



United States Department of the Interior



OFFICE OF THE SECRETARY
Washington, D.C. 20240

MAY 18 1995

Honorable Gailey Wanatee
Chairman
Sac & Fox of the Mississippi in Iowa
3137 F Avenue
Tama, Iowa 52339

Dear Chairman Wanatee:

On April 3, 1995, we received the Compact between the Sovereign Indian Nation of the Sac and Fox Tribe of the Mississippi in Iowa (Tribe) and the Sovereign State of Iowa (State), dated March 21, 1995. We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to my delegated authority and Section 11 of the IGRA, we approve the Compact. The Compact shall take effect when the notice of our approval, pursuant to Section 11 (d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

Notwithstanding our approval of the Compact, Section 11(d)(1) of the IGRA, 25 U.S.C. § 2710(d)(1), requires that tribal gaming ordinances be approved by the Chairman of the National Indian Gaming Commission (NIGC). Regulations governing approval of Class II and Class III gaming ordinances are found in 25 C.F.R. §§ 501.1-577.15 (1994). Pursuant to the IGRA and the regulations, even previously existing gaming ordinances must be submitted to the NIGC for approval when requested by the Chairman. The Tribe may want to contact the NIGC at (202) 632-7003 for further information to determine when and how to submit the ordinance for approval by the NIGC.

We note the Compact purports to authorize sports betting in Appendix "B." To be legal sports gaming must comply with the Professional and Amateur Sports Protection Act (PASPA). To be lawful, any sports gaming pursuant to Appendix "B" of the Compact must come within one of the exceptions authorized by Section 3704 of PASPA. The exception at Section 3704 (a)(2) establishes two criteria which must be met to authorize sports betting. First, the gambling must be authorized by a statute in effect on October 2, 1991. Second, the gambling must actually have been conducted sometime between September 1, 1989, and October 2, 1991. Neither sports betting nor sports betting pools appear to have been authorized by Iowa law on October 2, 1991. Therefore, the provisions contained in Appendix "B" for these types of Class III gaming said to be contingent upon their validity under Iowa law, cannot be used as long as PASPA is in effect.

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Furthermore, Section 16 of the Compact authorizes gaming by means of "telecommunications, satellite or technologic or computer enhancement" when conducted on Indian lands, if the gaming is consistent with Federal law. At least one current case which raises related issues is being litigated, so that what is consistent with Federal law is neither settled nor determinable at this time. However, as already noted, the Compact by its terms limits the gaming to that which "conforms to the requirements of Federal law" so the Compact cannot be viewed as violating Federal law. We are therefore approving the Compact as not in violation of Federal law.

In addition, if the Tribe enters into a management contract for the operation and management of the Tribe's gaming facility, the contract must likewise be submitted to, and approved by the Chairman of the NIGC pursuant to Section 11(d)(9) of the IGRA, 25 U.S.C. § 2710(d)(9) and the NIGC's regulations governing management contracts. The Tribe may want to contact the NIGC for information on submitting the ordinance and the management contract for approval by the NIGC. Section 33 of the Compact purports to make the effective date dependent upon publication by the NIGC in the FEDERAL REGISTER. As stated in the first paragraph of this letter, however, the Compact takes effect upon the publication of our notice of approval.

We wish the Tribe and the State success in their economic venture.

Sincerely,

/s/ Ada E. Deer

Ada E. Deer
Assistant Secretary - Indian Affairs

Enclosures

Identical Letter Sent to: Mr. Charles R. Sweeney
Director, Department of Inspection and Appeals
Lucas State Office Building
Des Moines, Iowa 50319

cc: Minneapolis Area Director w/copy of approved Compact
Supt., Sac and Fox Agency w/copy of approved Compact
National Indian Gaming Commission w/copy of approved Compact
Twin Cities Field Solicitor w/copy of approved Compact
Iowa US Atty-Southern Dist. w/copy of approved Compact

COMPACT BETWEEN THE SOVEREIGN INDIAN NATION OF THE
SAC AND FOX TRIBE OF THE MISSISSIPPI IN IOWA
AND THE SOVEREIGN STATE OF IOWA
TO GOVERN CLASS III GAMING ON INDIAN LANDS OF THE
SAC AND FOX TRIBE OF THE MISSISSIPPI IN IOWA

THIS TRIBAL/STATE COMPACT made and entered into this 21st
day of March, 1995 by and between the SAC AND FOX TRIBE
OF THE MISSISSIPPI IN IOWA, a federally-recognized Indian Tribe
acting through its Chairman, the Honorable Gailey Wanatee, and
the STATE OF IOWA, acting through the Director of the Department
of Inspections and Appeals, Charles H. Sweeney.

RECITALS

A. This Compact is made with reference to and in compliance
with the Indian Gaming Regulatory Act, and sets forth the
procedure and requirements for investigating, licensing and
regulating Class III Gaming on Indian Lands.

B. The purposes of this Compact include:

- (1) To enhance the official government-to-government
relationship between the sovereign Indian
Nation of the Sac and Fox Tribe of the
Mississippi in Iowa and the sovereign State of
Iowa and to mutually recognize and re-emphasize
the separate sovereign status and governmental
powers of both governments;
- (2) To provide a basis for the operation and
regulation of Class III Gaming by the Sac and
Fox Tribe as a means of promoting tribal
economic development, self-sufficiency,
full employment and strong tribal government,
all of which are mutual goals of the State of
Iowa and the Sac and Fox Tribe.
- (3) To protect, preserve, and enhance the economic
and general welfare of the public and the
citizens of both the Sac and Fox Tribe and the
State of Iowa;

- (4) To develop and implement an effective regulatory scheme for the conduct of Class III Gaming on Indian Lands to assure that such gaming is clean, well-run, and provides safe and fair entertainment for its customers.

Now, therefore, in consideration of these purposes and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Sac and Fox Tribe and the State of Iowa promise, covenant and agree as follows:

1. DEFINITIONS

1.1 The term "Act" means the Indian Gaming Regulatory Act, sections 2-24, Pub. L. 100-497, 102 Stat. 2425, (codified at 25 U.S.C. sections 2701-2721 and 18 U.S.C. sections 1166-1168 (1991)).

1.2 The term "Chairman" means the Chairman of the National Indian Gaming Commission.

1.3 The term "Class III Gaming" means all gaming that is not "Class I Gaming" or "Class II Gaming" as defined in the Act, and includes but is not limited to, gambling devices, dice games, wheel games, card games, pari-mutuel wagering on horses and dogs, lotteries, limited sports betting pools and sports betting including parlay cards as specified in Appendix "B".

1.4 The term "Compact" means this Tribal/State Compact, including the Appendices to this Compact, between the Sac and Fox Tribe and the State of Iowa.

1.5 The term "DCI" means the Division of Criminal Investigation of the Iowa Department of Public Safety or the Division's designee.

1.6 The term "Director" means the Director of the Iowa Department of Inspections and Appeals or the Director's designee.

1.7 The term "Gambling Device" means Video Games of Chance, Progressive Slot Machines and Slot machines.

1.8 The terms "Gaming Ordinance" and "Ordinance" mean the laws, rules and regulations of the Sac and Fox Tribe, as amended from time to time, which authorize, among other things, Class III Gaming on Indian Lands.

1.9 The term "Indian Land or Indian Lands" means all lands within the Mesquaki Settlement in Iowa, and all lands within the state of Iowa held by the Sac and Fox Tribe that are subject to restriction by the United States against alienation and over which the Sac and Fox Tribe exercises governmental power which existed on the date of enactment of the Act, and lands within the State which may be acquired by the Sac and Fox Tribe in the future and which meet the requirements, if applicable, of Section 20 of the Act, 25 U.S.C. section 2719.

1.10 The terms "Iowa" and "State" mean the State of Iowa including individuals, entities, political subdivisions (including counties), agencies and all others using, claiming or in any manner asserting any right or power under the authority of the State of Iowa.

1.11 The term "Lottery" means a game for which chances are sold, the winning chance or chances being secretly predetermined or later selected in a chance drawing and in which the holders of winning chances receive money or something of value. The term "chance drawing" includes the identification of winning numbers

or symbols by a mechanical, electronic or electromechanical device which makes the selection in a random manner. The term "Lottery" includes keno, if conducted as a Class III Game, and the types of games actually being conducted by the Iowa Lottery unless the game is by definition a Video Game of Chance or Slot Machine.

1.12 The term "Management Contract" means the complete agreement between the Tribe and a Management Contractor including all collateral agreements relating to gaming activity.

