sum of six hundred twenty-eight
20 thousand seven hundred thirty-seven dollars (\$628,737);

21 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal
22 income of authorized machines at Newport Grand except that ~~upon passage~~ effective November
23 9, 2009, the allocation shall be one and two tenths percent (1.2%) of net terminal income of
24 authorized machines at Newport Grand for each week the facility operates video lottery games on
25 a twenty-four (24) hour basis for all eligible hours authorized and to the town of Lincoln one and
26 twenty-six hundredths percent (1.26%) of net terminal income of authorized machines at Lincoln
27 Park except that ~~upon passage~~ effective November 9, 2009, the allocation shall be one and forty-
28 five hundredths percent (1.45%) of net terminal income of authorized machines at Lincoln Park
29 for each week the facility operates video lottery games on a twenty-four (24) hour basis for all
30 eligible hours authorized;

31 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
32 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
33 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
34 Tribal Development Fund to be used for the purpose of encouraging and promoting: home

1 ownership and improvement, elderly housing, adult vocational training; health and social
2 services; childcare; natural resource protection; and economic development consistent with state
3 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
4 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
5 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
6 debts; and

7 (6) Unclaimed prizes and credits shall remit to the general fund of the state;

8 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)~~(7)~~(6)
9 shall be made on an estimated monthly basis. Payment shall be made on the tenth day following
10 the close of the month except for the last month when payment shall be on the last business day.

11 (b) Notwithstanding the above, the amounts payable by the Division to UTGR related to
12 the Marketing Program shall be paid on a frequency agreed by the Division, but no less
13 frequently than annually.

14 (c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the
15 Director is authorized to fund the Marketing Program as described above in regard to the First
16 Amendment to the UTGR Master Contract.

17 **42-61.2-7. Division of revenue. [Effective June 30, 2010]** – (a) Notwithstanding the
18 provisions of section 42-61-15, the allocation of net terminal income derived from video lottery
19 games is as follows:

20 (1) For deposit in the general fund and to the state lottery division fund for
21 administrative purposes: Net terminal income not otherwise disbursed in accordance with
22 subdivisions (a)(2) -- (a)~~(7)~~(6) herein;

23 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
24 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally
25 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible
26 community shall receive more than twenty-five percent (25%) of that community's currently
27 enacted municipal budget as its share under this specific subsection. Distributions made under
28 this specific subsection are supplemental to all other distributions made under any portion of
29 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by
30 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and
31 shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total
32 state distribution shall be the same total amount distributed in the fiscal year ending June 30,
33 2008 and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the
34 total state distribution shall be the same total amount distributed in the fiscal year ending June 30,

1 2009 and shall be made from general appropriations, provided however that \$784,458 of the total
2 appropriation shall be distributed equally to each qualifying distressed community.

3 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
4 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-
5 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
6 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
7 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
8 less than the prior fiscal year.

9 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-
10 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
11 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
12 shall the exemption in any fiscal year be less than the prior fiscal year.

13 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
14 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
15 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
16 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
17 distributions by community shall be identical to the distributions made in the fiscal year ending
18 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,
19 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,
20 funding shall be determined by appropriation.

21 (2) To the licensed video lottery retailer:

22 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-
23 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
24 (\$384,996);

25 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
26 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
27 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
28 (\$384,996).

29 (b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed
30 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-
31 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven
32 thousand six hundred eighty-seven dollars (\$767,687);

33 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
34 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said

1 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
2 (\$767,687).

3 (3) (i) To the technology providers who are not a party to the GTECH Master Contract
4 as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net
5 terminal income of the provider's terminals;

6 (ii) To contractors who are a party to the Master Contract as set forth and referenced in
7 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

8 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted
9 proportionately from the payments to technology providers the sum of six hundred twenty-eight
10 thousand seven hundred thirty-seven dollars (\$628,737);

11 (4) To the city of Newport one and one hundredths percent (1.01%) of net terminal
12 income of authorized machines at Newport Grand and to the town of Lincoln one and twenty-six
13 hundredths (1.26%) of net terminal income of authorized machines at Lincoln Park; and

14 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
15 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
16 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
17 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
18 ownership and improvement, elderly housing, adult vocational training; health and social
19 services; childcare; natural resource protection; and economic development consistent with state
20 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
21 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
22 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
23 debts; and

24 (6) Unclaimed prizes and credits shall remit to the general fund of the state;

25 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)~~(7)~~(6)
26 shall be made on an estimated monthly basis. Payment shall be made on the tenth day following
27 the close of the month except for the last month when payment shall be on the last business day.

28 (b) Notwithstanding the above, the amounts payable by the Division to UTGR related to
29 the Marketing Program shall be paid on a frequency agreed by the Division, but no less
30 frequently than annually.

31 (c) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the
32 Director is authorized to fund the Marketing Program as described above in regard to the First
33 Amendment to the UTGR Master Contract.

34 SECTION 6. Chapter 322 of the 2005 Public Laws entitled "An Act Enabling the

1 Division of Lotteries to Enter into a Master Video Lottery Terminal Contract with UTGR, Inc.
2 and to Enter into a Master Video Lottery Terminal Contract With Newport Grand Jai Alai, LLC."
3 is hereby amended by adding thereto the following sections:

4 Section 8A. Waiver and Release of UTGR, BLB and BLB Affiliates.

5 The State, on behalf of itself and each entity thereof, including, but not limited to, the
6 Division, and the department of revenue and the department of transportation, hereby expressly
7 waives and authorizes the Division, on behalf of itself and the department of revenue and the
8 department of transportation on behalf of itself, to separately irrevocably waive, release,
9 acknowledge the fulfillment of or to deem fulfilled, as applicable, as of the effective date of the
10 Plan: (1) any obligation, covenant, condition or commitment performed or to be performed by
11 UTGR, BLB and/or any BLB affiliate under or in connection with the UTGR Master Contract
12 prior to and/or including the effective date of the Plan; (2) any UTGR breach, default,
13 noncompliance or delayed compliance on the part of UTGR, BLB and/or any BLB affiliate of any
14 representation, warranty, covenant, term or condition any time prior to and/or including the
15 effective date of the Plan; and (3) in connection with UTGR's right to exercise the option for the
16 First Extension only, any obligation, covenant, condition, circumstance or commitment under
17 section 2.5.B of the UTGR Master Contract; specifically, said waiver, release, and
18 acknowledgement of section 2.5B shall not relate to the Second Extension Term.

