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OKLAHOMA SECRETARY
OF STATE

IOWA

OFF-TRACK WAGERING

COMPACT

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This is a cooperative agreement made and entered into by and between the Iowa Tribe of Oklahoma ("Iowa "), a federally-recognized Indian tribe, and the State of Oklahoma ("Oklahoma"), pursuant to the provisions of the Indian Gaming Regulatory Act.

SECTION 1. **TITLE**. The title of this document is the "Iowa Off-Track Wagering Compact."

SECTION 2. **DEFINITIONS**. For the purposes of this compact:

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

b. "Class III Gaming" means all forms of gaming defined in 25 U.S.C.A. § 2703(8).

c. "Commission" means the National Indian Gaming Commission established pursuant to 25 U.S.C.A. § 2704.

d. "Compact" means this document and any appendices attached hereto.

e. "Gaming Employee" means any natural person employed in the management of the gaming operation.

f. "Gaming Facility" means the room or rooms where off-track bets authorized by this compact are placed.

g. "Gaming Operation" means the gaming authorized in Iowa Indian country by this compact.

h. "Off-Track Betting" means pari-mutuel betting on races into an interstate common pari-mutuel pool consisting of the pari-mutuel wagers placed at track(s), its intrastate betting locations, other jurisdictions, and the pari-mutuel wagers placed at the Iowa Gaming Facilities authorized by this compact.

i. "Iowa Indian country" means any lands as defined by 25 U.S.C.A. § 2703, ¶ (4)(A) and ¶ (B) over which the Iowa exercise jurisdiction.

j. "OSBI" means the Oklahoma State Bureau of Investigation, the organization now tasked by Oklahoma law to monitor and oversee compacts relating to Indian gaming [74 O.S.Supp.1995, § 1223], or such other entity that the Oklahoma Legislature may hereafter designate by law to perform these or related tasks.

k. "Oklahoma" means the State of Oklahoma, its authorized officials, agents, and representatives.

l. "Iowa " means the Iowa Tribe of Oklahoma, its authorized officials, agents and representatives.

m. "Iowa Gaming Director" means the person so designated by the Iowa as primarily responsible for regulatory oversight of the off-track wagering authorized and governed by this compact.

n. "Iowa Law Enforcement Agency" means the police force established and maintained by the Iowa pursuant to the Iowa powers of self-government to carry out law enforcement within Iowa Indian country.

SECTION 3. **DURATION**.

a. Effective Date. After execution by the parties hereto, this compact shall become effective when notice of approval by the Secretary of the Interior is published in the Federal Register.

b. Term. This Compact shall have a three-year automatically-renewable term from the effective date. The three-year term will automatically renew unless a party gives notice of intent to terminate before 30 days prior to expiration of the three-year term.

c. Duration. Once effective, this Compact will remain in full force and effect until one of the following shall occur:

(1) The term expires pursuant to a notice of an intent to terminate;

(2) The Compact is terminated by mutual consent of the parties;

(3) The Iowa duly adopt an ordinance or resolution revoking authority to conduct Class III Gaming in Iowa Indian country as provided by 25 U.S.C.A. § 2710(d)(2)(D);

(4) Pursuant to a final, non-appealable judgment by a court of competent jurisdiction determining that:

(a) this Compact is invalid; or

(b) a party has committed a material breach that has not been timely cured.

SECTION 4. **AUTHORIZED CLASS III GAMING**. The Iowa may conduct off-track wagering consistent with this compact, with all applicable federal laws, and with the standards of operation and management for parimutuel gaming described in Appendix A.

SECTION 5. **LOCATIONS**. All gaming authorized herein shall be conducted in gaming facilities located on land held in trust by the United States for the Iowa and situated within the borders of the

State of Oklahoma. Enumerated in Appendix B is a current list of authorized locations. Additional locations may be added to this list by the Iowa with the concurrence of the Governor of Oklahoma who shall approve the additional site unless the site is: (a) not on land held in trust by the United States for the Iowa within the borders of the State of Oklahoma, or (b) within 300 feet of a school or of a church.

SECTION 6. **SERVICE AGREEMENTS**. The Iowa will enter into a Pari-Mutuel and Racewire Service Agreement for the off-track wagering authorized by this compact.

SECTION 7. **CLAIMS**. To protect third-parties, the Iowa have adopted a gaming ordinance consistent with 25 U.S.C.A. § 2710. A copy of this ordinance is attached hereto as Appendix C. This ordinance provides dispute resolution procedures that shall apply to tort and wagering claims unless change is required by federal law:

a. Procedure. In the event of an alleged personal injury or property damage suffered by a patrol of the gaming facility, or in the event of a dispute between a patron and the gaming enterprise regarding the payment of bet or distribution of winnings, the patron may make a claim against the gaming enterprise as follows:

(1) Making Claim. Any patron having a claim against the gaming enterprise shall present a claim to the gaming enterprise for any appropriate relief including the award of money damages. Claims against the gaming enterprise are to be presented

within ninety (90) days of the date the loss occurs. In the event a claim is not presented following ninety (90) days after the loss occurs, but within one (1) year after the loss occurs, any judgment in a lawsuit arising from the act which is the subject of the claim shall be reduced by ten (10) percent. A claim against the gaming enterprise shall be forever barred unless notice thereof is presented within one (1) year after the loss occurs. A claim against the gaming enterprise shall be in writing and filed with the Tribal Gaming Commission at the address of the gaming facility. Notices explaining this procedure shall be posted in the gaming facility. Such notices shall explain that this procedure is the exclusive method of making a tort claim or registering a patron dispute about payment of a bet or a distribution of winnings. Such notices shall explain that upon denial of a claim redress must be sought exclusively in Tribal Court.

(2) Notice. The written notice of claims of the gaming enterprise shall state the date, time, place and circumstances of the claim, the identity of the tribal or gaming employees, if known, the amount of compensation or other relief demanded, the name, address and telephone number of the claimant, and the name, address and telephone number of any agent authorized to settle the claim.

(3) Denial. A claim is deemed denied if the gaming enterprise fails to approve the claim in its entirety within ninety (90) days of receipt, unless the interested parties have reached a settlement before the expiration of that period. A person may not

initiate suit against the gaming enterprise unless the claim has been denied in whole or in part. The claimant and the gaming enterprise may continue attempts to settle a claim; however, settlement negotiations do not extend the date of denial.

(4) Limitations. No action for any cause arising from personal injury, property damage, or patron gaming dispute shall be maintained unless valid notice has been given and the action is commenced in a tribal court within 180 days after denial of the claim as set forth herein. Neither the claimant nor the gaming enterprise may extend the time to commence an action by continuing to attempt settlement of the claim.

b. Tort Claim. During the term of this compact, the Iowa shall maintain public liability insurance with limits of not less than $250,000 for any one person and $2,000,000 for any one occurrence for personal injury and $1,000,000 for any one occurrence for property damage. This insurance policy shall include an endorsement providing that the insurer shall not invoke tribal sovereign immunity up to the limits of the policy set forth above. In the event of an alleged personal injury or property damage suffered at a gaming facility arising from alleged negligence by the Iowa , the sole and exclusive remedy for an alleged tort claim is against this liability insurance policy. A claim may be made against the Iowa liability insurer as provided in Appendix C.

c. Wager Claim. In the event of a disputed claim by a patron regarding distribution of winnings, the patron should submit

a claim to the Iowa Gaming Director consistent with the dispute resolution procedures in Appendix C.

d. Posting. Notices explaining dispute resolution procedures for tort or wagering claims shall be posted in prominent locations in each gaming facility.

SECTION 8. **REGULATIONS**. In addition to the regulations in Appendix C, the following additional requirements apply:

a. Logs. The Iowa shall maintain the following logs as written or computerized records available for inspection by the OSBI in accordance with this Compact:

(1) pay-out logs from all off-track wagering; and

(2) maintenance logs in relation to all gaming equipment.

b. Debarred Lists. The Iowa shall establish a list of persons barred from the gaming facility because of their criminal history or association with career offenders or career offender organizations that pose a threat to the integrity of the gaming. The Iowa shall employ its best efforts to exclude persons on such list from entry into its gaming facility and, upon request, send a copy of this list to the OSBI.

c. Audit. The Iowa shall have prepared a compliance audit of the gaming operation, not less than annually, by an independent certified public accountant. The results of the independent audit and the auditors' work papers shall be made available to the OSBI. If authorized by the Oklahoma Legislature, the OSBI may delegate this responsibility.

d. Rule Display. Summaries of the house rules shall be visibly displayed in each Gaming Facility. Complete rules shall be available in pamphlet form in each Gaming Facility.

