

Exhibit J

Tax Compact

This is a Compact, effective as of [DATE], between the Oneida Nation of New York, a sovereign Indian nation (“the Nation”), and the State of New York (the “State”) to: (i) resolve a disagreement between them over the taxation of certain sales at retail by the Nation or on its lands; (ii) foster a positive working relationship in matters of mutual interest; and (iii) resolve disputes and disagreements by conducting discussions and reaching agreements on a government-to-government basis.

The State and the Nation agree to the following:

I. Imposition of Nation Taxes

A. Tax Parity Generally

The Nation, by ordinance and in accord with the requirements of this Article, agrees to impose the following taxes on all sales of products by Nation retailers to non-Indian purchasers on Nation lands:

1. *Nation Excise Tax*: To the extent that the State, and/or the County of Madison or the County of Oneida (the “Counties”), impose(s) or otherwise charge(s) an excise tax on products sold within the Counties, the Nation shall impose a Nation excise tax on those products sold by Nation retailers, including the Nation and tribal members authorized to sell, on the Nation’s lands to non-Indians. The Nation Excise Tax on these products shall be no less than the amount, in dollars and cents, of the State excise tax on the same products in the same quantities. During the term of this Compact, upon any future increase in the State excise tax on these products, the Nation Excise Tax on the same products in the same quantities shall increase to an amount no less than the new State excise tax. Upon any future decrease in the State excise tax on these products, the Nation Excise Tax on the same products in the same quantities may, at the Nation’s discretion, decrease to an amount no less than the new State excise tax.

2. *Nation Sales Tax*: To the extent that the State and/or the Counties impose(s), charge(s) or otherwise require(s) collection of a sales or compensating use tax on any goods or services sold or provided within the Counties, including but not limited to any taxes authorized by Articles 28 and 29 of the State Tax Law, the Nation shall impose a sales tax on those goods or services sold or provided by Nation retailers, including the Nation and tribal members authorized to sell, on the Nation’s lands to non-Indians. The Nation Sales Tax rate shall be no less than the combined sales tax rate of the State and of the County where the Nation’s lands are located. During the term of this Compact, upon any future increase in the State or either County’s sales or use taxes on particular products or services, the Nation Sales Tax or Use Tax on the same products or services in the same quantities shall increase to an amount no less than the new State sales tax. Upon any future decrease in the State or either County’s sales or use tax on these goods or services, the Nation Sales Tax or Use Tax on the same goods or services in the same

quantities may, at the Nation's discretion, decrease to an amount no less than the new State or County sales or use tax.

B. Nation Tax Proceeds

Nation tax revenues shall be devoted exclusively to the provision of governmental programs and services, or to the discharge by the Nation of its governmental obligations.

C. Exemptions and Exclusions

Notwithstanding any provision of this Compact, the Nation is authorized to exempt or exclude from the Nation Excise Tax or Nation Sales Tax any sale of products on Nation lands to the Nation, to any entity wholly owned directly or indirectly by it, or to Indian purchasers.

II. State Taxing of Sales

In exchange for the Nation's agreement to impose and collect the taxes set forth in Article I, the State agrees that it shall not attempt to impose, enforce or cause to be passed through any existing or future tax or minimum pricing requirement imposed on products, including but not limited to cigarettes and other tobacco products, in connection with their purchase or sale on the Nation's lands.

The taxes referred to in this Article include, but are not limited to, all State and county excise, use, sales, wholesale and other taxes, fees, levies, or assessments that are now imposed or may be imposed in the future on, or in connection with the purchase or sale of cigarettes, including but not limited to the State and county tax on cigarettes and tobacco products as defined in Article 20 of the State Tax Law now in effect and as may hereinafter be amended or superseded; the New York cigarette marketing standards as defined in Article 20-A of the State Tax Law now in effect and as may hereinafter be amended or superseded; and the New York sales and compensating use taxes as defined by Articles 28 and 29 of the State Tax Law now in effect and as may hereinafter be amended or superseded.

The State shall take all actions necessary, including but limited to the passage of legislation and adoption of regulations, to implement this Compact.

If this Compact should terminate for any reason, the State agrees that it shall not seek payment from the Nation, its members, or entities owned by either of any taxes (or associated interest or penalties) in connection with any purchase or sale of cigarettes or any other product prior to the date on which this Compact terminates.