19 Section 8B. Enforcement of Obligations.

20 (a) Except as currently exists for Twin River under the provisions of subsection 42-61.2-
21 7(a)(2) and except as hereinafter expressly provided in section 8B(b), hereof, if the State or any
22 entity thereof, including the Division, enters into any agreement or adopts, modifies or amends
23 any law, rule or regulation that would impair the rights of UTGR under this act and/or under the
24 UTGR Master Contract, as may be amended in the future, and as extended pursuant to this act
25 and as may be extended in the future (as so amended and extended by this act and as may be
26 amended and extended in the future), and/or fails to provide UTGR with slippage protection as
27 described herein and the UTGR Master Contract, UTGR may bring a claim against the State
28 and/or Division, for actual damages and/or specific performance and/or other equitable relief,
29 notwithstanding any limitation on such damages imposed by the laws of the State. For purposes
30 of computing the actual damages with respect to any claim by UTGR against the State and/or the
31 Division for a failure to provide slippage protection pursuant to the provisions of this act and the
32 UTGR Master Contract, "actual damages" means the positive difference between: (i) the gaming
33 facility revenues UTGR would have retained had the State or any entity thereof, including, the
34 Division, provided slippage protection for the period of time that the State and/or the Division

1 fails to provide slippage protect on during the term of the UTGR Master Contract; and (ii) the
2 gaming facility revenues actually retained by UTGR.

3 (b) Except only as provided in section 8A, nothing in this act shall limit the authority of
4 the Division to enforce its rights under the UTGR Master Contract. Except as provided in section
5 8B(a), nothing in this act shall limit the authority of the State to enact, adopt and enforce laws and
6 regulations which are of general application.

7 (c) In the event of any inconsistency between the provisions of this section 8B and the
8 provisions of subsections (c) and (d) of section 5 of chapters 322 and 323 of the public laws of
9 2005, the provisions of this section 8B shall govern.

10 (d) The Division is authorized and empowered to amend the UTGR Master Contract
11 consistent with the provisions of this act.

12 SECTION 7. Chapter 323 of the 2005 Public Laws entitled "An Act Enabling the
13 Division of Lotteries to Enter into a Master Video Lottery Terminal Contract with UTGR, Inc.
14 and to Enter into a Master Video Lottery Terminal Contract With Newport Grand Jai Alai, LLC."
15 is hereby amended by adding thereto the following sections:

16 Section 8A. Waiver and Release of UTGR, BLB and BLB Affiliates.

17 The State, on behalf of itself and each entity thereof, including, but not limited to, the
18 Division, and the department of revenue and the department of transportation, hereby expressly
19 waives and authorizes the Division on behalf of itself and the department of revenue and the
20 department of transportation on behalf of itself, to separately irrevocably waive, release,
21 acknowledge the fulfillment of or to deem fulfilled, as applicable, as of the effective date of the
22 Plan: (1) any obligation, covenant, condition or commitment performed or to be performed by
23 UTGR, BLB and/or any BLB affiliate under or in connection with the UTGR Master Contract
24 prior to and/or including the effective date of the Plan; (2) any UTGR breach, default,
25 noncompliance or delayed compliance on the part of UTGR, BLB and/or any BLB affiliate of any
26 representation, warranty, covenant, term or condition any time prior to and/or including the
27 effective date of the Plan; and (3) in connection with UTGR's right to exercise the option for the
28 First Extension only, any obligation, covenant, condition, circumstance or commitment under
29 section 2.5.B of the UTGR Master Contract; specifically, said waiver, release, and
30 acknowledgement of section 2.5B shall not relate to the Second Extension Term.

31 Section 8B. Enforcement of Obligations.

32 (a) Except as currently exists for Twin River under the provisions of subsection 42-61.2-
33 7(a)(2) and except as hereinafter expressly provided in section 8B(b), hereof, if the State or any
34 entity thereof, including the Division, enters into any agreement or adopts, modifies or amends

1 any law, rule or regulation that would impair the rights of UTGR under this act and/or under the
2 UTGR Master Contract, as may be amended in the future, and as extended pursuant to this act
3 and as may be extended in the future (as so amended and extended by this act and as may be
4 amended and extended in the future), and/or fails to provide UTGR with slippage protection as
5 described herein and the UTGR Master Contract, UTGR may bring a claim against the State
6 and/or Division, for actual damages and/or specific performance and/or other equitable relief,
7 notwithstanding any limitation on such damages imposed by the laws of the State. For purposes
8 of computing the actual damages with respect to any claim by UTGR against the State and/or the
9 Division for a failure to provide slippage protection pursuant to the provisions of this act and the
10 UTGR Master Contract, "actual damages" means the positive difference between: (i) the gaming
11 facility revenues UTGR would have retained had the State or any entity thereof, including, the
12 Division, provided slippage protection for the period of time that the State and/or the Division
13 fails to provide slippage protect on during the term of the UTGR Master Contract; and (ii) the
14 gaming facility revenues actually retained by UTGR.

15 (b) Except only as provided in section 8A, nothing in this act shall limit the authority of
16 the Division to enforce its rights under the UTGR Master Contract. Except as provided in section
17 8B(a), nothing in this act shall limit the authority of the State to enact, adopt and enforce laws and
18 regulations which are of general application.