1.13 The term "Management Contractor" means any individual, sole proprietorship, partnership or corporation which operates a Class III Gaming facility on behalf of the Sac and Fox Tribe pursuant to a management contract submitted for approval or approved by the Bureau of Indian Affairs, the chairman of the National Indian Gaming Commission or such other federal agency or authority exercising the appropriate jurisdiction under the Act.

1.14 The term "Sac and Fox Tribe" or "Tribe" means the Sac and Fox Tribe of the Mississippi in Iowa and all governmental persons or entities acting under the authority of the Sac and Fox Tribe.

1.15 The term "Pari-mutuel" means a betting system in which all persons who bet share in an established prize pool of similar bets.

1.16 The term "Parlay cards" means a form of sports betting in which the player must correctly select the winners in a specified minimum number of events in order to win.

1.17 The term "Progressive Slot Machine" means a Slot Machine with a payoff which increases as the Slot Machine is played.

1.18 The term "Regulations" means the gaming regulations promulgated by the Tribe pursuant to this Compact.

1.19 The term "Revoke" shall mean to permanently void and recall all rights and privileges to hold or obtain a license.

1.20 The term "Secretary" means the Secretary of the United States Department of Interior.

1.21 The term "Simulcast" means the closed-circuit television transmission of a horse or dog race at a racetrack to another facility at the same time the race is being conducted.

1.22 The term "Slot machine" means a mechanical or electronic gaming device into which a player deposits coins or tokens and from which certain numbers or coins are paid out when a particular, random configuration of symbols appears on the reels or screen of the device.

1.23 The term "Sports Betting" means the placing of bets or wagers on the outcome of any athletic event, sporting event or similar contest including, but not limited to, the playing of Parlay Cards.

1.24 The term "Sports Betting Pool" means a game in which numbers are randomly selected by the participants, and winners are determined by whether the numbers selected correspond to numbers relating to an athletic event in the manner prescribed by the rules of the game.

1.25 The term "Suspend" means to cause a temporary interruption of all rights and privileges of a license.

1.26 The term "Tribal Chairman" means the duly appointed Chairman of the Sac and Fox Tribal Council, the governing body of the Tribe.

1.27 The term "Tribal Member" means a person who is an enrolled member of the Sac and Fox Tribe of the Mississippi in Iowa.

1.28 The term "Video Game of Chance" means a game of chance played on microprocessor-controlled devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, keno, roulette, line-up symbols and numbers, pulltabs, or other electronic or electromechanical facsimiles of any game of chance which are activated by the insertion of a coin, token or currency and which award coins, additional plays or a written or displayed statement of the amount of a prize which is redeemable for cash.

2. CLASS III GAMING--WHEN PERMISSIBLE

2.1 When Permissible. The Sac and Fox Tribe may engage in Class III Gaming on Indian Lands provided:

- (a) Such gaming is conducted in accordance with the requirements of the Act;
- (b) Iowa permits such gaming for any purpose by any person, organization or entity and;
- (c) Such gaming is conducted in conformance with the terms of this Compact, the Regulations and the Gaming Ordinance.

Any Class III Gaming activity conducted on Indian Land which does not meet these requirements is illegal.

2.2 Permissible Class III Gaming. As of the effective date of this Compact, the parties agree that the Sac and Fox Tribe may conduct, under the Act and in compliance with the terms of this compact, the Class III Gaming activities set forth in Appendix B.

2.3 Additional Class III Games. Whenever the Tribe determines to play any Class III game not specified by name in this Compact, the Tribe will notify the Director of its intent to play such game. The notice will include a statement of the rules of the game. The Tribe will not commence its operation of such game until at least fifteen (15) days following the date on which the Director received the Tribe's notice. The Tribe may play such game following the expiration of such fifteen (15) day period unless, prior thereto, the Director has notified the Tribe that Iowa, in good faith, does not agree that the Tribe can play such game. Any such Director's notice shall state the reasons for the Director's position. After receiving such a notice from the Director, the Tribe will not play such game until the Director consents to the playing thereof.

3. GAMING OWNED BY TRIBE

Class III Gaming conducted pursuant to this Compact shall be owned solely by the Tribe.

4. CONDUCT AND REGULATION OF CLASS III GAMING

The Tribe shall conduct authorized Class III Gaming activities pursuant to the terms of the Act, this Compact and the Gaming Ordinance and Regulations. The Tribe shall take all

reasonably necessary steps to regulate Class III Gaming as required by this Compact, to enforce the terms of this Compact, the Gaming Ordinance, the Regulations and other applicable laws on Indian Lands and to prosecute or request the United States Attorney or other appropriate governmental authority to prosecute persons or entities violating the terms of this Compact, the Gaming Ordinance, the Regulations and other applicable laws.

5. TRIBAL REGULATORY AGENCY

The Tribe will establish a gaming regulatory agency with authority to regulate and supervise all authorized Class III Gaming. The agency shall be under the direct authority of the Tribal Council. The agency shall be comprised of not less than three (3) and no more than five (5) members. The regulatory agency shall have those duties and powers authorized by the Tribal Council, including:

(a) Proposing Regulations governing the conduct of all authorized Class III Gaming;

(b) The power to investigate alleged violations of this Compact, the Tribal Gaming Ordinance and Regulations, and other applicable laws and to take or recommend such actions as may be necessary and appropriate to eliminate and correct any violation found to have occurred;

(c) Establishing and enforcing occupational and other licensing requirements for employees and others engaged in activities connected to the Tribe's Class III Gaming operation.

Background investigations meeting the requirements of Section 7 of this Compact shall be conducted on agency members.

The members of the agency and their immediate families shall not have any financial interest in Class III Gaming other than the financial interest shared equally with all other Tribal Members.

6. MANAGEMENT CONTRACTOR

The Tribe may contract with a Management Contractor to operate the gaming authority by this Compact provided that the Management Contract does not contain terms contradicting the terms of this Compact and applicable laws and provided that the contract has been approved by the Chairman of the National Indian Gaming Commission. The contract shall prohibit the Management Contractor from transferring, subcontracting or assigning any of its rights and duties under the contract or any ownership interest in the contract.

Prior to issuing a license to a Management Contractor, the Tribe shall cause a background investigation to be completed on the Management Contractor which meets the requirements in the Gaming Ordinance, the Act, and in Section 7 of this Compact. A background investigation shall be completed on each person or entity having a direct financial interest in or management responsibility for the contract, and in the case of a corporation, for each individual who serves on the board of directors, each officer, and each shareholder who directly or indirectly owns five (5) percent or more of the issued and outstanding stock of the corporation.

Management contractor background investigation results shall be submitted to the Director within thirty (30) days of completion. The Director may discuss any concerns which he or she has about the proposed Management Contractor with the Tribe.

7. LICENSING

7.1 Licenses, Issuance, Qualifications. All employees, agents or management contractors of the Tribe working in or for an authorized gaming facility who have access to cash, tokens or chips, machine components, or other gaming supplies or equipment or who have management responsibilities, security or surveillance responsibilities, or accounting responsibilities shall have a license issued by the Tribe to do business at the Tribe's gaming facility. The Tribe's licensing requirements for these persons shall include the following minimum limitations:

- (a) Applicants must be at least eighteen (18) at the time of their employment at the Tribe's gaming facility.
- (b) The Tribe may find an applicant ineligible for a license and deny, suspend or revoke the license of any applicant who has been convicted of any of the offenses below, if the Tribe determines that the circumstances of the offense giving rise to the conviction make the applicant's presence a hazard to the regulation and conduct of gaming or may reasonably undermine the public confidence in the integrity of gaming:
 - (1) Offenses related to bookkeeping; or
 - (2) Offenses related to gambling; or
 - (3) Offenses related to cheating, misrepresentation, fraud or deception; or
 - (4) Use of alias; or
 - (5) Conviction of a felony or controlled substance related offense.

If a conviction occurred within the last five years, the license shall be denied unless the licensed employment is excepted by Tribal regulation for non-gaming positions or services. If conviction occurred more than 5 years prior to the application date, a license may be issued if the Tribe determines that sufficient evidence of rehabilitation exists. The Tribe shall temporarily deny a license and shall suspend an existing license, if charges are pending against an applicant which, if resulting in a conviction, would disqualify the applicant from receiving or holding a license.