SECTION 9. **ENFORCEMENT**.

a. Iowa Gaming Director. The Iowa Gaming Director shall perform the following functions:

(1) enforcement of all laws pertaining to the gaming operation, including the facility;

(2) provide for the physical safety of gaming employees and of patrons in the gaming facility;

(3) safeguard the assets transported to and from the gaming facility;

(4) provide for the detention of persons who may be involved in illegal acts for the purpose of notifying the Iowa , federal, state, county or local law enforcement authorities;

(5) Record any and all unusual occurrences within the gaming facility. Each incident without regard to materiality shall be assigned a sequential number, and at a minimum the following information shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:

(a) Assigned number;

(b) Date;

(c) Time;

(d) Nature of incident;

(e) Person involved in the incident.

b. Investigation and Sanctions. Pursuant to the Iowa laws and regulations, the Iowa Gaming Director shall investigate any reported violation of the Compact provisions and shall require the gaming operation to correct the violation upon such terms and conditions as the Iowa Gaming Director determines are necessary.

c. Reporting. The Iowa Gaming Director shall forward copies of all investigation reports and final dispositions to the Iowa Gaming Commissioner and to the Oklahoma entity receiving the compliance audit.

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

SECTION 10. **MONITORING**. The OSBI shall have the authority to monitor the gaming operation to ensure compliance with provisions of this Compact. In order to properly monitor the gaming operation, agents of the OSBI shall have reasonable access to all areas of the gaming facility during normal operating hours after giving notice

to the Iowa Law Enforcement Agency; provided, however, the monitoring activities of these agents shall not interfere with the normal functioning of the gaming operation, and OSBI shall provide proper photographic identification to the Gaming Director on duty.

a. Access to Records. Agents of the OSBI shall have authority to review and copy during normal business hours all records maintained by the gaming operation.

b. Notification. At the completion of any inspection or investigation by the OSBI, an investigative report shall be forwarded to the Iowa Gaming Director and the Iowa law enforcement agency.

SECTION 11. **CRIMINAL JURISDICTION**. This compact shall not alter Iowa , Oklahoma, and federal criminal jurisdiction. All existing cross-deputization compacts between the Iowa and political subdivisions of Oklahoma are hereby ratified and reaffirmed.

SECTION 12. **EMPLOYEES**.

a. Applications. Prior to hiring a prospective gaming employee, the Iowa shall obtain sufficient information and identification from the applicant to permit a thorough background investigation. The information shall be provided in writing to the Iowa Law Enforcement Agency, who may conduct the background investigation and provide a written report to the Iowa Gaming Director in a timely manner from the receipt of the request and shall include:

(1) Full name, including any aliases by which applicant has ever been known;

(2) Social Security number;

(3) Date and place of birth;

(4) Residential addresses for the past five (5) years;

(5) Employment history for the past five (5) years;

(6) Driver's license number;

(7) All licenses issued and disciplinary charges filed, whether or not discipline was imposed, by any State or tribal gaming agency;

(8) All criminal arrests and proceedings, except for minor traffic offenses, to which the applicant has been a party;

(9) A set of fingerprints;

(10) A current photograph;

(11) Military service history; and

(12) Any other information necessary to conduct a thorough background investigation.

b. Probation. The Iowa may employ on a probationary basis prospective gaming employees who represent in writing that they meet the standards set forth in this section, until such time as the written report on the applicants' background investigation is complete.

c. Disqualification. The Iowa shall not employ as a gaming employee and shall terminate any probationary gaming

employee, if the report on the applicant's background investigation finds that the applicant:

(1) Has been convicted of any felony, gaming offense or larceny;

(2) Has knowingly and willfully provided materially important false statements or information on his employment application; or

(3) Has been determined to be a person whose prior activities, criminal record or reputation, habits and associations pose a threat to the public interest, or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

d. Background Investigations. The Iowa may conduct additional background investigations of any gaming employee at any time during the term of employment. Any gaming employee who does not meet the minimum employment criteria shall be promptly dismissed.

e. Identification Cards. The Iowa Gaming Director shall require all gaming employees to wear in plain view identification cards that include photo, first name and a four-digit identification number unique to the individual, a Iowa seal or signature, and a date of expiration.

SECTION 13. **PUBLIC HEALTH AND SAFETY**

a. Compliance. The construction, maintenance and operation of any gaming facility shall comply with all Federal and Iowa standards and with all other local building codes and standards as would apply if the construction occurred outside of Iowa Indian country and within the State of Oklahoma.

b. Emergency Service Accessibility. The Iowa Gaming Director shall make provisions for adequate emergency accessibility and service to ensure the health and safety of all gaming patrons. Upon finalization of emergency access plans for all gaming facilities, the Iowa shall forward copies of said plans to Oklahoma.

c. Minors. No person shall be admitted into a gaming area nor be permitted to place any wager directly or indirectly who is a "minor" as that word is defined in the Oklahoma Horseracing Act for the purpose of precluding waging by such person.

d. Alcohol. No alcoholic beverages of any kind shall be permitted in a gaming facility.

SECTION 14. **DISPUTE RESOLUTION**. In the event either party to this Compact believes the other party has failed to comply with any requirement herein or applicable regulations, or in the event of any disagreement or dispute as to the proper interpretation of the terms and conditions of this Compact, the following procedures may be invoked but shall not be construed to prevent either party from seeking immediate relief.

a. Voluntary Resolution. The party asserting noncompliance or seeking an interpretation shall serve written notice on the

other party. The notice shall identify the specific Compact provision alleged to have been violated or in dispute and shall specify in detail the factual basis for the alleged noncompliance or the Compact provision for which interpretation is sought. Within 30 days of receipt of notice, Oklahoma and the Iowa shall meet in an effort to resolve the dispute.

b. Non-binding Arbitration. If a dispute arises among the parties that is not resolved within sixty (60) days of receipt of notice, either party may refer it to non-binding arbitration. If referred to arbitration, each party shall name the arbitrator. The two named arbitrators will name a third arbitrator. If the two named arbitrators cannot agree on a third arbitrator, the third arbitrator will be named by the American Arbitration Association. The expenses of arbitration shall be borne equally by the parties. A party asserting noncompliance or seeking an interpretation under this section shall be deemed to have certified to the best of their knowledge, information and belief formed after reasonable inquiry that the averment is warranted and made in good faith and is not made for any improper purpose, such as to harass or to cause unnecessary delay or needlessly increase the cost of resolving the dispute.

c. Declaratory Judgment. If either party considers itself aggrieved by a breach of this Compact, it may bring an action for breach of Compact in the United States District Court for the Western District of Oklahoma. 25 U.S.C.A. § 2710, ¶ (d)(7)(A). If the dispute involves a material breach of this

Compact and is not cured, the court could declare the Compact terminated. Although this remedy is consistent with 25 U.S.C.A. § 2710, ¶ (d)(3)(C)(v), nothing herein shall be construed to authorize any other equitable remedy, nor to authorize a money judgment.

SECTION 15. **RESERVATION OF RIGHTS.**

a. Additional Compacts. By entering this Compact, the Iowa shall not be deemed to have waived the right to initiate and pursue the procedures provided by the Act should Oklahoma refuse to enter into a Compact after the Iowa has made a written request with respect to other forms of Class III gaming, and neither Oklahoma nor the Iowa shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure.

b. Status of Class II Gaming. Nothing herein shall be deemed to affect the operation by the Iowa of any Class II gaming as defined in the Act, whether conducted within or without the gaming facilities or to confer upon Oklahoma any jurisdiction over such Class II gaming conducted in Iowa Indian country.

c. Taxation. Except as provided in this compact, neither Oklahoma nor any of its political subdivisions shall impose any tax, fee, charge or other assessment upon the admission to any gaming facility or upon the conducting of or engaging in any gaming activity conducted at a facility authorized by this compact. To the extent the Iowa gaming operation is responsible for filling out IRS Form W-2G on non-tribal persons who receive proceeds of a

wagering transaction governed by the Compact, a copy of said form shall also be provided to the Oklahoma Tax Commission.

d. Preservation of Iowa Self-Government. Nothing in this Compact shall be deemed to authorize Oklahoma to regulate in any manner the government of the Iowa , including the Iowa Gaming Director, or to interfere in any manner with the Iowa 's selection of its governmental officers or employees.