19 (c) In the event of any inconsistency between the provisions of this section 8B and the
20 provisions of subsections (c) and (d) of section 5 of chapters 322 and 323 of the public laws of
21 2005, the provisions of this section 8B shall govern.

22 (d) The Division is authorized and empowered to amend the UTGR Master Contract
23 consistent with the provisions of this act.

24 SECTION 8. Section 8 of Chapter 322 of the 2005 Public Laws entitled "An Act
25 Enabling the Division of Lotteries to Enter into a Master Video Lottery Terminal Contract with
26 UTGR, Inc. and to Enter into a Master Video Lottery Terminal Contract With Newport Grand Jai
27 Alai, LLC." is hereby amended as follows:

28 SECTION 8. State's Lincoln Park Obligations Contingent Upon Acquisition Completion.

29 The obligations of the State, including the department of transportation and/or the
30 division, set forth under the provisions of this act shall be and are hereby declared to be expressly
31 contingent upon the acquisition of the Wembley US Group by BLB or a BLB Affiliate taking
32 place, as contemplated in this act. Except as may be permitted by the UTGR Master Contract, this
33 act shall not be deemed and/or construed to create and or vest any rights in BLB, ~~or~~ a BLB
34 Affiliate, or any entity Controlling, Controlled by or under common Control with UTGR, which

1 may be assigned, delegated, and/or otherwise transferred to any other entity; provided however,
2 that notwithstanding subsection 41-3.1-3(c), (i) nothing in this act shall restrict the ability of any
3 person owning all or part of UTGR, including a person (or persons acting in concert) Controlling
4 UTGR, from assigning, delegating and/or otherwise transferring its (or their) interest in UTGR to
5 any other entity, and (ii) any such assignment, delegation and/or transfer shall not affect UTGR's
6 pari-mutuel license; provided however, that any such proposed assignment, delegation and/or
7 transfer that effects a change of Control of UTGR shall be subject to prior approval and licensure
8 by the appropriate regulatory authorities. Nothing herein shall limit the ability of the department
9 of business regulation, in connection with any such proposed assignment, delegation and/or
10 transfer that effects a change of Control of UTGR, to investigate and subject to the regulatory due
11 diligence process, any holder of an ownership interest regardless of percentage of ownership held.

12 SECTION 9. Section 8 of Chapter 323 of the 2005 Public Laws entitled "An Act
13 Enabling the Division of Lotteries to Enter into a Master Video Lottery Terminal Contract with
14 UTGR, Inc. and to Enter into a Master Video Lottery Terminal Contract With Newport Grand Jai
15 Alai, LLC." is hereby amended to read as follows:

16 SECTION 8. State's Lincoln Park Obligations Contingent Upon Acquisition Completion.

17 The obligations of the State, including the department of transportation and/or the
18 division, set forth under the provisions of this act shall be and are hereby declared to be expressly
19 contingent upon the acquisition of the Wembley US Group by BLB or a BLB Affiliate taking
20 place, as contemplated in this act. Except as may be permitted by the UTGR Master Contract, this
21 act shall not be deemed and/or construed to create and or vest any rights in BLB, ~~or~~ a BLB
22 Affiliate, or any entity Controlling, Controlled by or under common Control with UTGR, which
23 may be assigned, delegated, and/or otherwise transferred to any other entity; provided however,
24 that notwithstanding subsection 41-3.1-3(c), (i) nothing in this act shall restrict the ability of any
25 person owning all or part of UTGR, including a person (or persons acting in concert) Controlling
26 UTGR, from assigning, delegating and/or otherwise transferring its (or their) interest in UTGR to
27 any other entity, and (ii) any such assignment, delegation and/or transfer shall not affect UTGR's
28 pari-mutuel license; provided however, that any such proposed assignment, delegation and/or
29 transfer that effects a change of Control of UTGR shall be subject to prior approval and licensure
30 by the appropriate regulatory authorities. Nothing herein shall limit the ability of the department
31 of business regulation, in connection with any such proposed assignment, delegation and/or
32 transfer that effects a change of Control of UTGR, to investigate and subject to the regulatory due
33 diligence process, any holder of an ownership interest regardless of percentage of ownership held.

34 SECTION 10. Consistent with the Rhode Island Constitution, nothing in this act shall be

1 deemed to give any person or entity other than the Division operational control of video lottery
2 games or the conduct thereof, and provided further, this act shall not affect any statutory authority
3 establishing regulatory authority over or control by any other State agency(ies) of Twin River, its
4 licensees, Video Lottery Terminals, individuals, and/or entities as appropriate.

5 SECTION 11. Severability. If any clause, sentence, paragraph, section, or part of this act
6 shall be adjudged by any court of competent jurisdiction as invalid, such judgment shall not
7 affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to clause,
8 sentence, paragraph, section or part directly involved in the controversy in which such judgment
9 shall have been rendered.

10 SECTION 12. This act shall take effect upon passage.

11 **PART B – Authorized Amendment to Newport Grand Master Contract**

12 SECTION 1. Purpose. The general assembly hereby finds that the Newport Grand facility
13 located in the City of Newport is an important source of revenue for the State of Rhode Island.
14 The purpose of the following sections related to Newport Grand is to help strengthen the
15 commercial health of the Newport Grand facility and protect for the people of Rhode Island the
16 public's share of revenues generated at the Newport Grand facility. It is the intent of the general
17 assembly that this act, being necessary for the welfare of the State and its citizens, shall be
18 liberally construed so as to effectuate its purposes, including without limitation, the state's attempt
19 to minimize certain commercial risks faced by Newport Grand when it operates the facility and
20 the business conducted thereon.

21 SECTION 2. Definitions. For purposes of this act, the following terms shall have the
22 following meanings, and to the extent that such terms are defined in Chapters 322 and 323 of the
23 Public Laws of 2005, those terms are hereby amended as follows, provided that such terms, as they
24 may be amended hereby, only apply to Newport Grand and shall have no effect with regard to
25 UTGR or Twin River.