- (c) Applicants must not have been denied a gaming license by the State of Iowa or any other gaming licensing jurisdiction, or currently have a gaming license which has been suspended by the State of Iowa or any other gaming licensing jurisdiction, or have had a gaming license revoked by the State of Iowa, or any other gaming licensing jurisdiction.
- (d) Applicants must not be employed in any part-time or full-time employment with a government or private employer in any capacity which would create a conflict of interest between such employment and the interests and objectives of the licensed employment at the Tribe's gaming facility.
- (e) Applicants must be of good moral character.
- (f) The license shall be nontransferable and shall prohibit the licensee from transferring any rights or duties relating to the license either directly or indirectly.
- (g) Applicants must be trainable or qualified by experience or otherwise to perform the duties required.
- (h) Applicants must agree to comply with this Compact, the Gaming Ordinance, and Regulations and with all other applicable laws and regulations.

7.2 Revocation of License. The Tribe shall revoke an existing license upon the happening of any event which would have made the licensee ineligible for a license if the event had occurred prior to the issuance of a license.

7.3 Background Investigations. Prior to issuing a license, the Tribe shall cause background investigations, in accordance with the Act, the Gaming Ordinance, and other requirements specified in this Section, to be conducted on applicants to verify the truthfulness of the information provided by the applicant to the Tribe and to ensure that persons and entities licensed by the Tribe are eligible for licensure.

However, temporary licenses may be issued for up to six (6)

months pending completion of background investigations for all licenses.

At a minimum, background applications shall require the applicant to make a sworn statement containing the following information:

- (a) Name;
- (b) Date of birth;
- (c) Social security number;
- (d) Physical description;
- (e) The applicant's residence since age eighteen (18);
- (f) The applicant's employment history since age eighteen (18);
- (g) The applicant's criminal history, including the date, place, details surrounding any arrest or charges, and the disposition of any charges filed;
- (h) Whether the applicant has ever held a professional or occupational license issued by any state or Indian Tribe, the jurisdiction in which the license was issued, the type of license, the license number, dates held and the details surrounding the suspension, revocation, or other disciplinary action based on the license, and if not current, the reason it is not current;
- (i) Whether the applicant has ever held a gambling related license issued by any state, Indian Tribe or any other jurisdiction, the jurisdiction in which the license was issued, the type of license, the license number, dates held; the details surrounding any suspension, revocation, or other disciplinary action taken based on the license, and if not current, the reason it is not current;
- (j) Whether the applicant has ever had any experience related to any gaming operation, the exact nature of the applicant's role in the operation, the name and address of all supervisors or parties to any gaming related agreement, the place any such agreement was performed, and the dates covered by the agreement, or when services or products were provided.

- (k) A complete financial statement of the applicant;
- (l) Whether the applicant has ever been an investor in any gaming operation, the exact dates and nature of the investment the name and address of all other investors holding an interest of five (5) percent or more in the gaming operation, and the name and address of the gaming operation;
- (m) The applicant's agreement to provide any additional information as may be required by the Tribe.

In addition to the sworn statement, the applicant shall be required to submit two (2) sets of fingerprints to the Tribe on forms of the type commonly used by the Federal Bureau of Investigation and to provide a current photograph with the application.

7.4 Background investigations may be conducted by the Federal Bureau of Investigation, by the DCI or by another appropriate investigative entity deemed qualified by the Tribe. If background investigations are conducted by an investigative entity other than the DCI or the FBI, the Tribe shall inform the Director, on request, of the name of the investigative entity used by the Tribe. If the DCI performs background investigations, the investigations shall be performed and reported to the Tribe pursuant to terms mutually acceptable to the Tribe and the DCI. This provision shall not be construed as requiring the Tribe to use the DCI to perform all background investigations nor as requiring the DCI to perform all background investigations requested by the Tribe.

8. MINIMUM STANDARDS FOR INSPECTION AND
APPROVAL OF GAMBLING DEVICES

Prior to the installation and use of a Gambling Device, the Tribe shall inspect, test and consider the Gambling Device for its approval. The Tribe shall not approve a Gambling Device unless the tests conducted indicate that such Gambling Device meets the minimum standards set forth in Appendix "A" of this Compact (as amended from time to time by mutual agreement of the parties) or unless an identical Gambling Device is currently approved for use by the Iowa Racing and Gaming Commission. If an identical Gambling Device is currently approved for use by the Iowa Racing and Gaming Commission, the Tribe may waive the inspection and testing requirements for such Gambling Device.

In the event a particular Gambling Device has not been approved by the Iowa Racing and Gaming Commission but has been approved by a gaming regulatory body of the states of Nevada, South Dakota or New Jersey, and the test results from such jurisdictions show that the Gambling Device meets the standards set forth in Appendix "A", then the Gambling Device may be authorized for use by the Tribe provided that a copy of the test results indicating that the device complies with Appendix "A" is obtained and forwarded to the Tribe and the manufacturer of the Gambling Device certifies to the Tribe and the Director that each Gambling Device to be shipped complies in all respects with the standards in Appendix "A". The Director and the Tribe shall agree upon the identity of the gaming test laboratories which can be utilized under this Section.

9. SECURITY AND SURVEILLANCE

The Tribe agrees to establish security and surveillance procedures including, at a minimum, the employment of an adequate security force, sufficient to protect the health, safety, and welfare of employees and patrons, and the installation, maintenance and operation of security and surveillance equipment at least meeting the standards described in Appendix "C". The possession of firearms shall be prohibited at all times within the gambling area and adjacent facilities except for certified peace officers on duty. On request of the Director, the Tribe shall also provide evidence of the continued availability of certified peace officers with arrest powers through the Tama County Sheriff or other law enforcement agency.

10. ACCOUNTING AND CASH CONTROL

Prior to implementation of any authorized gaming, the Tribe shall implement a cash management and control system designed or approved by a certified public accountant, or another person or entity mutually agreeable to the Tribe and the Department, to be used by the Tribe in all authorized gaming facilities. The system used shall be suitable for use in a casino operation and shall be specifically designed to prevent and detect skimming and money laundering. A description of the system shall be provided to the Director at least twenty (20) days prior to implementation. The Director may provide the Tribe with comments on the system and with suggestions for improving it.

11. OPERATING PROCEDURES AND GAME RULES

All Class III Gaming shall be played in conformance with this Compact, the Act and the Gaming Ordinance.

The Class III Gaming operation shall be operated for cash only; no credit may be extended. However, the Tribe may offer check cashing and credit card transactions including cash advances, as routinely offered by other businesses in the state of Iowa. This provision shall not be construed as allowing Credit to be offered by the Tribe or any Management Contractor or any other person or entity other than through a bona fide credit card company whose services are offered to other businesses in the state of Iowa. Personal checks accepted by the Tribe must be deposited into a financial institution promptly in accordance with sound business practices.

Prior to implementing any game, the Tribal gaming regulatory agency will approve all game rules and make the rules available to the gaming public upon request.

12. AUDITS, INSPECTIONS AND FACILITY AND RECORDS ACCESS

The Tribe shall cause an independent certified public accountant to audit the books, records and gaming and cash procedures and equipment of all authorized Class III Gaming activities at least once in each fiscal year.

Prior to employing a certified public accountant, the Tribe shall notify the Director of the identity and qualifications of the certified public accountant. Unless there is an objection from the Director within fifteen (15) days following the Director's receipt of the Tribe's notice, the Tribe may employ the certified public accountant. The Director shall inform the Tribe the reasons for any objections to the Tribe employing a particular certified public accountant. The Tribe agrees not to

employ any certified public accountant whose qualifications are legitimately disputed by the Director.

The Tribe and the Director shall mutually agree on the scope of the audit to be conducted by the auditor. At a minimum, the audits shall include the review of all records necessary to determine whether authorized gaming is being conducted in conformance with this Compact, the Gaming Ordinance, the Regulations and other applicable laws. All audits shall be conducted pursuant to the Standards for Audits of Casinos when applicable.

In the event that Iowa has probable cause to believe that an audit will provide evidence of criminal activity related to the conduct of the Tribe's Class III Gaming, the Director may notify the Tribe and request that the Tribe obtain an audit specifically pertinent to the alleged criminal activity. The audit shall examine such books, records, equipment and procedures of the Tribe's gaming operation, including the records of any Management Contractor, as may be relevant to the alleged criminal activity and to ensure compliance with this Compact, the Gaming Ordinance, the Regulations and other applicable laws. Within ten days (10) following receipt of such notification, the Tribe agrees to initiate such audit as may be necessary to fully investigate the alleged criminal activity. Upon completion of the audit, the Tribe agrees to provide the Director with a copy of the audit report. Upon request, the Tribe also agrees to provide the Director with other audit material necessary to explain any identified part of the audit report. Any audit conducted by the Tribe for the purpose of investigating the

alleged criminal activity shall not be construed as limiting any law enforcement activities of the State of Iowa.