III. Independent Third Party Auditor

A. General

The purpose of this Article is to provide a process for regular verification of compliance with this Compact.

B. Nation to Contract with Third Party Auditor

The Nation and the State agree that, for the purposes of verifying compliance with this Compact, the Nation shall contract each year with an independent third party auditor to be selected each year by mutual agreement of the parties. The Auditor shall review records on an annual basis, consistent with the Nation's fiscal year, to issue an annual report and certification as provided in this Article. The Nation shall bear the reasonable costs of the auditing services. The Nation and the State shall be entitled to freely communicate with the Auditor.

C. Audit Protocol

To verify compliance with this Compact, the Auditor must adhere to the following protocol:

1. *Period under review*: The Auditor must review records for the fiscal year under audit, and may review records for earlier years that are after the date of the signing of the contract but only as necessary for an internal reconciliation of the relevant books.

2. *Records to be examined*: The Auditor must review records and invoices of products sold, product inventory records, and such additional records as are necessary to verify the retail selling price, including the applicable Nation taxes. Without expanding the record review provided by the previous sentence, the Auditor shall not examine records that do not relate to the stamping, selling, or taxing activities of the Nation, unless a review of the records is necessary to verify the retail selling price, including the applicable Nation taxes.

D. Audit Report and Certification

After each annual audit, the Auditor shall issue an audit report and a certification with respect to compliance with this Compact.

1. *Report*. The annual report shall describe audit in sufficient detail to explain the records reviewed, the volume of annual cigarette sales, and the prices charged and revenues collected, including the volume of Nation tax collected. As often as either wishes, the Department and the Nation may speak with the Auditor about the report and may view the audit report, as well as any underlying documents, at the offices of the Auditor, or at a place agreed to by the Department and the Nation, but they may not copy the report or the underlying documents. In the event of dispute resolution as described below, the relevant mediators and arbitrators have a copy of the report subject to their agreement to maintain its confidentiality, and shall return it to the Auditor at the conclusion of mediation or arbitration. Except as provided in this subparagraph, the Auditor shall keep the report confidential.

2. *Certification*. The Auditor shall provide the New York State Department of Taxation and Finance ("Department") and the Nation with a certified statement that the Auditor finds the Nation to be in compliance with the terms of this Compact or else that the Nation is in compliance except for specifically listed items that are explained in the annual report.

E. Joint Audit Implementation and Review

The Nation and the State shall meet jointly with the Auditor prior to the beginning of each annual audit. The purpose of such meeting will be to discuss the objectives of the upcoming audit, the expectations of the Nation and of the State, the standards to be used in such audit, and any issues regarding conduct of the audit, records pertinent to the audit or the contents of the Auditor's report. Subsequent meetings before and during the audit may be held as required. As soon as practicable after the issuance of the Auditor's certification, the Nation and the State may meet jointly with the Auditor as often as required to review the audit report and discuss any issue of concern.

In the event that either the Nation or the Department disagrees with the Auditor's final report or certification, either party may notify the other of the disagreement and follow the procedures for resolution of the disagreement in Article IV of this Compact.

IV. Dispute Resolution

The Nation and the State wish to prevent disagreements and violations whenever possible, and to quickly and effectively resolve disagreements and violations when they arise. The Nation and the State agree that, to the extent possible, informal methods shall be used before engaging in the formal processes provided by this Article.

As used in this Article, "days" means calendar days, unless otherwise specified.

A. Notification of Violation

If either the State or the Nation believes a violation of the Compact has occurred, it shall notify the other in writing. The notice shall state the nature of the alleged violation and any proposed corrective action or remedy. The State and the Nation agree to meet within 14 days of receipt of the notice, unless a different date is agreed to by both. The purpose of the meeting will be to attempt to resolve between themselves the issues raised by the notice of possible violation and to provide an opportunity to implement any agreed corrective action.

B. Mediation

If the State and the Nation are unable to resolve a disputed issue through joint discussions, either may request mediation by giving a written mediation demand to the other. Good faith mediation shall be a condition precedent to dispute resolution by arbitration.

The State and the Nation shall first attempt to agree on a mediator. If they cannot agree on a mediator within 30 days of written demand, a three-person mediation panel shall be used and shall be selected as follows: The State shall select a mediator, the Nation shall select a mediator, and those two mediators shall jointly select a third mediator.