26 (a) "Director" means the director of the division of lotteries.

27 (b) "Division" means the division of lotteries within the department of revenue and/or
28 any successor as party to the Newport Grand Master Contract.

29 (c) "Division Percentage" means for any Marketing Year, the Division's percentage of net
30 terminal income as set forth in section 42-61.2-7.

31 (d) "First Amendment" means that certain first amendment to the Newport Grand Master
32 Contract authorized herein, which first amendment is to be entered into by and between the
33 Division and Newport Grand.

34 (e) "Newport Grand facility" means the gaming and entertainment facility located at 150

1 Admiral Kalbfus Road, Newport, Rhode Island.

2 (f) "Marketing Program" means that Marketing Program authorized in section 4(a)(iii) of
3 this act, which program shall include marketing expenditures as defined by the Division.

4 (g) "Marketing Year" means each fiscal year of the state or a portion thereof between the
5 effective date of the First Amendment and the termination date of the Newport Grand Master
6 Contract.

7 (h) "Master Contract" means with respect to Newport Grand, the Newport Grand Master
8 Contract as the same may have heretofore been amended.

9 (i) "Promotional Points Program" means that promotional points program authorized in
10 section 4(a)(ii) of this act.

11 (j) "State" means the State of Rhode Island.

12 (k) "Term" means with respect to Newport Grand, the Newport Grand Term.

13 (l) "Newport Grand" means Newport Grand, LLC, a Rhode Island Limited Liability
14 corporation, Newport Grand being successor to "Newport Grand Jai Alai, LLC" as defined in
15 Newport Grand Master Contract. References herein to "Newport Grand" shall include its
16 permitted successors and assigns under the Newport Grand Master Contract, if licensed by the
17 Rhode Island department of business regulation.

18 (m) "Newport Grand Master Contract" means that certain master video lottery terminal
19 contract made as of November 23, 2005 by and between the Division and Newport Grand Jai
20 Alai, LLC, as such Newport Grand Master Contract is amended and extended as authorized
21 herein and/or as such Newport Grand Master Contract may be assigned as permitted herein.

22 (n) "Newport Grand Term" means the term of the Newport Grand Master Contract,
23 which term commences on the effective date of the Newport Grand Master Contract and
24 continues through and including the fifth (5th) anniversary of such effective date; provided that
25 Newport Grand shall have one (1) successive five (5) year extension option consistent with the
26 terms of the Newport Grand Master Contract, and a section option pursuant to section 4 (a)(i)
27 below.

28 SECTION 3. Unless otherwise amended by this act, the terms, conditions, provisions,
29 and definitions of chapters 322 and 323 of the public laws of 2005 are hereby incorporated herein
30 by reference and shall remain in full force and effect.

31 SECTION 4. Authorized Procurement of First Amendment to the Master Video Lottery
32 Terminal Contract.

33 (a) Notwithstanding any provisions of the general laws or regulations adopted thereunder
34 to the contrary, including, but not limited to, the provisions of: Chapters 322 and 323 of the

1 public laws of 2005; chapter 2 of title 37 of the general laws; chapter 61 of title 42 of the general
2 laws; and chapter 61.2 of title 42 of the general laws, the Division is hereby expressly authorized
3 and empowered to enter into with Newport Grand a First Amendment to the Newport Grand
4 Master Contract, for the following purposes and containing the following terms and conditions,
5 all of which shall be set forth in more particular detail in the First Amendment:

6 (i) to provide for a Newport Grand Term commencing on the effective date of the
7 Newport Grand Master Contract and continuing through and including the fifth (5th) anniversary
8 of such effective date; provided that Newport Grand shall have two (2) successive five (5) years
9 extension options with the First Extension Term, as defined in the Newport Grand Master
10 Contract, commencing on November 23, 2010 and the Second Extension Term, commencing on
11 November 23, 2015. Except as otherwise provided herein in section 4(a)(vii), the exercise of the
12 option to extend said Master Contract shall be subject to the terms and conditions of section 2.3
13 of the Newport Grand Master Contract; provided however, section 2.3B of the Newport Grand's
14 Master Contract shall be amended such that with respect to UTGR's exercise of its option to
15 extend for the Second Extension Term, Newport Grand shall be required to certify to the Division
16 that (i) there are 180 full-time equivalent employees at the Newport Grand facility on the date of
17 the exercise of the option for the Second Extension Term; and (ii) for the one-year period
18 preceding the date said Second Extension Term option is exercised, there had been 180 full-time
19 equivalent employees on average, as the term full-time equivalent employee is defined in section
20 2.3B of the Newport Grand Master Contract and as confirmed by the Rhode Island department of
21 labor and training.

22 (ii) to provide for a Promotional Points Program at Newport Grand facility, pursuant to
23 the terms and conditions established from time to time by the Division during the Newport Grand
24 Term, such terms to include, but not limited to, a State fiscal year audit of the Promotional Points
25 Program, the cost of which audit shall be borne by Newport Grand. The approved amount of the
26 Promotional Points Program shall not exceed four percent (4%) of the amount of Newport
27 Grand's net terminal income of the prior Marketing Year. Said promotional points are to be used
28 by Newport Grand to provide promotional points to customers and prospective customers of
29 Newport Grand at the Newport Grand facility. Nothing herein shall prohibit Newport Grand, with
30 prior approval from the Division, from spending additional funds on the Promotional Points
31 Program; provided, however, that said additional amounts shall not be funded in any part by net
32 terminal income.