Upon at least twenty-four (24) hours advance notice to the Tribe's gaming regulatory agency, authorities of Iowa may enter upon the premises of an authorized gaming facility at any time during ordinary business hours for the purpose of conducting routine facility inspections, including equipment testing on the premises, and casino surveillance, as may be necessary to determine compliance with the Act and this Compact. Members of the gaming regulatory agency shall not communicate to any person other than the Tribal Chairman, Iowa's intent to conduct a routine facility inspection. Upon the reasonable request of Iowa, the Tribe shall provide Iowa access to all areas of its Class III Gaming facilities and its records and shall ensure that all licensees make their records and facilities available to Iowa. The Tribe shall ensure that information requested by Iowa is provided by all persons possessing the requested information and that a suitable office is provided in which the State may review records and other information provided by the Tribe. In the event that the State provides the Tribe with a written statement explaining a purpose directly related to ensuring compliance with the Act and this Compact and makes a reasonable request for permission to copy, remove from the premises and retain copies of materials and documents related to such purpose, the Tribe, after taking complete inventory, will make available the material and documents requested.

Throughout the term of this Compact and during the pendency of any litigation arising from this Compact, and for one (1) year

following the termination of this Compact, the Tribe shall ensure that all books and records relating to authorized gaming activities, including the records of any Management Contractor and the Tribe, are separately maintained in order to facilitate auditing of these books and records to ensure compliance with this Compact. All records shall be maintained pursuant to generally accepted accounting principles and shall be suitable for audit pursuant to the standards of the American Institute of Certified Public Accountants.

13. TRIBE'S ACCESS TO STATE RECORDS

The Director agrees to provide the Tribe with a copy of any records pertaining to any tests of Class III Gaming-related equipment conducted by the State at the Tribe's gaming facility and any other reports made by any State employee, agent or official related to Class III Gaming conducted at the Tribe's gaming facility, provided that disclosure of the test results or reports would not compromise any ongoing law enforcement investigations or activities or violate any applicable law. In the event of non-disclosure of such records or reports, the Director shall provide the Tribe with a written statement of the reasons disclosure cannot be made. Whenever a law enforcement investigation or activity is no longer ongoing, the Director shall provide to the Tribe any withheld reports or test results.

14. DOCUMENTS PROVIDED BY THE TRIBE TO THE STATE

Within a reasonable time following a written request, which shall include a statement explaining a purpose directly related to ensuring compliance with the Act and this Compact and that

identifies with specificity information pertinent to such stated purpose, the Tribe shall provide the Director with the requested information. In addition, the Tribe shall provide the Director with a copy of its current Gaming Ordinance, its Regulations and all subsequent amendments to the Gaming Ordinance and the Regulations. Nothing in this agreement shall preclude the Tribe and the State, its Division of Criminal Investigation, the Iowa Racing and Gaming Commission, and other law enforcement or gaming regulatory agencies, to exchange information on gaming activities and licensees of gaming operations, where such exchange of information is mutually beneficial and agreed to by each party.

15. COVENANT OF CONFIDENTIALITY

Except as otherwise required by law as allowed by the exceptions specified below, Iowa agrees to forever maintain in confidence and never to disclose to any third party any financial information, proprietary ideas, plans, methods, data, developments, inventions or other proprietary information regarding the gambling enterprises of the Sac and Fox Tribe, games conducted by the Sac and Fox Tribe, or the operation thereof which is provided to the State by the Tribe. Nothing contained in this Section shall be construed to prohibit:

- (a) The publication of generalized gaming statistics, provided that there is no direct or indirect identification that the statistics relate to the gaming operation of the Tribe;
- (b) Iowa from making known the names of persons, firms or corporations conducting Class III Gaming activities pursuant to the terms of this Compact, locations at which such activities are conducted or the dates on which such activities are conducted;
- (c) Publishing the terms of this Compact;

- (d) Disclosing to a law enforcement or regulatory agency of the United States government or another state, or to any subdivision of the State of Iowa, including counties, information necessary to audit, investigate or prosecute violations of this Compact or other applicable laws or to defend suits against the State;
- (e) Complying with any law, subpoena or court order; or
- (f) Disclosing audit or test results provided that disclosure would not compromise the security of the gaming facility or reveal proprietary information, and provided further, that disclosure is limited to circumstances where the audit or test results demonstrate detriment to the public. Whenever the audit or test results demonstrate detriment to the public, disclosure, if any, will not occur until at least thirty (30) days following the date on which the State has notified the Tribe of its intent to disclose. The notice will identify those aspects of the audit or test results considered by the State to demonstrate detriment to the public. If by the close of such thirty (30) day period, the Tribe has corrected or taken substantial steps to correct audit or test result matters considered by the State to demonstrate detriment to the public, no disclosure shall be made.

16. GAMING CONDUCTED SOLELY ON INDIAN LANDS

Except as indicated in the following paragraph all authorized Class III Gaming shall be conducted solely on Indian Lands as defined in this compact. Authorized Class III Gaming is conducted solely on Indian Lands only if all consideration wagered is placed by players physically located on Indian Lands at the time the wager is made, all activities performed by the player to participate in the game physically occur on Indian Lands, and all activities related to determining and validating winners occur on Indian Lands. The activities prohibited by this Section, include, without limitation, placing bets or playing games by telephone or by mail unless calls both originate and terminate on Indian Lands and unless correspondence is sent

from an address on Indian Lands to an address on Indian Lands. Winners may receive prize winnings outside the boundaries of Indian Lands without violating this provision.

Nothing in this Section shall prevent the Tribe from conducting inter-reservation Class III Gaming by means of telecommunications, satellite or technologic or computer enhancement provided that the gaming conforms to the requirements of federal law including the Act, this Compact, the laws, rules and regulations of all Tribes involved in the gaming, and to the terms of an effective tribal/state compact which governs the gaming activities of each tribe participating in the gaming. Inter-reservation gaming conducted by means of telecommunications, satellite or technologic or computer enhancement must, however, be conducted solely on "Indian lands" (as that term is currently defined in Section 4(4) of the Act, 25 U.S.C. sec. 2703(4), and as that term is limited by Section 20 of the Act, 25 U.S.C. sec. 2719) which belongs to one of the participating tribes.

17. JURISDICTION

This Section sets forth the agreement of the parties as to the jurisdiction of the Tribe and the State regarding Class III gaming on Indian Lands. Nothing in this Section shall be construed as granting the State of Iowa civil or criminal jurisdiction over activities on Indian Lands other than the activities specified in this Section which relate to Class III Gaming activities, or as applying to or diminishing the Tribe's or State's civil or criminal jurisdiction over activities on Indian Lands which exists independently of the Act and this Compact.

17.1 Criminal Jurisdiction of the Tribe. Subject to such criminal jurisdiction as may be reserved to the United States under the Act or other applicable federal law or as otherwise provided herein, the Tribe shall exercise criminal jurisdiction concurrent with, but independent of, the State over any Indian or other person over whom the Tribe may exercise lawful jurisdiction whose acts or omissions relate to any authorized or unauthorized Class III Gaming activities on Indian Lands.

Whenever the Tribe has reason to believe that any person or entity has violated this Compact, the Regulations, the Gaming Ordinance or other law applicable to a Class III Gaming activity, the Tribe shall request that law enforcement authorities of the Tribe and the United States investigate the violation. The Tribe shall take all reasonable steps to ensure that all violations are detected and appropriately prosecuted by the Tribe or the United States Attorney.

The Tribe shall have jurisdiction to commence prosecutions for violation of any applicable criminal law, including Tribal law, arising out of any investigation conducted by any governmental authority provided that the subject of such criminal prosecution is an Indian or other person over whom the Tribe may exercise lawful jurisdiction. Provided that the Tribe has a criminal justice system with the authority to exercise the Tribe's criminal jurisdiction and provided that the Tribe is authorized under Tribal and/or federal law to impose a penalty commensurate with the crime, Iowa agrees not to exercise criminal jurisdiction until after the Tribe has had a reasonable

opportunity to prosecute any criminal activity relating to Class III Gaming on Indian Lands and has failed to do so.

