

SECOND AMENDMENT TO MEMORANDUM OF UNDERSTANDING

The joint memorandum of understanding dated as of January 13, 1993 between the State of Connecticut and the Mashantucket Pequot Tribe as previously amended by the First Amendment to the Memorandum of Understanding (as so amended, the "Memorandum") is hereby further amended as follows:

WHEREAS, the Mohegan Tribe is now federally recognized and the State may be required to negotiate a gaming compact with the Mohegan Tribe which could relieve the Mashantucket Pequot Tribe of its obligation to contribute to the State and lead to renewed litigation between the parties hereto regarding the effect of the moratorium set forth in section 15(a) of the Mashantucket Pequot Gaming Procedures; and

WHEREAS, ambiguities in the Memorandum may lead to renewed litigation between the parties in the event that state legislation is enacted which seeks to circumvent the intent of the Memorandum by authorizing casinos without initially authorizing the operation of video facsimiles in such casinos; and

WHEREAS, the parties desire to avoid renewed litigation and to amicably resolve the existing uncertainties in a manner consistent with the original intent of the Memorandum, and the Mashantucket Pequot Tribe is prepared to maintain its obligation to contribute to the State so long as the Mohegan Tribe enters into a similar arrangement;

NOW, THEREFORE, be it agreed as follows:

1. The Memorandum is hereby further amended by striking the second sentence of paragraph (1) and inserting in place thereof the following:

"The Tribe agrees that, so long as no change in State law is enacted to permit the operation of video facsimiles or other commercial casino games by any other person and

no other person within the State lawfully operates video facsimiles or other commercial casino games, the Tribe will contribute to the State a sum [the "Contribution"] equal to twenty-five per cent (25%) of gross operating revenues of video facsimile games operated by the Tribe."

2. The Memorandum is hereby further amended by striking Paragraph (3) and inserting in place thereof the following:

"3. It is understood and agreed by the parties that this agreement constitutes an accommodation by both the State and the Tribe in order to satisfy their respective interests and to resolve the matters addressed by section 15(a) of the Procedures in an orderly and non-adversarial manner, and does not constitute an admission or concession by either the State or the Tribe as to any legal or factual questions which might otherwise arise pursuant to section 15(a) of the Procedures. The Tribe agrees that so long as no change in State law is enacted to permit the operation of video facsimiles or other commercial casino games by any other person and no other person within the State lawfully operates video facsimile games or other commercial casino games, the Tribe shall not assert the right to operate video facsimile games except in accordance with this Memorandum of Understanding. In the event that any change in State law is enacted to permit the operation of video facsimiles or other commercial casino games by any other person or any other person within the State lawfully operates video facsimile games or other commercial casino games, the Tribe shall not be bound by the provisions of this Memorandum of Understanding so long as it does not claim any right to operate video facsimile games by virtue of this Memorandum of Understanding, but the Tribe may

thereupon assert any rights which it may otherwise have under the Procedures; provided, however, that in such event neither party shall be bound by any of the provisions hereof nor shall either party be barred from taking any position inconsistent with this Memorandum of Understanding; and further provided, that in the event that the Mohegan Tribe lawfully operates video facsimile games or other commercial casino games under the provisions of the Indian Gaming Regulatory Act, the Tribe shall not thereby be relieved of its obligations hereunder but shall, subject to the provisions of paragraph (4) hereof, continue to be bound by the provisions of this Memorandum of Understanding so long as the Mohegan Tribe makes a contribution to the State with respect to its operation of video facsimile games which is at least equivalent to that required pursuant to the Memorandum of Understanding of even date entered into between the Mohegan Tribe and the State as appended hereto as an Exhibit. Nothing contained in this Memorandum of Understanding shall be utilized under any circumstance as evidence by either the State or the Tribe as to the intent of the Procedures or the effect of any provision the Procedures or of any State or Federal law or regulation."

3. The Memorandum is hereby further amended by inserting after paragraph (3) of the following new paragraph:

"4. Notwithstanding the provisions of paragraph (2) hereof and subject to the provisions of paragraph (3) hereof, solely for each fiscal year of the State commencing on or after July 1, 1995, during which the Mohegan Tribe operates video facsimiles or other commercial casino games for any portion of such year and makes the contribution required pursuant to paragraph (3) hereof, the Minimum Contribution with respect to the

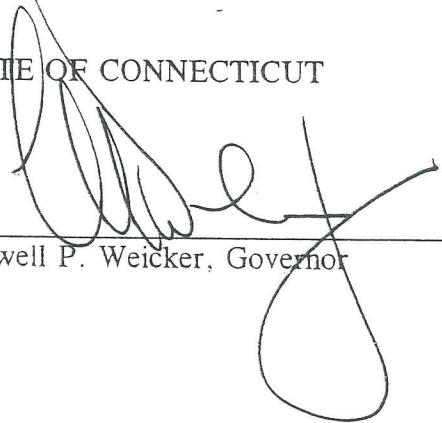
operation of video facsimiles during each such fiscal year shall be the lesser of: (i) thirty per cent (30%) of gross operating revenues from video facsimiles during such fiscal year, or (ii) the greater of twenty-five per cent (25%) of gross operating revenues from video facsimiles during such fiscal year or Eighty Million Dollars (\$80,000,000.00). The Minimum Contribution shall be payable as follows: the cumulative Contribution of the Tribe to the State hereunder with respect to the operation of video facsimiles during each such fiscal year of the State shall be Eight Million Dollars (\$8,000,000.00) as of September 15th of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through August 31st of such fiscal year; Sixteen Million Dollars (\$16,000,000.00) as of October 15th of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through September 30th of such fiscal year; Twenty-Four Million Dollars (\$24,000,000.00) as of November 15th of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through October 31st of such fiscal year; Thirty-Two Million Dollars (\$32,000,000.00) as of December 15th of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through November 30th of such fiscal year; Forty Million Dollars (\$40,000,000.00) as of January 15th of each such fiscal year, but not more than thirty (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through December 31st of such fiscal year; Forty-Eight Million Dollars (\$48,000,000.00) as of February 15th of each such fiscal

year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through January 31st of such fiscal year; Fifty-Six Million Dollars (\$56,000,000.00) as of March 15th of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through February 28th of such fiscal year; Sixty-Four Million Dollars (\$64,000,000.00) as of April 15th of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through March 31st of such fiscal year; Seventy-Two Million Dollars (\$72,000,000.00) as of May 15th of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles from July 1st of such fiscal year through April 30th of such fiscal year; and Eighty Million Dollars (\$80,000,000.00) as of July 15th following the close of each such fiscal year, but not more than thirty per cent (30%) of gross operating revenues from video facsimiles through June 30th of such fiscal year."

DATED: APRIL 25, 1994

STATE OF CONNECTICUT


BY



Lowell P. Weicker, Governor

MASHANTUCKET PEQUOT TRIBE

BY



Richard A. Hayward, Chairman