33 (iii) to provide for a Marketing Program for Newport Grand facility, commencing on July
34 1, 2010, which shall be monitored by the Division and pursuant to which, for each Marketing

1 Year, to the extent Newport Grand's marketing expenditures exceed five hundred sixty thousand
2 dollars (\$560,000), the Division shall pay Newport Grand an amount equal to the product of such
3 excess multiplied by the Division Percentage, provided, however, that (1) the total amount
4 payable by the Division for each Marketing Year pursuant to this section 4(a)(iii) shall be capped
5 at an amount equal to the Division Percentage multiplied by eight hundred forty thousand dollars
6 (\$840,000) and (2) the Division shall not owe any amount pursuant to this section 4(a)(iii) in any
7 given Marketing Year unless, pursuant to subsection 42-61.2-7(a), the State has received net
8 terminal income for such Marketing Year in an amount equal to or exceeding the amount of net
9 terminal income the State received for the State's fiscal year 2010; provided, further, that in any
10 partial Marketing Year, the total amount payable by the Division shall be capped at an amount
11 equal to eight hundred forty thousand dollars (\$840,000) multiplied by the Division Percentage,
12 the product of which shall be further reduced by multiplying it by a fraction, (A) the numerator of
13 which is the number of days in any such partial Marketing Year and (B) the denominator of
14 which is 365. (It is anticipated that the only partial Marketing Years shall occur between the
15 effective date of the First Amendment and the last day of the fiscal year of the State during which
16 such effective date occurred and/or the first day of the fiscal year of the State in which the
17 termination of the Newport Grand Master Contract occurs and the termination date of the
18 Newport Grand Master Contract, as the case may be).

19 (iv) to provide that the Newport Grand Master Contract shall not be assigned by either
20 party without the prior written consent of the other party and to further provide that so long as the
21 proposed assignee of Newport Grand or any of its permitted successors shall have been found to
22 be qualified by the Division to hold a video lottery terminal license, the Division shall not
23 unreasonably withhold or delay its consent to such proposed assignment. Proposed assignees
24 and/or successors shall be subject to licensure by the appropriate regulatory authorities.

25 (v) To provide that upon the effective date of the First Amendment to the Newport Grand
26 Master Contract there will be an allocation to Newport Grand of total video lottery net terminal
27 income equal in percentage terms to that amount allocated under Section 3 of the Master Video
28 Lottery Terminal Contract between the Division of Lotteries and UTGR, Inc. dated July 18, 2005
29 (UTGR Master Contract). Total net terminal income due to Newport Grand shall be the
30 equivalent total percentage as calculated in Section 3.4 of said UTGR Master Contract so as to
31 result in an equalized percentage of net terminal income payable to all facilities operating video
32 lottery terminals; provided, however, the allocation to Newport Grand set forth in this section
33 4(a)(v) shall apply beginning in the state's fiscal year 2011.

34 (vi) to permit Newport Grand, at its discretion, to maintain and operate all video lottery

1 games at Newport Grand facility between the hours of 9:00 a.m. and 2:00 a.m. the following day,
2 up to seven (7) days per week, including without limitation, federal and state recognized holidays.
3 (vii) to irrevocably waive, release, acknowledge the fulfillment of or to deem fulfilled, as
4 applicable, as of the effective date of the First Amendment to the Newport Grand Master
5 Contract, (1) any obligation, covenant, condition or commitment performed or to be performed by
6 Newport Grand under or in section 4.1(i) of the Newport Grand Master Contract prior to and/or
7 including the effective date of the First Amendment to the Master Contract; (2) any Newport
8 Grand breach, default, noncompliance or delayed compliance on the part of Newport Grand of
9 any representation, warranty, covenant, term or condition of or under section 4.1(i) of the
10 Newport Grand Master Contract any time prior to and/or including the effective date of the First
11 Amendment to the Newport Grand Master Contract, and (3) in connection with Newport Grand's
12 right to exercise the option for the First Extension Term only, any prior obligation, covenant,
13 condition, circumstance or commitment under section 2.3.B of the Newport Grand Master
14 Contract; specifically, said waiver, release, and acknowledgement shall not relate to the Second
15 Extension Term.

16 (b) The entry into by the Division, and Newport Grand of the First Amendment is hereby
17 authorized, approved, ratified and confirmed in all respects.

18 (c) Any amounts related to the Marketing Program payable by the Division shall be paid
19 on a frequency agreed by the Division (but no less frequently than annually) out of that share of
20 net terminal income disbursed pursuant to subsection 42-61.2-7(a)(1) as an administrative
21 expense of the Division, after allocation of net terminal income pursuant to subsections 42-61.2-
22 7(a)(1), (2), (3), (4), (5), and (6).

23 SECTION 5. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video
24 Lottery Terminal" is hereby amended as follows:

25 **42-61.2-7. Division of revenue. [Effective June 30, 2009 and expires June 30, 2010.] -**

26 (a) Notwithstanding the provisions of section 42-61-15, the allocation of net terminal
27 income derived from video lottery games is as follows:

28 (1) For deposit in the general fund and to the state lottery division fund for
29 administrative purposes: Net terminal income not otherwise disbursed in accordance with
30 subdivisions (a)(2) -- (a)~~(7)~~(6) herein;

31 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
32 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally
33 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible
34 community shall receive more than twenty-five percent (25%) of that community's currently

1 enacted municipal budget as its share under this specific subsection. Distributions made under
2 this specific subsection are supplemental to all other distributions made under any portion of
3 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by
4 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and
5 shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total
6 state distribution shall be the same total amount distributed in the fiscal year ending June 30,
7 2008 and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the
8 total state distribution shall be the same total amount distributed in the fiscal year ending June 30,
9 2009 and shall be made from general appropriations, provided however that \$784,458 of the total
10 appropriation shall be distributed equally to each qualifying distressed community.

11 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
12 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-
13 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
14 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
15 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
16 less than the prior fiscal year.

17 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-
18 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
19 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
20 shall the exemption in any fiscal year be less than the prior fiscal year.

21 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
22 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
23 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
24 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
25 distributions by community shall be identical to the distributions made in the fiscal year ending
26 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,
27 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,
28 funding shall be determined by appropriation.

29 (2) To the licensed video lottery retailer:

30 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-
31 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
32 (\$384,996);

33 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
34 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said

1 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
2 (\$384,996).