17.2 Criminal Jurisdiction of the State of Iowa. Subject to the provisions of this Section pertaining to the concurrent criminal jurisdiction of the Tribe, the State of Iowa shall exercise prohibitory criminal jurisdiction over all persons, including without limitation, players of authorized gaming, all licensees and all other persons or entities whose acts or omissions relate to any authorized or unauthorized Class III Gaming activities on Indian Lands. Except as limited by this Compact, the State's prohibitory criminal laws shall apply on Indian Lands used in connection with its gaming operation as elsewhere in the State of Iowa. The State's criminal jurisdiction shall be exercised concurrently with, but independently of, the criminal jurisdiction held by the Tribe and the United States.

If as part of the State's exercise of its criminal jurisdiction, property used in violation of this agreement or applicable Iowa law is subject to forfeiture under the civil forfeiture laws of the State of Iowa, any real or personal property owned by or held in trust for the Tribe or that of any tribal member on gaming property at the time the property was seized shall not be forfeited.

Whenever State law enforcement authorities engage in any law enforcement activity on Indian Lands related to Class III Gaming, Tribal gaming regulatory or other law enforcement authorities who have certified peace officer status on Indian Land shall be notified in advance, except in bona fide

emergencies, and shall accompany state authorities executing warrants on Indian Lands or carrying out other law enforcement activities authorized by this Compact on Indian land to minimize any disruption to Class III Gaming that may result from their law enforcement activity. Upon a judicial finding that such notification or cooperation would be contrary to law or would likely jeopardize the State's law enforcement activities, the State may be relieved of its obligations of notification and cooperation. Nothing in this paragraph shall, however, be construed as preventing the Tribe from challenging such action by the State under applicable federal or state statute, regulation or common law.

17.3 Civil Regulatory Jurisdiction. Except as otherwise provided in this Compact, the Tribe shall exercise exclusive civil regulatory jurisdiction over players of authorized Class III Gaming, licensees and other persons or entities whose acts or omissions relate to any authorized or unauthorized Class III Gaming activities on Indian Lands and over all property related to Class III Gaming on Indian Land.

17.4 Civil Jurisdiction. Except as otherwise provided in this Compact, the Tribe shall exercise jurisdiction concurrent with, but independent of, the State of Iowa over all private civil matters involving players of authorized Class III Gaming, licensees and other persons and entities and that involve the transaction of any business or the commission of tortious acts on or within Indian Land or on or within any other property related to Class III Gaming on Indian Land. The Tribe shall also have

such concurrent jurisdiction over any person who commits a tortious act outside of Indian Land provided that such person regularly does or solicits business, or engages in any other persistent course or conduct, or derives substantial revenue from goods used or consumed or services rendered on Indian Land, or expects or should reasonably expect the act to have consequences on Indian Land. Nothing in this paragraph shall be construed to prohibit the Tribe or any person from contractually or otherwise lawfully agreeing that the Tribe shall have sole jurisdiction to determine any civil matter covered by this paragraph.

17.5 Discretion to Exercise Jurisdiction. The jurisdiction held by the State pursuant to this Compact does not obligate the State to take any action on Indian Lands. In addition, this Compact shall not be construed as creating an obligation between the State or the Tribe to any third party which would require the State or the Tribe to take any action pursuant to the jurisdiction held by either the State or the Tribe.

18. TAXES

Nothing in this Compact shall be construed as imposing any tax on any Class III Gaming activity. In addition, nothing in this Compact shall be construed as expanding or diminishing Iowa's authority, if any, to impose any tax on the Tribe or any person or entity authorized by the Tribe to engage in authorized Class III Gaming on Indian Lands or on any Class III Gaming activity.

19. AMENDMENTS AND WAIVERS

The terms and conditions of this Compact shall not be modified, amended or otherwise altered except by written agreement of the parties. Any written waiver of any provision or requirement of this Compact signed by the party waiving the provision and any modification or amendment of any provision of this Compact or any Appendix to this Compact that is agreed upon by the parties in writing shall take effect immediately upon the date such waiver, modification or amendment is approved by the Secretary. The Director may waive any provisions or requirements of this Compact which are imposed by Iowa on the Tribe by providing the Tribe with written notice of the waiver. Any waiver provided by the Director shall not constitute a waiver of any future deviation from the terms of this compact unless the waiver specifically addresses future deviations. The Tribe may waive any provision or requirement of this Compact imposed on the State in a similar manner and with similar effect.

20. REMEDIES FOR BREACH OF CONTRACT

20.1 Breach Of This Agreement By Tribe And Dispute Resolution: In the event that the Tribe or its employees, representatives, contractors, licensees or agents fail to comply with any material term of this agreement, the Director may suspend this agreement in whole or in part, terminate this agreement in its entirety, and/or seek any other remedy authorized by law. In the event of termination or suspension, gaming activities previously conducted pursuant to this agreement shall cease. All remedies provided in this agreement are cumulative and non-exclusive.

Prior to suspending or terminating this agreement on seeking any other remedy authorized by law, the Director shall deliver a written notice to the Tribe which identifies the conduct which violates this agreement, describes the action which would cure the default and which specifies the date on which the notice period will end. The notice must precede remedial action taken by the Director by a minimum of thirty (30) calendar days, provided however that if the Tribe notifies the Director within such period that the alleged default is not reasonably susceptible to cure within such thirty (30) day period, the Director may agree to an extension of the period in which the default may be cured. If the default is not cured by expiration of the notice period (together with any extension granted by the Director) or if the Tribe has not presented a plan to cure the default which is acceptable to the Director, or if the Tribe has not requested mediation to aid in the determination of the existence of a default prior to termination or suspension, the Director may suspend or terminate this agreement, providing written notice of suspension or termination to the Tribe and/or may seek any other remedy authorized by law.

The Tribe may request mediation to assist in determining whether the default alleged by the Director exists and if so, an acceptable resolution or cure. The Tribe shall choose an impartial mediator and shall pay any fees and expenses of the mediator. Within five (5) days of receiving the proposed mediator's name, the Director may object, with supporting reasons, upon a showing that the mediator is unqualified due to a bona fide conflict of interest. If the objection is legitimate

and made in good faith, the Tribe shall have five (5) days from the date of receipt of the objection to propose three (3) other impartial mediators. The Director shall then have three (3) days to choose a mediator from those proposed by the Tribe and the parties shall proceed to mediation. The Tribe may, in good faith, withdraw its request for mediation at any time. The Tribe's request for mediation shall not prevent or delay its pursuit of any other available remedy.

If the mediation proceeds, the parties shall negotiate with the assistance of the mediator for a period not to exceed sixty (60) days from the Tribe's request for mediation in an effort to mutually agree as to whether the alleged default exists and if any, an acceptable resolution. The parties may agree to extend such period. At the conclusion of the mediation period, the Director may exercise the right to suspend or terminate this agreement if the Director and the Tribe have not mutually agreed that a default has not occurred. Any action by the Director following the mediation period to suspend or terminate this agreement shall be preceded by at least thirty (30) days written notice to the Tribe of the Director's intention to suspend or terminate this agreement. If the Tribe remedies the default to the Director's satisfaction prior to the expiration of such period as may be stated in the Director's notice of suspension or termination, no suspension or termination shall occur.

The Tribe's request for mediation shall not prevent or delay the Director's pursuit of any remedy authorized by law other than the right to terminate or suspend this agreement.

Nothing in this Section shall apply to or limit any law enforcement activities conducted by the Director or the State.

20.2 Breach Of This Agreement By The State And Dispute Resolution. In the event that the State fails to comply with any material term of this Compact, the Tribe may seek any remedy authorized by law or equity.

Prior to seeking any such remedy the Tribe shall deliver a written notice to the Director which identifies the conduct which violates this Compact, describes the steps which must be taken to cure any default, if a cure is possible, and which specifies the date on which the notice period will end. The notice must precede remedial action taken by the Tribe by a minimum of thirty (30) calendar days. If the default is not cured within the notice period the Tribe may immediately seek any available remedy without further notice.

20.3 Dispute Resolution--Non-Exclusiveness. Nothing in Section 20 of this Compact shall be construed to preclude, limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution, whether binding or non-binding including, but not limited to, arbitration, mediation, mini-trials, or judicial resolution firms; provided, however, that neither party is under any obligation to agree to such alternative methods of dispute resolution.

21. EXTENSION OF OBLIGATIONS

The expiration or termination of this Compact shall not relieve either the State of Iowa or the Sac and Fox Tribe of any

obligation which arose under this Compact during the period in which it was in effect.

22. SEVERABILITY

If any part of this Compact is finally found to be in violation of any applicable law by a court of competent jurisdiction, the illegal portion shall be severed from this compact if possible and the remainder of this Compact shall remain valid and enforceable provided that continuation of the Compact does not alter the fundamental intent of the parties.