The mediator or mediators shall have a copy of the relevant Report of the Auditor, and of any underlying documents provided by the Auditor. The mediator or mediators shall hold the

Report and all underlying documents confidential, shall not copy them, and shall return them to the Auditor at the conclusion of the mediation.

The State and the Signatory Nation engaged in mediation shall share equally the costs of mediation.

C. Arbitration

If mediation does not resolve the disputed issues within 90 days of the mediation demand, either the State or the Nation may request that any unresolved issues be submitted to binding arbitration by submitting a written arbitration demand to the other.

Upon receipt of an arbitration demand, the parties shall proceed to select an arbitrator or, in the alternative, a three-person arbitration panel, by the same method as mediators are selected. The arbitrator shall establish a timeline to ensure an arbitration decision is reached no later than four months from the date of the arbitration demand.

The arbitrator or arbitrators shall have a copy of the relevant Report of the Auditor, and of any underlying documents provided by the Auditor. The arbitrator or arbitrators shall hold the Report and all underlying documents confidential, shall not copy them, and shall return them to the Auditor at the conclusion of the mediation.

Any corrective action ordered by the arbitrator must be taken no later than 30 days after issuance of the arbitrator's decision, unless a different time for compliance is specified in the arbitrator's decision.

The State and the Nation engaged in arbitration shall share equally the costs of arbitration.

D. Remedies

Whenever an issue is submitted to mediation or arbitration under this section, the mediators may recommend, or the arbitrators may direct, corrective action to remedy any violation. In no case shall a mediator or arbitrator render an independent recommendation or decision on any issue on which the State and the Nation reach agreement.

Remedies may include: interpretation of the terms of the Agreement, changes in reporting, record keeping, enforcement practices, business practices or similar action, and a monetary award to the State equal to any shortfall in Nation taxation of past cigarette sales during the previous audit period.

Remedies shall not include an award of costs or fees of any kind, or the disclosure of any records not specifically subject to disclosure under this Compact.

The arbitrator or arbitrators shall serve the arbitration award by both FedEx and certified mail, return receipt requested, upon the Nation's General Counsel, [fill in address], and upon the State's Attorney General [fill in address].

E. Judicial Enforcement of Arbitration Award

Within sixty (60) days of issuance and service of any arbitration award, either the Nation or the State may initiate a civil action in the United States District Court for the Northern District of New York, but not in any other court, seeking to enforce, modify or set aside the award. Such civil action shall be governed by the Federal Arbitration Act, and the case law that has developed under it.

F. Limited Waiver of Sovereign Immunity

Solely for the limited purpose of enforcing this Compact by mediation, arbitration or an action to compel mediation, arbitration or arbitration or to enforce, modify or set aside an arbitration award, all as governed and limited by the specific terms of this Compact, either by the Nation against the State or vice versa, both the Nation and the State waive any immunity either has under federal, state or Nation law with regard to a proceeding or an action initiated by the other. This limited waiver does not benefit or provide any rights whatever to any third party or non-party.

V. Agreements with Other Nations or Tribes

In the event that another Indian nation or tribe enters into an agreement with the State regarding sales, use, wholesale, excise taxes or any other similar category of taxes – whether called a tax parity agreement, a minimum pricing agreement, a price differential agreement or something else – the State shall provide a copy thereof to the Nation within five (5) days after its execution, and in no event later than its effective date, and the Nation may, at its option, upon notice to the State, identify the provisions of such agreement that, as of the date of notice from the Nation to the State, shall be incorporated into and amend or replace the terms of this agreement.

VI. Change of Law

If there is a change in New York State law or regulations governing the pricing or taxation of cigarettes, the Nation may commence, and the State is obligated to participate in, good faith negotiations to amend the Compact or, at the Nation's election, the Nation may terminate this Compact. For the purposes of this Article, a change in law shall include, but is not limited to, the elimination or modification of mandatory minimum cigarette sale prices, a change in the formula governing minimum cigarette sale prices, a change to the provisions of the State tax law governing taxation of cigarette sales or a change in the sales, use or other taxes applicable to cigarettes.

VII. Integrated Document

This Compact is an integrated document setting forth all of the obligations of the parties, on to the other, with respect to the taxes addressed herein. There are no other agreements, understandings, statutory or regulatory obligations, or representations that govern the rights and duties of the parties with respect to the taxes addressed in this Compact.

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