SECTION 16. **REIMBURSEMENT FOR EXPENSES INCURRED BY OKLAHOMA.** The Iowa realize that Oklahoma has incurred expenses in negotiating this Compact and will incur expenses related to the obligations undertaken under this compact. Accordingly, the parties agree as follows:

a. Payments. The Iowa agree to reimburse Oklahoma for the actual amount of time and expenses of personnel as assessed by Oklahoma in accordance with Section 11, paragraph (3)(c)(iii) of the IGRA related to this compact. The Iowa further agree to establish an escrow fund at a bank of their choosing with an initial contribution of twenty-five hundred dollars ($2,500) and to replenish said account as necessary to make the payments called for herein. The Iowa agree that the balance in the escrow account shall never be below one-thousand dollars ($1,000).

b. Procedure. The Iowa payments referenced above shall be made to an escrow account from which Oklahoma may draw as hereinafter provided. Oklahoma shall bill the Iowa reasonable and necessary costs related to obligations undertaken under this compact. Unless unreasonable or unnecessary, the costs for such services shall be

those established by Oklahoma either by agency rule or by statute or, where the cost of services (including more extensive background checks, other investigations, monitoring or similar matters) is not established by rule or by statute, the costs shall include agents' time, including out-of-pocket expenses, benefits and travel expenses at the statutory rate. Oklahoma shall send invoices to the Iowa for these services and shall thereafter be permitted to withdraw the billed amounts from the escrow account under the circumstances hereinafter provided. Payments shall be made to the Office of the Governor pursuant to 60 O.S. § 383-85. Reimbursement for services provided by the OSBI shall, pursuant to Oklahoma State Statutes, 74 O.S. 150.19a, be transmitted to the OSBI to defray the cost of services as required under this compact. Reimbursement for services provided by Oklahoma shall, pursuant to 60 O.S. § 384-85, be transmitted by the Office of the Governor to the Director of State Finance who shall allot said reimbursement to the OSBI or any other appropriate agency to defray the cost of services as required under this compact.

c. Escrow Draws. No draws shall be made from the escrow account until this compact is effective. Should this compact not become effective, all monies in the escrow account, including any interest, shall be refunded to the Iowa . When this compact is effective, Oklahoma shall immediately be entitled to withdraw from the escrow account the negotiation fee and amounts billed. Thereafter, draws may be taken ten (10) days after the Iowa are billed if no protest is filed. If a protest is filed, no draw for a protested bill

shall be taken until the protest is resolved by the dispute resolution provided herein.

SECTION 17. **SEVERABILITY**. Each provision, section and subsection of this Compact shall stand separate and independent of every other provision, section or subsection. In the event that a court of competent jurisdiction shall find any provision, section or subsection of this Compact to be invalid, the remaining provisions, sections and subsections of the Compact shall remain in full force and effect, unless the invalid provision materially alters the relationship between the parties. In the event of such alteration, the parties shall negotiate to comply as nearly as possible with the original intent of this Compact.

SECTION 18. **AMENDMENTS**. The parties may request negotiations to amend or modify this Compact. The amendment or modification request may include requests for approval of gaming activities that are found to be legitimately within the scope of the Act at a date after the immediate Compact is approved by Oklahoma. In the event of a request for negotiation to amend or modify, this Compact shall remain in effect until amended or modified, but such a request shall not extend the Compact term. Additional requests to negotiate other forms of gaming made by the Iowa shall be treated as requests to negotiate pursuant to the Act. The parties shall have one hundred eighty (180) days to negotiate, and all further procedures and remedies available under the Act shall thereafter apply. The Iowa and Oklahoma may mutually agree to extend the 180-day period without prejudice to the rights of either party under this section. Any amendment to this

Compact or its Appendices shall be in writing and must be approved by the Secretary. However, changes in the Iowa Gaming Ordinance (Appendix C) ~~and the gaming facility list (Appendix B),~~ shall not be considered amendments and may be effected as otherwise provided by this Compact or by law.

SECTION 19. **AUTHORITY TO EXECUTE.** The undersigned represent that they are duly authorized to execute this agreement on behalf of the party designated.

SECTION 20. **NOTICES.** All notices required or authorized to be served herein shall be sent by certified mail (return receipt requested), commercial overnight courier services, or by personal delivery to the following addresses:

OKLAHOMA

Governor
State Capitol, Room 212
Oklahoma City, OK 73105

Chairman, State-Tribal Relations Committee
State Capitol
Oklahoma City, OK 73105

Attorney General
State Capitol, Room 112
Oklahoma City, OK 73105

Oklahoma State Bureau of Investigation
ATTN: Director
6600 N. Harvey, Suite 300
Oklahoma City, OK 73116

Iowa

Iowa Tribe of Oklahoma
Business Committee
ATTN: Chairman
RR 1, Box 721
Perkins, OK 74059-9801

Iowa Indian Tribe of Oklahoma
ATTN: Tribal Administrator
RR 1, Box 721
Perkins, OK 74059-9801

Iowa Indian Tribe of Oklahoma
ATTN: Gaming Director
RR 1, Box 721
Perkins, OK 74059-9801

David McCullough
Michael Minnis & Associates, P.C.
3160 Liberty Tower, 100 North Broadway
Oklahoma City, OK 73102-8606

SECTION 21. **SUCCESSORS AND ASSIGNS**. This compact shall be binding upon successors and assigns of the parties hereto.

SECTION 22. **GOVERNING LAW**. This compact shall be governed by and construed in accordance with the laws of the United States, the State of Oklahoma, and the laws of the Iowa Tribe of Oklahoma, whichever are applicable.

IOWA TRIBE OF OKLAHOMA

By: _____ [SEAL]
Chairman, Business Committee

Date: May 15, 1996

STATE OF OKLAHOMA

By: _____ [SEAL]
Governor

Date: May 15, 1996

ATTEST:

_____ 12-5-96
Secretary of State Date

OKLAHOMA LEGISLATIVE APPROVAL

Approved by a quorum of the Joint Committee on Tribal-State Relations the 3rd day of December, 1996.

Chairman

FEDERAL APPROVAL

Consistent with 25 U.S.C.A. § 2710(d)(8) this compact is approved on this 29th day of January, 1997 by the Assistant Secretary - Indian Affairs, United States Department of the Interior.

Ada E. Deer
Assistant Secretary - Indian Affairs

OFFICE OF THE SECRETARY OF STATE

STATE OF OKLAHOMA

CERTIFICATE OF TRANSCRIPT

I, the undersigned Secretary of State of Oklahoma, do hereby certify that I am by the laws of said State of Oklahoma the custodian of the records of the State of Oklahoma relating to State-Tribal Relation Agreements pursuant to the provisions of 74 Oklahoma Statutes, 1993 Supplement, §1221 (E.) and that the annexed transcript has been compared with the record on file in my office of which it purports to be a copy, and that the same is a full, true and correct copy of the ***Iowa Off-Track Wagering Compact*** *between the Iowa Tribe of Oklahoma and the State of Oklahoma.*

I further certify *that the above specified document was filed in the Office of the Secretary of State on December 5, 1996.*

GREAT SEAL OF THE STATE OF OKLAHOMA 1907

In testimony whereof, I have hereunto set my hand and affixed the Great Seal of the State of Oklahoma at the City of Oklahoma City this 6th *day of* December *19* 96

Sam Cole

Secretary of State

By: Kathy Orkel

APPENDIX A

PARIMUTUEL STANDARDS

PARI-MUTUEL STANDARDS

A. DEFINITIONS

B. GENERAL CONTROLS

C. COMPUTER SYSTEM

D. OPEN/CLOSING PROCEDURES

E. BETTING TICKET ISSUANCE AND CONTROLS

F. SCREEN ACTIVATED MACHINES (SAMs)

G. PAYMENT OF WINNING WAGERS

H. POSTING OF RULES

I. UNPAID WINNERS

J. LOST TICKETS

K. MAIL PAYMENTS

L. REPORT DESCRIPTIONS

PARI-MUTUEL STANDARDS

A. DEFINITIONS:

BREAKAGE - the odd cents over a multiple of ten cents arising from the computation of odds and payouts on amounts wagered on a race which is part of interstate common pari-mutuel pool.