3 (b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed
4 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-
5 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven
6 thousand six hundred eighty-seven dollars (\$767,687);

7 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
8 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
9 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
10 (\$767,687).

11 (3) (i) To the technology providers who are not a party to the GTECH Master Contract
12 as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net
13 terminal income of the provider's terminals;

14 (ii) To contractors who are a party to the Master Contract as set forth and referenced in
15 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

16 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted
17 proportionately from the payments to technology providers the sum of six hundred twenty-eight
18 thousand seven hundred thirty-seven dollars (\$628,737);

19 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal
20 income of authorized machines at Newport Grand except that ~~upon passage~~ effective November
21 9, 2009, the allocation shall be one and two tenths percent (1.2%) of net terminal income of
22 authorized machines at Newport Grand for each week the facility operates video lottery games on
23 a twenty-four (24) hour basis for all eligible hours authorized and to the town of Lincoln one and
24 twenty-six hundredths percent (1.26%) of net terminal income of authorized machines at Lincoln
25 Park except that ~~upon passage~~ effective November 9, 2009, the allocation shall be one and forty-
26 five hundredths percent (1.45%) of net terminal income of authorized machines at Lincoln Park
27 for each week the facility operates video lottery games on a twenty-four (24) hour basis for all
28 eligible hours authorized;

29 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
30 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
31 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
32 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
33 ownership and improvement, elderly housing, adult vocational training; health and social
34 services; childcare; natural resource protection; and economic development consistent with state

1 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
2 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
3 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
4 debts; and

5 (6) Unclaimed prizes and credits shall remit to the general fund of the state;

6 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)~~(7)~~(6)
7 shall be made on an estimated monthly basis. Payment shall be made on the tenth day following
8 the close of the month except for the last month when payment shall be on the last business day.

9 (d) Notwithstanding the above, the amounts payable by the Division to Newport Grand
10 related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less
11 frequently than annually.

12 (e) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the
13 Director is authorized to fund the Marketing Program as described above in regard to the First
14 Amendment to the Newport Grand Master Contract.

15 **42-61.2-7. Division of revenue. [Effective June 30, 2010]** – (a) Notwithstanding the
16 provisions of section 42-61-15, the allocation of net terminal income derived from video lottery
17 games is as follows:

18 (1) For deposit in the general fund and to the state lottery division fund for
19 administrative purposes: Net terminal income not otherwise disbursed in accordance with
20 subdivisions (a)(2) -- (a)~~(7)~~(6) herein;

21 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
22 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally
23 allocated to the distressed communities as defined in section 45-13-12 provided that no eligible
24 community shall receive more than twenty-five percent (25%) of that community's currently
25 enacted municipal budget as its share under this specific subsection. Distributions made under
26 this specific subsection are supplemental to all other distributions made under any portion of
27 general laws section 45-13-12. For the fiscal year ending June 30, 2008 distributions by
28 community shall be identical to the distributions made in the fiscal year ending June 30, 2007 and
29 shall be made from general appropriations. For the fiscal year ending June 30, 2009, the total
30 state distribution shall be the same total amount distributed in the fiscal year ending June 30,
31 2008 and shall be made from general appropriations. For the fiscal year ending June 30, 2010, the
32 total state distribution shall be the same total amount distributed in the fiscal year ending June 30,
33 2009 and shall be made from general appropriations, provided however that \$784,458 of the total
34 appropriation shall be distributed equally to each qualifying distressed community.

1 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
2 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of section 44-
3 33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
4 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
5 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
6 less than the prior fiscal year.

7 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund section 44-34.1-
8 1, entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
9 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
10 shall the exemption in any fiscal year be less than the prior fiscal year.

11 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
12 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
13 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
14 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
15 distributions by community shall be identical to the distributions made in the fiscal year ending
16 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,
17 2009, no funding shall be disbursed. For the fiscal year ending June 30, 2010 and thereafter,
18 funding shall be determined by appropriation.

19 (2) To the licensed video lottery retailer:

20 (a) (i) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-
21 six percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
22 (\$384,996);

23 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
24 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
25 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
26 (\$384,996).

27 (b) (i) Prior to the effective date of the UTGR Master Contract, to the present licensed
28 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-
29 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven
30 thousand six hundred eighty-seven dollars (\$767,687);

31 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
32 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
33 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
34 (\$767,687).

1 (3) (i) To the technology providers who are not a party to the GTECH Master Contract
2 as set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net
3 terminal income of the provider's terminals;

4 (ii) To contractors who are a party to the Master Contract as set forth and referenced in
5 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

6 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted
7 proportionately from the payments to technology providers the sum of six hundred twenty-eight
8 thousand seven hundred thirty-seven dollars (\$628,737);

9 (4) To the city of Newport one and one hundredths percent (1.01%) of net terminal
10 income of authorized machines at Newport Grand and to the town of Lincoln one and twenty-six
11 hundredths (1.26%) of net terminal income of authorized machines at Lincoln Park; and

12 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
13 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
14 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
15 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
16 ownership and improvement, elderly housing, adult vocational training; health and social
17 services; childcare; natural resource protection; and economic development consistent with state
18 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
19 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
20 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
21 debts; and

22 (6) Unclaimed prizes and credits shall remit to the general fund of the state;

23 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)~~(7)~~(6)
24 shall be made on an estimated monthly basis. Payment shall be made on the tenth day following
25 the close of the month except for the last month when payment shall be on the last business day.

26 (d) Notwithstanding the above, the amounts payable by the Division to Newport Grand
27 related to the Marketing Program shall be paid on a frequency agreed by the Division, but no less
28 frequently than annually.

29 (e) Notwithstanding anything in this chapter 61.2 of this title 42 to the contrary, the
30 Director is authorized to fund the Marketing Program as described above in regard to the First
31 Amendment to the Newport Grand Master Contract.