23. THIRD-PARTY BENEFICIARIES

This Compact is not intended to create any third-party beneficiaries and is entered into solely for the benefit of the Sac and Fox Tribe and the State of Iowa.

24. PROVISION OF COMPACTS TO THE TRIBE

In the event that another Indian Tribe executes a compact with Iowa for the conduct of Class III Gaming, Iowa shall provide a copy thereof to the Sac and Fox Tribe within five (5) days following execution by both the Tribe and the State.

25. NOTICES

Unless otherwise indicated differently, all notices, payments, requests, reports, information or demands which any party hereto may desire and may be required to give the other party hereto, shall be in writing and shall be personally delivered or sent by telefax, telegram or first class certified or registered United States mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as either party shall hereinafter

inform the other party by written notice given as previously required:

If to Iowa:

State of Iowa
Department of Inspections
and Appeals
Attn: Director
Lucas State Office Building
Des Moines, Iowa 50319
Fax No. (515) 281-7289

If to the Tribe:

Sac and Fox Tribe of the
Mississippi in Iowa
Attn: Chairman
3137 F Avenue
Tama, Iowa 52339
Fax: (515) 484-3218

All notices, payments, requests, reports, information or demands so given shall be deemed effective upon receipt or the expiration of the fifth day following the day of mailing, whichever occurs first.

26. CALCULATION OF TIME

In computing any period of time prescribed or allowed by this Compact or any laws, rules or regulations of the Sac and Fox Tribe, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless the last day is a Saturday, Sunday or a legal holiday under Sac and Fox Tribal law, Iowa law or federal law. If the act to be done is the filing of or providing access to any report or document, and the last day of the period falls on a day in which the weather or other conditions have made the office in which the report or document is to be filed inaccessible, the designated period shall extend until the end of the next day on which

the office is accessible which is not a Saturday, Sunday or legal holiday. When the period of time prescribed or allowed is less than eleven (11) days, intermediate Saturdays, Sundays and legal holidays under Sac and Fox Tribal law, Iowa law or federal law shall be excluded from the computation period.

27. COUNTERPARTS

This compact may be executed by the parties in any number of separate counterparts with the same effect as if the signatures were upon the same instrument. All such counterparts shall together constitute one and the same document.

28. ASSIGNMENT OF COMPACT BY IOWA OR THE SAC AND FOX TRIBE

Neither Iowa nor the Sac and Fox Tribe may assign any of its respective rights, title or interest in the Compact, nor may Iowa or the Sac and Fox Tribe delegate any of their respective obligations and duties under this Compact, except as expressly provided in this Compact. Any attempt at assignment or delegation in contravention of the foregoing shall be null and void. The Sac and Fox Tribe may, without violating this Section, delegate its regulatory responsibilities to an agency of the Tribe, enter into a Management Contract, or enter into a cross-deputization, mutual assistance or other similar agreement with a law enforcement agency of the United States or the State of Iowa. The State may, without violating this Section, delegate its responsibilities to any subdivision of the State of Iowa, to any county authorities in the State of Iowa or enter into a cross-deputization agreement with a law enforcement agency of the United States.

29. GOVERNING LAW

This Compact is, in all respects, to be governed by the laws of the United States of America. In the event the governing law of the United States looks to the law of a particular state for its content, the law applicable in this instance shall be the laws of the State of Iowa.

30. RENEGOTIATION

Renegotiations of the provisions of this Compact as contemplated in Section 34 shall be conducted in good faith pursuant to the terms of this Compact and the terms of the Act as though the renegotiation were a request to negotiate a Compact. The Tribe and the State shall both execute their obligations pursuant to this Compact reasonably and in good faith.

31. RIGHTS AVAILABLE UNDER THE ACT

Nothing in this Compact shall be construed to limit the rights or remedies available to the parties under the Act.

32. TRIBAL AND STATE SOVEREIGNTY

This Compact shall not be construed to waive or diminish the sovereignty or any sovereign immunity of the Tribe or Iowa.

33. EFFECTIVE DATE

This Compact shall be effective upon signature by both parties, approval by the National Indian and Gaming Commission and publication by the National Indian Gaming Commission in the Federal Register in accordance with the Act.

34. DURATION

Unless earlier terminated pursuant to the terms of this Compact, this Compact shall remain effective for a period of

eight (8) years following the effective date of this Compact and shall automatically renew for successive eight (8) year terms unless either party gives notice in writing of its intent to renegotiate this Compact at least six (6) months, but no more than one (1) year prior to the expiration of the current term. Such notice shall reasonably describe issues to be reconsidered. However, the parties will not be limited in their negotiations to such issues and may reconsider any issues deemed necessary and appropriate at that time. Negotiations shall commence as soon as practicable following receipt of the notice and shall be conducted in good faith by both parties. In the event that the Tribe requests renegotiation, the term of this Compact shall be automatically extended and shall continue in effect throughout such period of renegotiation. However, the renegotiation period shall not exceed one (1) year from the expiration of the current term unless a longer period is otherwise agreed to by the parties. In addition, if the process of renegotiation should result in the initiation of a suit by the Tribe against the State of Iowa alleging that Iowa has negotiated in bad faith, the term of this Compact shall be extended and shall continue in effect until the final conclusion of such litigation, including any appeals, or until the expiration of the three (3) year period immediately following the date on which the Tribe and Iowa commenced renegotiations.

35. AUTOMATIC TERMINATION

This Compact shall automatically terminate if the Tribe passes an Ordinance or series of Ordinances which result in

discontinuing all authorized Class III Gaming for a period of at least one (1) year. Nothing in this Compact shall be interpreted as preventing the Tribe from terminating any gaming activity conducted pursuant to this Compact at any time.

36. NO SEPARATE ENTITY OR COOPERATIVE RELATIONSHIP

This Compact is not intended to create any separate administrative or legal entity. Nothing in this Compact shall be construed as creating any third-party beneficiaries, a partnership, joint venture, or other joint or cooperative relationship between Iowa and the Tribe for the purposes of conducting or regulating authorized Class III Gaming activities. The Tribe shall not represent to others that the gaming conducted by or on behalf of the Tribe is licensed or endorsed by Iowa or a subdivision of Iowa. The Tribe may, however, represent to others that its compliance with the terms of this Compact has been verified by Iowa or its subdivision, to the extent the State has actually verified any such compliance.

37. INTEGRATION

This Compact, including the attached Appendices "A", "B," and "C", which are fully incorporated into this Compact by this reference as if written here, constitutes the entire agreement between the parties. Neither party is relying on any prior or other written or oral representation in entering into this Compact.

38. CHANGES IN IOWA LAW

Nothing in this Compact shall be construed as prohibiting any change in the laws of Iowa. However, any such changes in the

laws of Iowa shall not affect this Compact or the Tribe's rights thereunder except to the extent that the State expressly prohibits Class III gaming as provided in 25 USC §2710(d)(1)(B). Nothing in this paragraph shall be construed as preventing the Tribe from challenging future legislation by Iowa affecting this Compact or its gaming operation under such applicable federal statute, regulation or common law.

39. EXECUTION

Gailey Wanatee
Gailey Wanatee
Chairman of the Sac and
Fox Tribe of the Mississippi
in Iowa

Charles R. Sweeney
Charles R. Sweeney
Director, Iowa Department
of Inspections & Appeals

3-21-95
Date

3/21/95
Date

Consistent with 25 U.S.C.A. Sec. 2710 (d) (8), the Tribal-State Compact Between the Sovereign Indian Nation of the Sac and Fox Tribe of the Mississippi in Iowa and the Sovereign State of Iowa is approved on the 18th day of May, 1995, by the Assistant Secretary - Indian Affairs, United States Department of the Interior.

Ada E. Deer
Ada E. Deer
Assistant Secretary - Indian Affairs

APPENDIX "A"
SAC AND FOX TRIBE/STATE OF IOWA GAMING COMPACT
GAMBLING DEVICE TESTING AND SPECIFICATIONS

- (A) Gambling Device Requirements.
- (1) Hardware specifications.
 - (a) Electrical and mechanical parts and design principles shall not subject a player to physical hazards.
 - (b) A surge protector shall be installed on the line that feeds power to the device. The battery backup or an equivalent for the electronic meters shall be capable of maintaining the accuracy of all information required for 180 days after electrical power is discontinued from the device. The backup shall be located in the locked logic board compartment.
 - (c) An on/off switch that controls the electrical current used in the operation of the device and any associated equipment shall be located in an accessible place within the interior of the device.
 - (d) The operation of the device shall not be adversely affected by static discharge or other electromagnetic interference.
 - (e) The device shall have a minimum of one electronic coin acceptor meeting the security requirements established by the Tribe.
 - (f) The internal space of the device shall not be readily accessible when the front door of the device is both closed and locked.
 - (g) Logic boards and software eproms shall be in a locked area within the device and shall be sealed with evidence tape.
 - (h) The drop bucket compartment shall be in a locked area within or attached to the device.
 - (i) The device shall have no hardware switches capable of altering the pay tables or payout percentages of the device. Hardware switches may be installed in the device to control graphic routines, speed of play, and sound.
 - (j) An identification plate containing the following information shall be permanently affixed to the exterior of the device:
Manufacturer; serial number; model number.