COMMISSION ON WAGERS - an amount retained and not returned to patrons from the total amount of off-track pari-mutuel wagers.

GROSS REVENUE - the total commission on off-track pari-mutuel wagers, less the amount paid to track for the right to be part of the interstate common pari-mutuel pool ("track fee").

INTERSTATE COMMON PARI-MUTUEL POOL - a pari-mutuel pool consisting of the pari-mutuel wagers placed at track, its interstate betting locations, other jurisdictions, and the off-track pari-mutuel wagers placed at Guest, and accepted into the off-track pari-mutuel system.

LIVE AUDIO VISUAL SIGNAL - the audio and visual transmission of a race, or series of races, as it occurs at track.

MANUAL MERGE - the process used in the event of a systems or communications failure by which the systems operator transmits to track through telephone, telecopy, cellular or any other means of communication, the wagering information for a particular race or group of races, and the process by which track includes the off-track pari-mutuel wagers into the interstate common pari-mutuel pool in such event.

OFF-TRACK PARI-MUTUEL SYSTEM - a computerized system or component of a system that is used to transmit wagering data and wagering information to and from a race track which offers interstate common pari-mutuel pools.

OFF-TRACK PARI-MUTUEL WAGER - a wager placed by a patron and accepted by guest on a race or races offered as part of an interstate common pari-mutuel pool offered by track, and accepted into the off-track pari-mutuel system.

POST TIME - for purposes of off-track pari-mutuel wagering is when the first entrant enters the gate.

SYSTEMS OPERATOR OR OPERATOR OF A SYSTEM - a person engaged in providing the off-track pari-mutuel system or services directly related to the reconciliation of the interstate common par-mutuel pool and transfers of funds between track and guest.

TRACK - an out-of-state facility licensed to operate horse or other racing where pari-mutuel wagering on races is conducted.

WAGERING DATA - the information regarding results, actual payouts, and the amount of pari-mutuel and off-track pari-mutuel wagers accepted for each race or group of races in the interstate common pari-mutuel pool.

WAGERING INFORMATION - the amount of off-track pari-mutuel wagers accepted for each race or group of races by guest.

B. GENERAL CONTROLS:

1. The Potawatomi's gaming facility is located on the ground floor. Access to the interior area is restricted by a locked gate. Only authorized personnel will be allowed access to the interior area.

2. A key employee is on premises at all times wagering is conducted. The name of each key employee shall be maintained on file, and provided to the Potawatomi Gaming Director.

3. The Gaming Facility will not accept wagers on credit.

4. Gaming Facility employees are prohibited from wagering on events while on duty, except during breaks.

C. COMPUTER SYSTEM:

The main processors consist of three DEC 4000 Series 90 central processing units operating in triplex . These central processing units are located at LVDC in Las Vegas, Nevada with telecommunication links to peripheral terminals located at the Potawatomi Gaming Facility.

The systems provide hard disk storage in the form of dual-disk disk drives of 2.1 gigabytes each, and 2.1 gigabytes of magnetic tape for backup data.

Program source code is not available to Gaming Facility employees, or to Potawatomi's data processing employees.

Access to the main processors located at LVDC is limited to authorized LVDC personnel.

The pari-mutuel system will be connected to the Gaming Facility via a leased dedicated telephone line. Access through a dial-up modem will be available in case the leased dedicated telephone line becomes inoperative.

Writer/cashier terminals and screen activated machines (SAMs) will be furnished to the Gaming Facility by LVDC. Access to writer/cashier terminals will be restricted to writers/cashiers. This restriction will be provided by requiring operator number and passwords to log on to the system. Writer/cashier operator numbers will be issued by LVDC personnel. Passwords for writers/cashiers will remain confidential, known only by the writer/cashier. Passwords for writers/cashiers will be changed at least quarterly.

Supervisor and accounting personnel operator numbers and passwords will be issued by LVDC. These passwords will be changed at least quarterly.

A Gaming Facility or other employee, approved by the Tribal Gaming Director may perform routine maintenance and service of the hardware components of the Gaming Facility's wagering and communication equipment. An LVDC-dispatched technician will perform all non-routine maintenance and service of the hardware components of the Gaming Facility's equipment.

D. OPENING/CLOSING PROCEDURES:

1. Opening Procedure

Ticket writer/cashier receives his/her starting bank from the cage.

Ticket writer/cashier verifies funds and enters the amount on a log. The writer/cashier signs the log.

Upon completion of bank opening procedures, the writer/cashier will sign on to the system by inputting his operator code and password. The system will print a sign-on ticket that will contain the following information: "sign-on" designation, Gaming Center name, date, time, station number and operator number.

2. Closing Procedures

When the writer/cashier closes his/her Pari-mutuel station, a sign-off ticket and a summary ticket will be printed by the terminal. The sign-off ticket will contain the following information: sign-off designation, Gaming Facility name, date, time, station number and operator number. The summary ticket will contain the following information: Gaming Facility name, date, time, station number, operator number, take (sales), voids (cancels), paids (cash), the IRS withholding amount, and beginning bank (draw). Information on cash turn-ins (cash balance) will only be available to the book supervisor via password access. The cash drawer is then counted by the cashier/writer and the shift supervisor. Both sign the count sheet. The computer terminal is accessed to determine the

writer's total cash balance. This is compared to the count sheet and variations are investigated.

Once verified, a manual cash-in slip is created and signed by both the writer/cashier and the shift supervisor, the writer/cashier will proceed to the slot cage and will turn in their funds.

E. BETTING/TICKET ISSUANCE AND CONTROLS:

Betting tickets shall be in single part form. The original is given to the customer. A second "copy" is retained internally within the computer system and is not accessible by Pari-Mutuel Gaming Facility personnel.

The computer system prints a number on each ticket which identifies each writer station.

Only one random numerical computer-assigned series per station shall be used at one time.

Unused tickets will be stored in the Pari-Mutuel Gaming Facility storage room. These forms are serially numbered by the computer and do not require the "sensitive" forms inventory control procedures.

The computer system will not allow a ticket to be voided after a race event is locked out.

All bets will be made in cash or chips and shall be evidenced by the issuance of a ticket upon acceptance of a wager.

Tickets will not be written or voided after the outcome of an event is known.

F. SCREEN ACTIVATED MACHINE

1. The screen activated machine (SAM) is a self-service betting machine which allows customers to place wagers using a winning ticket or voucher generated by the system.

2. The customer must insert a voucher or winning ticket for the SAM to accept a wager. Wagers will be made keying in the amount of the bet, the type of bet, and the horse or horses selected. After the selection process is complete, the SAM

will print a bet ticket. The SAM will also print a voucher for the remaining balance, if any, owed to the customer. The voucher will contain the serial number, date, cash balance, and SAM number. This information will also be bar coded on the voucher. Once the wager is placed, the customer may use the voucher to place additional wagers or redeem the voucher for cash.

3. When a patron wishes to redeem a voucher, the writer/cashier will insert it into the bar code reader. The computer will then generate a paid ticket and the writer/cashier will pay the patron. All other procedures described concerning payouts on winning wagers will be compiled with as applicable.

4. Outstanding vouchers will be listed on the Outsbook Voucher Report. Vouchers outstanding more than a specified number of days will be purged by the Systems Operator.

5. All winning tickets and vouchers inserted into the SAM will be deposited automatically into a locked box in the machine. On a daily basis, an accounting representative will check out the key to the lock boxes to remove the tickets and vouchers. The key will be at a department independent of the Pari-Mutuel Gaming Center and will require signing a log to access. After the accounting representative obtains the tickets and vouchers, he or she will immediately deliver them to accounting.

6. Voids will not be allowed at a SAM. Additionally, winning tickets that require IRS withholding will not be paid at the SAM.