32 SECTION 6. Chapter 322 of the 2005 Public Laws entitled "An Act Enabling the
33 Division of Lotteries to Enter into a Master Video Lottery Terminal Contract with UTGR, Inc.
34 and to Enter into a Master Video Lottery Terminal Contract With Newport Grand Jai Alai, LLC."

1 is hereby amended by adding thereto the following sections:

2 Section 4(e). Waiver and Release of Newport Grand.

3 The State, on behalf of itself and each entity thereof, including, but not limited to, the
4 Division, and the department of revenue hereby expressly waives and authorizes the Division, on
5 behalf of itself and the department of revenue on behalf of itself, to separately irrevocably waive,
6 release, acknowledge the fulfillment of or to deem fulfilled, as applicable, as of the effective date
7 of the First Amendment to the Newport Grand Master Contract: (1) any obligation, covenant,
8 condition or commitment performed or to be performed by Newport Grand under or in section 4.1
9 (i) of the Newport Grand Master Contract prior to and/or including the effective date of the First
10 Amendment to the Newport Grand Master Contract; (2) any Newport Grand breach, default,
11 noncompliance or delayed compliance on the part of Newport Grand of any representation,
12 warranty, covenant, term or condition of or under section 4.1(i) of the Newport Grand Master
13 Contract any time prior to and/or including the effective date of the First Amendment to the
14 Newport Grand Master Contract; and (3) in connection with Newport Grand's right to exercise
15 the option for the First Extension only, any obligation, covenant, condition, circumstance or
16 commitment under section 2.3.B of the Newport Grand Master Contract; specifically, said
17 waiver, release, and acknowledgement shall not relate to the Second Extension Term.

18 Section 4(f). Enforcement of Obligations.

19 (1) Except as currently exists for Newport Grand under the provisions of subsection 42-
20 61.2-7(a)(2) and except as hereinafter expressly provided in section 4(f)(2), hereof, if the State or
21 any entity thereof, including the Division, enters into any agreement or adopts, modifies or
22 amends any law, rule or regulation that would impair the rights of Newport Grand under this act
23 and/or under the Newport Grand Master Contract, as may be amended in the future, and as
24 extended pursuant to this act and as may be extended in the future (as so amended and extended
25 by this act and as may be amended and extended in the future), and/or fails to provide Newport
26 Grand with slippage protection as described herein and the Newport Grand Master Contract,
27 Newport Grand may bring a claim against the State and/or Division, for actual damages and/or
28 specific performance and/or other equitable relief, notwithstanding any limitation on such
29 damages imposed by the laws of the State. For purposes of computing the actual damages with
30 respect to any claim by Newport Grand against the State and/or the Division for a failure to
31 provide slippage protection pursuant to the provisions of this act and the Newport Grand Master
32 Contract, "actual damages" means the positive difference between: (i) the gaming facility
33 revenues Newport Grand would have retained had the State or any entity thereof, including, the
34 Division, provided slippage protection for the period of time that the State and/or the Division

1 fails to provide slippage protect on during the term of the Newport Grand Master Contract; and
2 (ii) the gaming facility revenues actually retained by Newport Grand.

3 (2) Except only as provided in section 4(e), nothing in this act shall limit the authority of
4 the Division to enforce its rights under the Newport Grand Master Contract. Except as provided
5 in section 4(f)(1), nothing in this act shall limit the authority of the State to enact, adopt and
6 enforce laws and regulations which are of general application.

7 (3) In the event of any inconsistency between the provisions of this section 4(f) and the
8 provisions of subsections (c) and (d) of section 5 of chapters 322 and 323 of the public laws of
9 2005, the provisions of this section 4(f) shall govern.

10 (4) The Division is authorized and empowered to amend the Newport Grand Master
11 Contract consistent with the provisions of this act.

12 SECTION 7. Chapter 323 of the 2005 Public Laws entitled "An Act Enabling the
13 Division of Lotteries to Enter into a Master Video Lottery Terminal Contract with UTGR, Inc.
14 and to Enter into a Master Video Lottery Terminal Contract With Newport Grand Jai Alai, LLC."
15 is hereby amended by adding thereto the following sections:

16 Section 4(e). Waiver and Release of Newport Grand.

17 The State, on behalf of itself and each entity thereof, including, but not limited to, the
18 Division, and the department of revenue hereby expressly waives and authorizes the Division, on
19 behalf of itself and the department of revenue on behalf of itself, to separately irrevocably waive,
20 release, acknowledge the fulfillment of or to deem fulfilled, as applicable, as of the effective date
21 of the First Amendment to the Newport Grand Master Contract: (1) any obligation, covenant,
22 condition or commitment performed or to be performed by Newport Grand under or in section 4.1
23 (i) of the Newport Grand Master Contract prior to and/or including the effective date of the First
24 Amendment to the Newport Grand Master Contract; (2) any Newport Grand breach, default,
25 noncompliance or delayed compliance on the part of Newport Grand of any representation,
26 warranty, covenant, term or condition of or under section 4.1(i) of the Newport Grand Master
27 Contract any time prior to and/or including the effective date of the First Amendment to the
28 Newport Grand Master Contract; and (3) in connection with Newport Grand's right to exercise
29 the option for the First Extension only, any obligation, covenant, condition, circumstance or
30 commitment under section 2.3.B of the Newport Grand Master Contract; specifically, said
31 waiver, release, and acknowledgement shall not relate to the Second Extension Term.