(k) The rules of play for the device shall be clearly displayed on the face or screen. The rules shall not be incomplete, confusing, or misleading. Each device shall also display the credits wagered and the credit awarded for the occurrence of each possible winning combination based on the number of credits wagered. All information required by this paragraph shall be kept under glass or other transparent material. Stickers or other removable items shall not be placed on the face of the device if they would make the required information unreadable.

(2) Software requirements-random number generator. Each gambling device shall have a random number generator that will determine the occurrence of a specific card, number or stop. A selection process will be considered random if it meets the following requirements:

- (a) Each card, number or stop shall satisfy the 99 percent confidence limit using the standard chi-squared analysis. "Chi-squared analysis" is the sum of the square of the difference between the expected result and the observed result.
- (b) Each card, number or stop shall not produce a significant statistic with regard to producing patterns of occurrences. Each card, number or stop will be considered random if it meets the 99 percent confidence level with regard to the "runs test" or any similar pattern testing statistic. The "runs test" is a mathematical statistic that determines the existence of recurring patterns within a set of data.
- (c) Each card, number or stop position shall be independently chosen without regard to any other card, number or stop within that game play. This test is the "correlation test." Each pair of cards, number or stop positions shall be considered random if they meet the 99 percent confidence level using standard correlation analysis.
- (d) Each card number or stop position shall be independently chosen without reference to the same card or number position in the previous game. This test is the "serial correlation test." Each card or number position shall be considered random if it meets the 99 percent confidence level using standard serial correlation analysis.

- (3) Continuation of game after malfunction is cleared. Each Gambling Device shall be capable of continuing the current game with all current game features after a malfunction is cleared unless the malfunction renders the device totally inoperable. If the malfunction renders the device totally inoperable the current wager and all credits appearing on the screen prior to the malfunction shall be returned to the player.
- (4) Software requirements-play transaction records. Each Gambling Device shall maintain electronic accounting meters at all times, regardless of whether the device is supplied with power. Each meter shall be capable of recording and maintaining totals, no less than six digits in length, for the following information or the following information shall be ascertainable by calculations based on the recorded information:
- (a) Total number of tokens inserted. The meter shall count the total number of tokens that are inserted by the player.
 - (b) Total number of tokens paid out.
 - (c) Total coins dropped to drop bucket.
 - (d) Total number of credits wagered.
 - (e) Total number of credits won.
 - (f) Total credits paid out.
 - (g) Number of times the logic area was accessed.
 - (h) Number of times the cash door of the device was accessed.
 - (i) Number of tokens or credits wagered in the current game.
 - (j) Total credits for games won but not collected, commonly referred to as the credit meter.

The meters described in a, b and "c above, shall be placed in a position so that the numbers can be read without opening the device.

No device shall have a mechanism which will cause the electronic accounting meters to automatically clear in the event of an error. Clearing of the electronic accounting meters may occur only after notification and approval by an official designated by the Tribe.

All meter readings shall be recorded both before and after an electronic accounting meter is cleared.

- (5) Software requirements-error conditions-automatic clearing. Devices shall be capable of detecting and displaying the "power reset" condition and the "door open" condition. These conditions shall be automatically cleared by the device upon initiation of a new pay sequence at the start of the second game.
- (6) Percentage Payout Gambling Devices. Percentage payout Gambling Devices shall meet the following maximum and minimum theoretical percentage payouts during the expected lifetime of the device.
 - (a) The device must payout at least 80 percent and no more than 99 percent of the amount wagered. The theoretical payout percentage is determined using standard methods of probability theory.
 - (b) A device must have a probability of obtaining the maximum payout greater than 1 in 17,000,000.
- (7) Error conditions.
 - (a) Gambling Devices shall be capable of detecting and displaying the following error conditions which may be cleared by an attendant.
 - (1) Coin-in jam.
 - (2) Coin-out jam.
 - (3) Hopper empty or timed out.
 - (4) RAM error.
 - (5) Hopper runaway or extra coin or coins paid out.
 - (6) Low RAM battery, for batteries external to the RAM itself. A battery that is replaced pursuant to its manufacturer's specifications or as specified in the prototype approval report, whichever is sooner, may be installed in lieu of the low RAM battery error condition.
 - (b) A description of Gambling Device error codes and their meanings shall be affixed inside the slot machine.
- (8) Hopper mechanism. Gambling Devices must be equipped with a hopper which is designed to detect jammed coins, extra coins paid out, hopper runaways, and hopper empty

conditions. The Gambling Device control program must monitor the hopper mechanism for these error conditions in all game states. All coins or tokens paid from the hopper mechanism must be accounted for by the device, including those paid as extra coins during a hopper malfunction.

- (9) Progressive Slot Machines. A Progressive Slot Machine shall have a progressive meter showing the payoff.
- (a) Limits. A limit may be imposed on the jackpot of a Progressive Slot Machine provided that the limit imposed is greater than the jackpot payout on the Progressive Slot Machine at the time the limit is imposed. Any limit imposed on a Progressive Slot Machine shall be prominently displayed to the public.
 - (b) Pay-off indicator. No payoff indicator may be turned back to a lesser amount unless one of the following circumstances occurs:
 - (1) The amount shown on the progressive meter is paid to a player as a jackpot.
 - (2) It is necessary to adjust the progressive meter to prevent it from displaying an amount greater than the limit imposed by the Tribe.
 - (3) It is necessary to change the progressive indicator due to malfunction in the device.
 - (4) A progressive jackpot may be transferred to another Progressive Slot Machine at the same location in the event of a machine malfunction.
 - (c) Jackpot limit. When the maximum jackpot limit is reached, it must be permitted to remain until it is won by a player.
 - (d) Records required. Records shall be maintained that record the amount shown on a progressive jackpot meter. Supporting documents shall be maintained to explain any reduction in the payoff amount from a previous entry. The records and documents shall be retained for a period of five (5) years.

APPENDIX "B"
SAC AND FOX TRIBE/STATE OF IOWA GAMING COMPACT
PERMISSIBLE CLASS III GAMING

The following Class III Gaming, including derivative forms or variations on the following, are permissible under this Compact:

1. Dice games including:
 - a. Craps;
 - b. Chuck-a-luck, hazard, under and over seven, beat the dealer/shaker, barhoot (barbouth, barbudey, barbooth and barabout);
 - c. Bang;
 - d. Lotto dice;
 - e. Sic-bo.
2. Wheel games including:
 - a. Roulette;
 - b. Money wheel;
 - c. Merchandise wheel;
 - d. Horse race wheel;
 - e. Big Six.
3. Pari-mutual wagering on horse and dog racing provided that such wagering utilizes the simulcasting track's computerized totalizer system for calculating odds and payouts from the pari-mutual wagering pool.
4. Card games including:
 - a. Poker;
 - b. Twenty-one;
 - c. Monte, Spanish monte and monte bank;
 - d. Pai gow and pai gow poker;
 - e. Red dog/in-between;
 - f. Pan;
 - g. Super pan nine;
 - h. Baccarat and Mini-Baccarat.
5. Lotteries; keno.
6. Sports betting pools, sports betting including parlay cards, provided that such gaming is conducted on the same terms and conditions as provided in Iowa law.
7. Slot machines, progressive slot machines and video games of chance.

APPENDIX "C"

SAC AND FOX TRIBE/STATE OF IOWA GAMING COMPACT
SECURITY AND SURVEILLANCE REQUIREMENTS

(A) Closed Circuit Television. A closed circuit television system according to the specifications set forth in this Appendix shall be installed, maintained and operated. There shall be access to the system or its signal at all times.