G. PAYMENT OF WINNING WAGERS:

Upon presentation of a winning ticket by a customer, the writer/cashier will insert the ticket in to the bar code reader for verification and payment authorization. The system will brand the ticket with the payout amount, writer/cashier's station number, and date. Information on all wining tickets paid will be retained by the system.

Should the bar code reader fail to read a ticket, the writer/cashier will manually enter the ticket number into the terminal. A payout ticket will then be printed which will include the following information: ticket number, "pay" indication, Gaming

Facility name, pay amount, date, station number, and operator number.

The computer software is designed to prevent payment of a ticket that has been previously paid by the system, voided by the system, a losing ticket, or a ticket not issued by the system.

Payoffs over $10,000.00 may be delayed for up to 24 hours after the next banking day.

For winnings requiring the completion of a form W-2G, the computer system will preclude a writer/cashier from making payment until the patron's social security number is entered. Once the social security number is entered, the computer will compute the amount of withholding and the amount of customer payment. The system will not pay a winning ticket, which requires IRS withholding, unless the customer provides his/her social security number at the time of payment. The system will calculate the withholding amount and the net amount due to the customer, which will both be printed on the ticket. This will alert the writer/cashier and the supervisor to complete the required IRS forms.

H. POSTING OF RULES:

1. Posting of rules

All house rules shall be conspicuously displayed in the Gaming Facility.

2. Refunds

All bets received on any entry which does not start or on a race which is cancelled or postponed shall be refunded on the basis of the refund policy in effect at the track.

3. Refusal to accept bets

The Gaming Facility reserves the right to refuse to accept bets on a particular entry or entries or in any or all pari-mutuel pools for what it deems good and sufficient reason.

4. Cancellation of track pool

In the event that a pari-mutuel pool is cancelled by the track, the corresponding off-track betting pari-mutuel pool shall be refunded.

5. Responsibility of the Gaming Facility

The Gaming Facility bears no responsibility with respect to the actual running of any race or races upon which it accepts bets. In all cases, the off-track betting pari-mutuel pool distribution shall be based upon the order of finish posted at the track as "official". The determination of the judges, stewards or other appropriate officials at the track shall be conclusive in determining the payoffs of the Gaming Facility.

6. Error in calculation of payments

In the event an error in calculation of payment occurs in a pool which is the result of the combination of the track pool and the off-track betting pool, the rules in effect at the track governing the disposition of such error shall prevail.

I. UNPAID WINNERS:

Unpaid winners remain on the computer system for a minimum of 120 days after the conclusion of a racing meet. Following the 120 day period, the unpaid winners are brought back into revenue by LVDC.

J. LOST TICKETS:

Upon notification by a patron that a winning betting ticket has been lost, stolen or is otherwise not available for presentation, the following procedures will be followed:

1. The patron must report the loss of the ticket not later than the third day following the day the race was completed, unless the patron can show circumstances where this was not possible, or unless approved by Gaming Facility management.

2. A lost ticket report will be prepared by the Gaming Facility from information supplied by the patron. The report will contain the following information:

   a. Name, address and telephone number of patron

   b. Date/time the ticket was purchased

   c. Amount/type of wager

d. Horse/greyhound betting numbers

e. Ticket number (if known by patron)

f. Signature of patron

g. Signature of report preparer

h. Signature of Gaming Facility Manager/Supervisor

3. The lost ticket report will be delivered to the controller who will instruct an accounting clerk to research the unpaid ticket file.

   a. If an unpaid ticket that matches the information on the lost ticket report cannot be located, the lost ticket report will be returned to the Gaming Facility Manager with instructions that no payment can be made.

   b. If an unpaid ticket is found that matches the lost ticket report, the unpaid ticket will be "locked" in the computer system to prevent payment to other than the claimant for the holding period of one hundred twenty (120) days after the conclusion of the racing meet on which the wager was placed.

4. After the ticket is held for this one hundred twenty (120) day period, the patron may be paid. The controller reviews all of the lost ticket claim support paperwork prior to signing the check to be mailed to the customer.

5. If the ticket is presented for payment within this one hundred twenty (120) day period by other than the patron represented on the lost ticket report; or if a dispute arises from the foregoing procedures, it will be the Gaming Facility's responsibility to resolve such disputes.

K. MAIL PAYMENTS:

Only original wagered tickets are acceptable for mail payments.

All mail payment requests are opened and logged by personnel independent of the Gaming Facility. A copy of the log is retained by the accounting department for auditing mail tickets paid.

The mailed ticket is forwarded directly to the Gaming Facility Manager's office, where it is then entered into a writer/cashier's terminal for unpaid ticket update to indicate that the ticket is no longer outstanding.

A request for disbursement and the approved ticket are forwarded to the controller for payment.

Only the controller or a designate is authorized to approve mail payments.

L. REPORT DESCRIPTIONS:

The race auditor has the ability to generate the following reports from the RMC each day:

Recap Report - This report will contain information by track and total. Information regarding write, refunds, payouts, outs, payments on outs, and federal tax withholding for each track will also be included. Additionally, information regarding SAM voucher activity will be included. This report will provide daily amounts.

Daily Reconciliation Report - This report will summarize information in total by track. Report information will include write, today's winning ticket total, total commission and breakage due the licensee, and net funds transfer to or from the licensee's bank account.

Window Activity Report - This report will summarize for each window the following information: Sales, cash outs, cancels, draws, returns, vouchers sold, vouchers cashed, over/short.

Teller Balance Report - This report will summarize daily activity by track and writer/cashier, and SAM terminals. Specifically, the report will contain the following: tickets sold, tickets cashed, tickets canceled, draws, returns, computed cash turn-in, actual turn-in, and over/short.

Teller Details Report - This report will summarize teller activity. Specifically, for each teller the report will contain tickets sold, tickets cashed, tickets canceled, tickets refunded, W-2G withholdings, funds returned, draws and over/short.

Session Sales Summary - This report will summarize sales activity for each type of wager placed, for each race run, and for each track opened. Additionally, total sales will be provided. Specific information included will be sales, cancels, sales, from previous sessions, refunds, and net sales.

Cashed Tickets Report - This report will list all paid winning tickets by track and race. This report will include the ticket number, date, tickets written, horse or greyhound selection and type of bet made amount of bet or bets, total take, and pay amount. The report will also include IRS withholdings, if applicable.

Canceled Tickets Report - This report will list all tickets that were canceled for the day. Specific information will include ticket serial number, sale window, cancellation window, and amount.

Refunded Tickets Report - This report will list all tickets refunded for the day. Specifically, this report will include ticket serial number, ticket description, and amount.

SAM Activity Report - This report will contain a summary of Screen Activated Machines (SAM) activity. Specifically, this report will include the SAM number, ticket sales, ticket cash outs, voucher sales, and voucher cash outs.

Cashed Voucher Report - This report will contain a detailed listing of all vouchers cashed for the day. Specifically, this report will contain the ticket serial number, the window(s) at which the voucher was sold and cashed, and the amount of the voucher cashed.

IRS Tax Report-Cashed - This report will contain a detailed listing of all tickets cashed that were subject to federal withholding. This report will include the customer's social security number, ticket serial number, ticket conditions, race date, amount of payout, withholding amount, net payout, cashing and selling window(s), and teller identification.

Future Tickets Report - This report will contain a detailed listing of all tickets bet on events occurring subsequent to the current day. This report will include ticket serial number, window where the ticket was bet, cost, amount, type of bet, race number, and horses chosen.

Outsbook Tickets Report - This report will contain a listing by window, race, track and in summary of winning tickets which remain unpaid. Specifically, this report will include ticket number, window, pay amount, and IRS withholding (if applicable).

Public Results Information Report - This report will contain race results and prices paid.

Transaction Search Report - This report will contain a listing of all tickets and vouchers written and paid per station. Also the report contains canceled tickets.

Exception Report - This report will contain a listing of all systems functions and overrides not involved in the actual writing or cashing of tickets. This report will also include sign-on/off tickets, voids, and manually entered paid tickets.

APPENDIX B

GAMING FACILITY LOCATIONS

GAMING FACILITY LOCATIONS

Attached is a copy of a "deed to Restricted Indian Land" by which the United States took land in trust for the Iowa Tribe of Oklahoma. The trust land is the current site of the Iowa Bingo Hall.