32 Section 4(f). Enforcement of Obligations.

33 (1) Except as currently exists for Newport Grand under the provisions of subsection 42-
34 61.2-7(a)(2) and except as hereinafter expressly provided in section 4(f)(2), hereof, if the State or

1 any entity thereof, including the Division, enters into any agreement or adopts, modifies or
2 amends any law, rule or regulation that would impair the rights of Newport Grand under this act
3 and/or under the Newport Grand Master Contract, as may be amended in the future, and as
4 extended pursuant to this act and as may be extended in the future (as so amended and extended
5 by this act and as may be amended and extended in the future), and/or fails to provide Newport
6 Grand with slippage protection as described herein and the Newport Grand Master Contract,
7 Newport Grand may bring a claim against the State and/or Division, for actual damages and/or
8 specific performance and/or other equitable relief, notwithstanding any limitation on such
9 damages imposed by the laws of the State. For purposes of computing the actual damages with
10 respect to any claim by Newport Grand against the State and/or the Division for a failure to
11 provide slippage protection pursuant to the provisions of this act and the Newport Grand Master
12 Contract, "actual damages" means the positive difference between: (i) the gaming facility
13 revenues Newport Grand would have retained had the State or any entity thereof, including, the
14 Division, provided slippage protection for the period of time that the State and/or the Division
15 fails to provide slippage protect on during the term of the Newport Grand Master Contract; and
16 (ii) the gaming facility revenues actually retained by Newport Grand.

17 (2) Except only as provided in section 4(e), nothing in this act shall limit the authority of
18 the Division to enforce its rights under the Newport Grand Master Contract. Except as provided
19 in section 4(f)(1), nothing in this act shall limit the authority of the State to enact, adopt and
20 enforce laws and regulations which are of general application.

21 (3) In the event of any inconsistency between the provisions of this section 4(f) and the
22 provisions of subsections (c) and (d) of section 5 of chapters 322 and 323 of the public laws of
23 2005, the provisions of this section 4(f) shall govern.

24 (4) The Division is authorized and empowered to amend the Newport Grand Master
25 Contract consistent with the provisions of this act.

26 SECTION 8. Consistent with the Rhode Island Constitution, nothing in this act shall be
27 deemed to give any person or entity other than the Division operational control of video lottery
28 games or the conduct thereof, and provided further, this act shall not affect any statutory authority
29 establishing regulatory authority over or control by any other State agency(ies) of Newport
30 Grand, its licensees, Video Lottery Terminals, individuals, and/or entities as appropriate.

31 SECTION 9. Severability. If any clause, sentence, paragraph, section, or part of this act
32 shall be adjudged by any court of competent jurisdiction as invalid, such judgment shall not
33 affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to clause,
34 sentence, paragraph, section or part directly involved in the controversy in which such judgment

1 [shall have been rendered.](#)

2 SECTION 10. This act shall take effect upon passage.

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LC02676
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO AUTHORIZING THE FIRST AMENDMENTS TO THE MASTER VIDEO
LOTTERY TERMINAL CONTRACTS

1 This act would authorize various amendments to the master video lottery terminal
2 contracts.

3 This act would take effect upon passage.

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LC02676
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EXHIBIT C

Approved Legislative Initiatives (Prohibiting Greyhound Dog Racing)

2010 -- H 8070 SUBSTITUTE A

=====
LC02519/SUB A
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

—————
A N A C T

RELATING TO SPORTS, RACING AND ATHLETICS -- DOG RACING

Introduced By: Representatives Costantino, Melo, and Carter

Date Introduced: April 29, 2010

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 41-3.1-3 of the General Laws in Chapter 41-3.1 entitled "Dog
2 Racing in Burrillville, Lincoln, and West Greenwich" is hereby amended to read as follows:

3 **41-3.1-3. Regulation of operations.** -- (a) The division of racing and athletics is hereby
4 authorized to license dog racing in the towns of Burrillville, Lincoln, and West Greenwich. The
5 operation of a dog track shall be under the division's supervision. The division is hereby
6 authorized to issue rules and regulations for the supervision of the operations, and the regulations
7 are to be issued prior to commencement of licensing hearings.

8 (b) Any license granted under the provisions of this chapter shall be subject to the rules
9 and regulations promulgated by the division and shall be subject to suspension or revocation for
10 any cause which the division shall deem sufficient after giving the licensee a reasonable
11 opportunity for a hearing at which he or she shall have the right to be represented by counsel. If
12 any license is suspended or revoked, the division shall state the reasons for the suspension or
13 revocation and cause an entry of the reasons to be made on the record books of the division.

14 (c) The division of commercial licensing and racing and athletics in the department of
15 business regulation shall be prohibited from licensing dog racing and/or the operation of a dog
16 track upon which dog racing occurs in the town of Lincoln. Any license having been issued and
17 in effect as of the effective date of this section shall be null and void and any licensee shall be
18 prohibited from operating thereunder; provided, however, that the following entities shall be
19 deemed pari-mutuel licensees as defined in section 42-61.2-1 et seq. and licensees as defined in

1 section 41-11-1 et seq.: (1) Any entity having been issued a license to operate a dog track prior to
2 December 31, 2008; and (2) Any entity having been issued a license to operate a dog track prior
3 to December 31, 2008 that after such date is reorganized under a confirmed plan of reorganization
4 pursuant to chapter 11 of title 11 of the United States Bankruptcy Code (11 U.S.C. sections 101-
5 1532); and provided, further, that in the case of a reorganized licensee under clause (2) above, its
6 application for a Facility Permit license is approved and issued by the department of business
7 regulation in the event of a proposed change in control of the entity. Nothing herein shall limit the
8 ability of the department of business regulation, in connection with a proposed change in control,
9 to investigate and subject to the regulatory due diligence process, any holder of an ownership
10 interest regardless of percentage of ownership held.

11 SECTION 2. This act shall take effect upon passage.

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LC02519/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO SPORTS, RACING AND ATHLETICS -- DOG RACING

1 This act would prohibit the department of business regulation from licensing dog racing
2 or the operation of a dog track in the town of Lincoln. Any license issued prior to or in effect on
3 the date of the effective date this act would be null and void except for any entity issued a license
4 to operate a dog track prior to December 31, 2008, and that any such entity after December 31,
5 2008 would be reorganized under the US Bankruptcy Code.

6 This act would take effect upon passage.

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LC02519/SUB A
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