"MANLY LEGAL BLANKS" FORM NO 290-AF 822-020183-83 "...LY OFFICE SUPPLY CO.—PRINTERS—OKLA. CITY

Filed at 1:23 P.M. (ORDER BY NUMBER)
Payne County Clerk APR 15 1983

04159

WARRANTY DEED

Statutory Form---Individual

APR 7 1983
MICROFILMED

This Space Reserved for Filing Stamp

BOOK 613 PAGE 407

Know All Men by These Presents:

That IOWA TRIBE OF OKLAHOMA

of Payne County,

State of Oklahoma, part y of the first part, in consideration of the sum of $1.00 and Other Valuable Consideration ---------- DOLLARS in hand paid, the receipt of which is hereby acknowledged, does hereby Grant, Bargain, Sell and Convey unto THE UNITED STATES OF AMERICA IN TRUST FOR IOWA TRIBE OF OKLAHOMA

of Payne County, State of Oklahoma, part y of the second part, the following described real property and premises situate in Payne County, State of Oklahoma, to-wit: SURFACE RIGHTS ONLY in and to a tract of land in the SW¼ of Section 1, Township 17 North, Range 2 East of the Indian Meridian in Oklahoma, being more particularly described as: Beginning at the center of the Section 1 thence Westerly along the quarter section line a distance of 339.60 feet to the True Point of beginning, thence Southerly a distance of 316.80 feet to a point thence westerly a distance of 275.00 feet to a point, thence Northerly a distance of 316.80 feet to a point, thence Easterly a distance of 275.00 feet to the point of beginning, containing 2.00 acres, more or less.

This conveyance made pursuant to the provisions of the Act of June 18, 1934 (48 Stat. 984).

together with all the improvements thereon and the appurtenances thereunto belonging, and warrant the title to the same.

INDIVIDUAL ACKNOWLEDGMENT BOOK 613 PAGE 178 (Oklahoma Form)

STATE OF _____ County of _____, ss:

Before me the undersigned, a Notary Public, in and for said County and State, on this ____ day of _____, 19____, personally appeared _____ to me known to be the identical person _____ who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____ _____ Notary Public

INDIVIDUAL ACKNOWLEDGMENT (Oklahoma Form)

STATE OF _____ County of _____, ss:

Before me the undersigned, a Notary Public, in and for said County and State, on this ____ day of _____, 19____, personally appeared _____ to me known to be the identical person _____ who executed the within and foregoing instrument and acknowledged to me that _____ executed the same as _____ free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

My commission expires _____ _____ Notary Public

THE PURCHASE OF THE WITHIN DESCRIBED LAND IS HEREBY ACCEPTED AND APPROVED PURSUANT TO THE FOLLOWING AUTHORITY:
Anadarko Area Office, BIA, Anadarko, Oklahoma
Approved under authority delegated by Secretarial Order 3010, 42 F.R. 53682 and 10 BIAM 3.1, 40 F.R. 17046.

APR - 5 1983
Date

Acting Area Director

Reviewed
Realty
Legal

ED ss. d on the 19 ecorded lerk. puty.

APPENDIX C

GAMING ORDINANCE

IOWA TRIBE OF OKLAHOMA
TRIBAL GAMING ORDINANCE

SECTION 1. **Citation**

This Ordinance shall be known and may be cited as the "Amended Iowa Tribal Gaming Ordinance" and shall apply to all forms of gaming conducted within the jurisdiction of the Iowa Tribe of Oklahoma.

SECTION 2. **Purposes**

The purposes of this Ordinance are to promote the public order, peace, safety and welfare of all persons coming within the jurisdiction of the Iowa Tribe of Oklahoma, to provide a safe and wholesome means of recreational activity in a community setting, and to provide a source of revenue for the operation of the programs and departments of the Tribal government by ensuring that any gaming activity conducted, whether Class I, II, or III is fair, responsible, and consistent with applicable federal law including the regulations and guidelines established by Public Law 100-497, known as "The Indian Gaming Regulatory Act," and/or any Tribal State Compact to which the tribe is a party. This Ordinance shall be liberally construed to promote these purposes.

SECTION 3. **Definitions**

For purposes of this Ordinance:

(a) "Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. § 2701 *et seq.*

(b) "Business Committee" means the Iowa Tribe of Oklahoma Business Committee.

(c) "Chairman" means the Chairman of the Iowa Tribe of Oklahoma Business Committee.

(d) "Class II gaming" means Class II gaming as defined in accordance with the Act, 25 U.S.C. § 2703 (7) (A).

(e) "Class III gaming" means Class III gaming as defined in accordance with the Act, 25 U.S.C. § 2703 (8).

(f) "Compact" means a compact entered into by the Iowa Tribe of Oklahoma and any state which regulates Class III gaming.

(g) "Enterprise" means the gaming operation established by the Tribe to conduct all gaming operations of the Tribe.

(h) "Gaming employee" means "gaming employee(s)" of the Enterprise and shall include primary management officials and key employees of the enterprise as defined in the Act.

(i) "Gaming facilities" means any room or rooms in which Class II gaming or Class III gaming is conducted within Iowa Tribe of Oklahoma jurisdiction.

(j) "Jurisdiction" means those areas over which the Iowa Tribe has jurisdiction, including all tribal lands, dependent Indian communities and trust allotments, as defined in 18 U.S.C.A. § 1161.

(k) "National Indian Gaming Commission" means the National Indian Gaming Commission established pursuant to 25 U.S.C. § 2704.

(l) "Net revenues" means gross revenues of a Class II Gaming or of a Class III gaming activity less amounts paid out as, or paid for, prizes and total operating expenses including debt service but excluding management fees paid to a management contractor within the meaning of 25 U.S.C. § 2711 (C).

(m) "Ordinance" means this Iowa Tribe of Oklahoma Tribal Gaming Ordinance.

(n) "State" means any State wherein the Iowa Tribe of Oklahoma conducts Class II or Class III gaming.

(o) "State gaming agency" means any such agency as the State may establish to carry out any regulatory responsibilities under a compact with the Iowa Tribe of Oklahoma.

(p) "Tribe" means the Iowa Tribe of Oklahoma.

SECTION 4. **Adoption of Compact**

Any Compact entered into between the Tribe and a State which is subsequently approved by the Secretary of the Interior and published in the Federal Register is hereby incorporated within and enacted as an integral part of this ordinance with respect to all forms of Class III gaming; provided, however, that nothing in the adoption of the Compact herein shall be deemed to affect the operation of the Tribe of any Class II gaming, whether conducted within or without the gaming facilities, or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribe within its jurisdiction.

SECTION 5. **Authorization for Gaming Activities**

(a) Forms of Class III gaming authorized. The Tribe may conduct or operate all forms of Class III gaming authorized under any Compact.

(b) Authority for Class gaming. In addition to the forms of Class III gaming authorized under any compact, the Tribe shall be authorized to conduct all forms of Class II gaming within Tribal jurisdiction, including without limitation any form of bingo

(whether or not electronic, computer, or other technologic aides are used in connection therewith), pull-tabs, lotto, punch boards, tip jars, instant bingo, and other games similar to bingo so long as played at the same location as bingo.

SECTION 6. **Compliance with the Act**

This Ordinance shall be construed in a manner which conforms to the Act in all respects, and if inconsistent with the Act in any manner, the provisions of the Act shall govern. Further, the Council herein grants to the Business Committee the authority to amend this Ordinance as it deems necessary without seeking further approval from the Council. The power to amend this Ordinance is granted without restriction to the Business Committee.

(a) Limitation on gaming operations. In compliance with 25 U.S.C. § 2710(b)(2)(A), the Tribe shall have the sole proprietary interest and responsibility for the conduct of any gaming activity within its jurisdiction; provided, however, that nothing herein shall interfere with the exercise by any secured party of its rights under any collateral lease, leasehold mortgage or other financing agreement with the Tribe to enforce its security interests in the premises on which such gaming activities may be conducted, or to enforce its rights against gross revenue of the Tribe from its gaming activities for the purpose of repayment of the debt obligations of the Tribe to such secured party in accordance with the provisions of such agreements.

(b) Application of net revenues. In compliance with 25 U.S.C. § 2710(b)(2)(B), net revenues from any gaming activity are not to be used for purposes other than:

(1) to fund Tribal government operations or programs;

(2) to provide for the general welfare of the Tribe and its members;

(3) to promote Tribal economic development

(4) to donate to charitable organizations;

(5) to help fund operations of local Government Agencies, or

(6) any other purpose permitted under the Act.

(c) Annual Audit. In compliance with a U.S.C. § 2710 (b) (2) (c) and (d), all gaming activities shall be subject to an audit by independent certified public accountants, not less than annually, and copies of the annual audit shall be provided to the National Indian Gaming Commission. All contracts for supplies, services, or concessions for a contract amount in excess of $25,000 annually (except contracts for professional legal or accounting services)

relating to Class II or Class III gaming shall be subject to such audits.

(d) Limitations on Salary or Other Payments. In no event shall any commission, salary, compensation, reward or recompense paid to any gaming employee, either directly or indirectly, be based upon a percentage of receipts accruing by virtue of the Iowa Enterprise. No individual or entity with which the tribe enters into a management agreement shall be considered a gaming employee for purposes of this section.

(e) Public Safety Standards. In compliance with 25 U.S.C. § 2710(b)(d)(2)(E), the construction and maintenance of any gaming facilities, and the operation of gaming activities, shall be conducted in a manner which adequately protects the environment and the public health and safety and for that purpose shall comply with the requirements of the Compact and all other applicable health, safety and environmental standards enacted by the Tribe.

SECTION 7. Gaming Operations

The Tribe shall have sole proprietary interest in and be responsible for the conduct of all gaming operations. The Business Committee shall administer the Tribal gaming operations. The Business Committee shall have the authority to amend this ordinance as necessary. The Chairman of the Business Committee or his designee shall be the liaison between the Business Committee and the Director of Gaming or a Licensed Agent.

SECTION 8. Management of Gaming Operations

All gaming operations shall be administered either by the Director of Gaming or a Licensed Agent.

SECTION 9. License for Location

No Class II or Class III gaming shall be allowed at any location unless a separate license is issued by the Business Committee for such site.

SECTION 10. Qualifications

The Director of Gaming or Licensed Agent and its "Key" employees must:

(a) Never have been convicted of a felony, gaming offense or crime involving dishonesty or moral turpitude.

(b) Not have been convicted of any offense except traffic violations within two years from the date of employment.

(c) Not be a member of the Business Committee or related to any member of the Business Committee by blood or marriage within the second degree.

(d) Not have had his surety bond forfeited or been criminally convicted of or found civilly liable for any breach of fiduciary duty to the Tribe or have been impeached or removed from Tribal office.

(e) Be bondable in the necessary amounts.

(f) Meet any other applicable qualifications as prescribed in the Indian Gaming Regulatory Act.

SECTION 11. **Duties of Director of Gaming**

The duties of the Director of Gaming are to:

(a) Manage and conduct all forms of gaming and concessions of the Tribal gaming operation allowed under this ordinance.

(b) Timely submit all reports required by the Business Committee and any applicable law.

(c) Account for all monies and properties entrusted to him.

(d) Perform any other duties established by the Business Committee.

SECTION 12. **Duties of Licensed Agent**

The duties of the Licensed Agent are to:

(a) Manage and conduct all forms of gaming and/or concessions of the Tribal gaming operation allowed under the contract with the Tribe.

(b) Provide for accounting procedures approved by the Tribe and provide verifiable financial reports to the Business Committee on a monthly basis.

(c) Allow Tribal officials designated under the contract access to the daily gaming operation to verify the daily gross revenues and the income from the gaming activity.

(d) Perform any other duties established under the contract.

SECTION 13. **Conduct of Gaming Operations**

The Director of Gaming and/or the Licensed Agent shall conduct the gaming operation consistent with the following:

(a) The rules of play and operation of the game shall be prescribed and approved by the Business Committee.

(b) Each and every player has a fair and equal opportunity to win.

(c) The method of winning and the prize or prizes for each game should be clearly outlined before each game.

(d) The winner or winners of each game shall be verified in a manner that all present may witness.

(e) No person who is conducting or assisting in the gaming operation shall participate directly or indirectly in the play of that game.

(f) No person under the age of sixteen (16) years of age shall be permitted to play for any reason.

(g) He shall make sole and final determination as to the validity of a winner or winners at the conclusion of that game at which they were a winner.

(h) No alcoholic beverages or drugs of any kind shall be permitted in the facility during the time that the facility is being used for the gaming operation, unless the Business Committee has issued an Alcoholic Beverage license for on-site consumption.

(i) No person under the influence of intoxicants, drugs, or in any violation of Tribal law or ordinance shall be permitted to engage in any form of gaming nor to remain in the building when gaming is being conducted.

(j) Trash should be separated to facilitate recycling and efforts should be made to protect the environment.

SECTION 14. **Employees**

(a) All persons employed in the gaming operation shall be licensed by the Director of Gaming or the Licensed Agent as prescribed by the Indian Gaming Regulatory Act or any Tribal-State Compact for Class III Gaming.

(b) Each employee will wear their license in a visible manner when operating or assisting in the operation of a gaming facility.

(c) No person shall be employed whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair or illegal practices and methods and activities in the conduct of gaming.

(d) As necessary, the Business Committee may require the Director of Gaming or the Licensed Agent or any other "Key" employee

to be bonded in an amount not less than $50,000 payable to the tribe.

(e) Background investigations will be conducted on the primary management officials and key employees and the results forwarded to the Commission prior to issuance of licenses.

(f) When licenses are issued, the Director of Gaming or the Licensed Agent will promptly notify the Commission as required by the Business Committee as prescribed in the Indian Gaming Regulatory Act or any Tribal/State Compact for Class III Gaming.

(g) The Director of Gaming or the Licensed Agency shall employ qualified Tribal members in preference to other equally-qualified applicants for work, but shall not be required to employ or retain in employment unqualified Tribal members.

SECTION 15. **Licenses for Key Employees**

The Tribe shall ensure that the policies and procedures set out in this section are implemented with respect to key employees and primary management officials employed at any Class II or Class III gaming enterprise operated on Indian lands:

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

(1) *Key employee* means those key employees as defined in any statute or regulation and at a minimum include:

(i) A person who performs one or more of the following functions: (1) Bingo caller; (2) Counting room supervisor; (3) Chief of Security; (4) Custodian of gaming supplies or cash; (5) Floor manager; (6) Pit boss; (7) Dealer; (8) Croupier; (9) Approver of credit; or (10) Custodian of gambling devices including persons with access to cash and accounting within such devices.

(ii) If not otherwise included, any other person whose total cash compensation is in excess of $50,000 per year; or

(iii) If not otherwise included, the four most highly-compensated persons in the gaming operation.

(2) *Primary management official* means:

(i) The person having management responsibility for a management contract;

(ii) Any person who has authority to hire and fire employees or to set up working policy for the gaming operation; or

(iii) The chief financial officer or other person who has financial management responsibility.

(b) Application Forms

(1) The following notice shall be placed on the application form for a key employee or a primary management official before that form is filled out by an applicant:

In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the information on this form is authorized by 25 U.S.C.A. § 2701 *et seq.* The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, State, local or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when pursuant to a requirement by a tribe or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license, or investigations of activities while associated with a tribe or a gaming operation. Failure to consent to the disclosures indicated in this notice will result in a tribe's being unable to hire you in a primary management official or key employee position.

The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

(2) Existing key employees and primary management officials shall be notified in writing that they shall either:

(i) Complete a new application form that contains a Privacy Act notice; or

(ii) Sign a statement that contains the Privacy Act notice and consent to the routine uses described in that notice.

(3) The following notice shall be placed on the application form for a key employee or a primary

official before that form is filled out by an applicant:

> A false statement on any part of your application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment. (U.S. Code, Title 18, Section 1001).

(4) The Tribe shall notify in writing existing key employees and primary management officials that they shall either:

(i) Complete a new application form that contains a notice regarding false statements; or

(ii) Sign a statement that contains the notice regarding false statements

(c) Background Investigations

(1) The Tribe shall request from each primary management official and from each key employee all of the following information:

(i) Full name, other names used (oral and written), social security number(s), birth date, place of birth, citizen ship, gender, all languages (spoken or written);

(ii) Currently and for the previous five years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and driver's license numbers;

(iii) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under Paragraph (i)(2) of this section;

(iv) Current business and residence telephone numbers;

(v) A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;

(vi) A description of any existing and previous business relationships with the gaming industry generally, including ownership interests in those businesses;

(vii) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;

(viii) For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition, if any;

(ix) For each misdemeanor conviction or ongoing misdemeanor prosection (excluding minor traffic violations), within ten years of the date of the application, the name and address of the court involved and the date and disposition;

(x) For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within ten years of the date of the application and is not otherwise listed pursuant to Paragraph (i)(8) or (i)(9) of this section, the criminal charge, the name and address of the court involved and the date and disposition;

(xi) The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;

(xii) A current photograph;

(xiii) Any other information the Tribe deems relevant; and

(xiv) Fingerprints consistent with procedures adopted by the Tribe according to 25 C.F.R. § 522.2(h); by engaging either a city, county or a State or Federal Tribal law enforcement agency to take fingerprints.

(xv) The Tribe shall conduct an investigation sufficient to make a determination under Subsection (d) below. In conducting a background investigation, the Tribe or its agent shall promise to keep confidential the identity of each person interviewed in the course of the investigation.

(d) Eligibility Determination. The Tribe shall review a person's prior activities, criminal record, if any, and reputation, habits and associations to make a finding concerning the eligibility of a key employee or primary management official for employment in a gaming operation. If the Tribe determines that employment of the person poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, a tribal gaming operation shall not employ that person.

(e) Procedures for Forwarding Applications and Reports for Key Employees and Primary Management Officials to the Nation Indian Gaming Commission.

(1) When a key employee or primary management official begins work at a gaming operation authorized by this ordinance, the Tribe shall forward to the National Indian Gaming Commission a completed application for employment and conduct the background investigation and make the determination referred to in Subsection (d) of this section.

(2) The Tribe shall forward the report referred to in Subsection (f) of this section to the National Indian Gaming Commission within 60 days after an employee begins work or within 60 days of the approval of this ordinance by the Chairman of the National Indian Gaming Commission.

(3) The gaming operation shall not employ as a key employee or primary management official a person who does not have a license after 90 days.

(f) Report to the National Indian Gaming Commission.

(1) Pursuant to the procedures set out in Subsection (e) of this section, the Tribe shall prepare and forward to the National Indian Gaming Commission an investigative report on each background investigation. An investigative report shall include all of the following:

(i) Steps taken in conducting a background investigation;

(ii) Results obtained;

(iii) Conclusions reached; and

(iv) The basis for those conclusions.

(2) The Tribe shall submit, with the report, a copy of the eligibility determination made under Subsection (d) of this section.

(3) If a license is not issued to an applicant, the Tribe:

(i) Shall notify the National Indian Gaming Commission; and

(ii) May forward copies of its eligibility determination and investigative report (if any) to the National Indian Gaming Commission for the inclusion in the Indian Gaming Individuals Records System.

(4) With respect to key employees and primary management officials, the Tribe shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the National Indian Gaming Commission or his or her designee for no less than three (3) years from the date of termination of employment.

(g) Granting a Gaming License.

(1) If, within a thirty (30) day period after the National Indian Gaming Commission receives a report, the National Indian Gaming Commission notifies the Tribe that it has no objection to the issuance of a license pursuant to a license application filed by a key employee or a primary management official for whom the Tribe has provided an application and investigative report to the National Indian Gaming Commission, the Tribe may issue a license to such applicant.

(2) The Tribe shall respond to a request for additional information from the Chairman of the National Indian Gaming Commission concerning a key employee or a primary management official who is the subject of a report. Such a request shall suspend the 30-day period under Paragraph (g)(i) of this section until the Chairman of the National Indian Gaming Commission receives the additional information.

(3) If, within the thirty (30) day period described above, the National Indian Gaming Commission

provides the Tribe with a statement itemizing objections to the issuance of a license to a key employee or to a primary management official for whom the Tribe has provided an application and investigative report to the National Indian Gaming Commission, the Tribe shall reconsider the application, taking into account the objections itemized by the National Indian Gaming Commission. The Tribe shall make the final decision whether to issue a license to such applicant.

(h) License Suspension.

(1) If, after the issuance of a gaming license, the Tribe receives from the National Indian Gaming Commission reliable information indicating that a key employee or a primary management official is not eligible for employment under Subsection (d) above, the Tribe shall suspend such license and shall notify in writing the licensee of the suspension and the proposed revocation.

(2) The Tribe shall notify the licensee of a time and a place for a hearing on the proposed revocation of a license.

(3) After a revocation hearing, the Tribe shall decide to revoke or to reinstate a gaming license. The Tribe shall notify the National Indian Gaming Commission of its decision.

SECTION 16. **Records**

The Director of Gaming and/or the Business Agent shall keep and maintain records concerning all gaming operations. These records shall be audited annually and the audit reports shall be open for inspection by any Tribal member at the office of the Tribal Administrator.

SECTION 17. **Gaming Account**

By Ordinance, the Business Committee shall designate one banking account as the Tribal "Gaming Account." The account shall be maintained in a financial institution designated by the Business Committee. The Gaming Account shall be part of the Annual Audit. Gross revenues derived from the conduct of Tribal gaming operations, excluding any cash payouts made during a Gaming Session, shall be deposited daily in the Tribal Gaming Account. No other monies shall be commingled with the Tribal Gaming Account. Except as specifically approved by the Business Committee, disbursement from the Tribal Gaming Account will only be made to pay expenses and will only be made on checks endorsed by both the Tribal Administrator and the Director of Gaming. Net revenues are to be

transferred monthly to the Tribe's General Fund account to be disbursed solely as authorized by Business Committee appropriation.

SECTION 18. **Supplies and Equipment**

All expenses of the gaming operation must be approved by the Tribal Administrator. Provided further that all contracts for purchases of supplies, concession or services (excluding contracts for professional, legal or accounting services) in excess of $5,000 must receive prior approval of the Business Committee. All purchases of equipment, materials, concessions and food or any other item paid from the Gaming Account shall be the property of the Tribe.

SECTION 19. **Location and Schedule of Gaming**

All gaming sessions authorized herein shall be conducted at a place within Tribal Indian Country and on such days and times as may be approved by the Business Committee. The location and time for conducting Class III Gaming shall be consistent with any Tribal-State Compact.

SECTION 20. **Discrimination**

The Business Committee, the Director of Gaming, or the Licensed Agent may bar any person from admittance to any Tribal gaming facility for any or no reason whatsoever. However, no person shall be discriminated against because of his race, color, creed, sex or natural origin.

SECTION 21. **Report of Winners**

No prize shall be awarded unless the winner has fairly won without any collusion with the Director of Gaming or the Licensed Agent or any of his employees or agents of the gaming operation. A receipt acknowledging acceptance and receipt of the prize awarded must be signed by any winner regardless of the amount. The Director of Gaming or the Licensed Agent has the authority to hold the payment of any winnings indefinitely until the final verification of authentic winning has been determined whether by inquiry or electronic means of validation upon the approval of the Tribal Administrator or Business Committee. The Director of Gaming or his designee shall make accurate and timely reports to the Internal Revenue Service of any winners at any gaming facility whose prize winnings exceed the minimum limits set by the Internal Revenue Service. In which case, acceptable proof of winners' name, address and social security number must be presented to the Director of Gaming or the Licensed Agent or their designee in order to be paid prizes.

SECTION 22. **Criminal Penalties**

Any person or firm violating the provisions of this chapter shall be guilty of an offense and shall, upon conviction thereof, be punished as provided by law. Upon conviction, a person may be punished by confinement for a period of not less than ten (10) days and no more than six (6) months or by a fine of not less than $500 and no more than $5,000, or by both such fine and imprisonment.

SECTION 23. **Service of Process**

All notices or process made pursuant to this ordinance may be made by directing said notice to:

Chairman
Iowa Tribe of Oklahoma
Perkins, Oklahoma

SECTION 24. **Repealer**

This Ordinance repeals the Gaming Ordinance of the Iowa Tribe, adopted as Ordinance No. 93-03 by the Iowa General Council.

SECTION 25. **Effective Date**

This Ordinance, as amended, shall become effective on the date of approval by the Council.