(B) Required Equipment. The closed circuit television system shall include, but shall not be limited to, the following equipment:

- (1) Cameras. Pan, tilt, zoom, commonly referred to as P.T.Z. cameras, that are light sensitive and capable of being placed behind a dome or one-way mirror which conceals the P.T.Z. cameras from view. Each camera shall have the capability to distinguish a clear, unobstructed view of the table number of the gaming table or gaming device.
- (2) Video printers. Video printers shall be capable of adjustment and shall possess the capability to generate instantaneously upon command a clear, still copy of the image depicted on a videotape recording with a minimum of 128 shades of gray.
- (3) Video screens. Video monitor screens must be at least 12 inches measured diagonally and all controls must be front mounted. Solid state circuitry is recruited.
- (4) Date and time generators. Date and time generators shall be capable of recording both time and date of the recorded events without obstructing the recorded view. Recordings must be in military time.
- (5) Universal power supply. The system and its equipment must be directly and securely wired in a manner designed to prevent tampering with the system.
- (6) Camera domes. Camera domes shall be of sufficient quality and size to accommodate P.T.Z. cameras and shall be capable of providing clear, unobstructed views.
- (7) Video switches. Video Switches shall be capable of both manual and automatic sequential switching for the entire surveillance system.
- (a) Videotape recorders. Videotape recorders shall be capable of producing high quality, first generation pictures with a horizontal resolution of a minimum of 300 lines nonconsumer, professional grade, and recording standard 1/2 inch, VHS tape with high-speed scanning and flickerless playback capability in real time. In addition recorders shall have time and date insertion capabilities for taping what is being viewed by any camera in the system. A minimum of one video recorder for every eight video cameras is required.

(C) Required surveillance. Surveillance shall be conducted and recorded which allows clear, unobstructed views in the following areas of the gambling facility:

- (1) Overall views of the casino pit area.
- (2) All gaming or card table surfaces, including table bank trays, with sufficient clarity to permit identification of all chips, cash, and card values, and the outcome of the game. Each gaming table shall have the capability of being viewed by no less than two cameras.
- (3) Dice in craps games, with sufficient clarity to read the dice in their stopped position after each roll.
- (4) All roulette tables and wheels, capable of being recorded on a split screen to permit views of both the table and the wheel on one monitor screen.
- (5) All areas within cashier cages and booths, including, but not limited to, customer windows, employee windows, cash drawers, vaults, safes, counters, chip storage and fill windows. Every transaction occurring within or at the casino cashier cages must be recorded with sufficient clarity to permit identification of currency, chips, tokens, fill slips, paperwork, employees and patrons.
- (6) All entrance and exit doors to the casino area shall be monitored by the surveillance system if they are utilized for the movement of uncounted moneys, tokens, or chips. Also, elevators, stairs and loading and unloading areas shall be monitored if they are utilized for the movement of uncounted moneys, chips, or tokens.
- (7) All areas within a hard count room and any area where uncounted coin is stored during the drop and count process, including walls, doors, scales, wrapping machines, coin sorters, vaults, safes, and general work surfaces.
- (8) All areas within a soft count room, including solid walls, doors, solid ceilings, stored drop boxes, vaults, safes, and counting surfaces which shall be transparent.

- (9) Overall views of patrons, dealers, spectators and pit personnel, with sufficient clarity to permit identification thereof.
- (10) Overall views of the movement of cash, gaming chips and tokens, drop boxes and drop buckets.
- (11) All areas on the general casino floor with sufficient clarity to permit identification of all players, employees, patrons, and spectators.
- (12) Whenever Video Games of Chance or Slot Machines are played, there shall be installed, maintained and operated at all times a casino surveillance system that possesses the capability to monitor and record clear, unobstructed views of the following:
 - (a) All Gambling Device change booths, including their cash drawers, countertops, counting machines, customer windows and employee windows, recorded with sufficient clarity to permit identification of all transactions, cash, and paperwork therein.
 - (b) The Gambling Device numbers shall be recorded with sufficient clarity to permit identification of all players, employees, patrons, and spectators.

(D) Equipment in surveillance offices. Surveillance offices shall be equipped with a minimum of two 12-inch monochrome video monitors with control capability of any video source in the surveillance system. The following shall be additional mandatory equipment for the surveillance office:

- (1) Video printer.
- (2) Video recorders.
- (3) Audio pickup of soft count room.
- (4) Time and date generators, if not in the master surveillance system.
- (5) Total override surveillance system capabilities. All closed circuit cameras shall be equipped with lenses of sufficient quality to allow clarity of the value of gaming chips, tokens, and playing cards. These cameras shall be capable of black and

white recording and viewing except those covering exits and entrances of the casino area which shall be capable of recording in color.

(E) Lighting. Adequate lighting shall be present in all areas of the casino and count rooms to enable clear video reproduction.

(F) Surveillance room. Each surveillance room shall be able to monitor and record activities on the casino floor, count room, cashier cages and slot cages. These rooms shall have a trained surveillance person present during casino operation hours. The following are requirements for the operation of equipment in the surveillance room:

- (1) Surveillance equipment. All equipment that may be utilized to monitor or record views obtained by a casino surveillance system must remain located in the room used exclusively for casino surveillance security purposes, except for equipment which is being repaired or replaced. The entrance to the casino surveillance room shall be locked or secured at all times.
- (2) Override capability. Casino surveillance equipment must have total override capability over any other satellite monitoring equipment in other casino offices, with the exception of rooms utilized by Tribal regulatory officials.
- (3) Regulatory access. Tribal regulatory officials shall at all times be provided immediate access to the casino surveillance room and other casino surveillance areas. Also, all Tribal regulatory officials shall have access to all records and areas of such rooms.
- (4) Surveillance logs. Entry in the log shall be required when requested by Tribal regulator officials, whenever surveillance is conducted on anyone, or whenever any activity that appears unusual, irregular, illegal or in violation of Tribal rules is observed. Also, all telephone calls shall be logged.
- (5) Blueprints. A copy of the configuration of the casino floor shall be posed and updated immediately upon any change. Also included shall be the location of any change, and the location of surveillance cameras, gaming tables and slot machines by assigned numbers. Copies shall also be made available to the rooms utilized by Tribal regulatory officials.

- (6) Storage and retrieval surveillance personnel will be required to label and file all videotape recordings. The date, time, and signature of the person making the recording shall be recorded. All videotape recordings shall be retained for at least seven (7) days after recording unless a longer period is required by a Tribal regulatory agency or a court order. Original audio tapes and original video tapes shall be released to Tribal regulatory officials upon demand.
 - (7) Malfunctions. Each malfunction of surveillance equipment must be repaired within 24 hours of the malfunction. If, after 24 hours, activity in the affected area cannot be monitored, the game or machine shall be closed until such coverage can be provided. A record of all malfunctions shall be kept and reported to the Tribal regulatory agency on a daily basis.
 - (8) Security. Entry to the surveillance room is limited to persons approved by the Tribal regulatory agency. A log of personnel entering and exiting the surveillance room shall be maintained and submitted to the Tribal regulatory agency every 30 days.
- (G) Playback station. An area is required to be provided within the rooms utilized by Tribal regulatory officials that will include, but is not limited to, a video monitor and a video recorder with the capability of producing first generation videotape copies.
- (H) Additional requirements.
- (1) Audio and videotape monitoring. Audio and videotape monitoring will be continuously available in the rooms utilized by Tribal regulatory officials and in security detention areas when someone is being detained. These recordings shall be retained for thirty (30) days after the recorded event, unless directed otherwise by a Tribal regulatory agency or a court order.
 - (2) Tribal regulatory official access. Tribal regulatory officials shall at all times be provided immediate access to the surveillance room and all areas of the casino.
 - (3) Written plans and alterations. There shall be a

written casino surveillance system plan prior to the start of gaming operations.

- (4) Casino surveillance system plan. The casino surveillance system plan must include a casino floor plan that shows the placement of all casino surveillance equipment in relation to the locations required to be covered and a detailed description of the casino surveillance system and its equipment:

- (I) Changes in game locations. The location of table games, Gambling Devices and other gaming devices may be changed. The surveillance system must also be adjusted, if necessary, to provide the coverage required by these rules. The Tribal regulatory officials shall approve the change in the surveillance system before the relocated table games, Gambling Devices or other gaming devices may be placed into operation. Any change to the surveillance system showing the change in the location of table games, Gambling Devices, other gaming devices and related security and surveillance equipment shall be submitted to Tribal regulatory officials.

- (J) Surveillance during nongambling hours. Security surveillance will be required during nongambling hours as follows:

- (1) Cleanup and removal time. At any time cleanup operations or money removal is being conducted in the casino area, the security surveillance room shall be staffed with a minimum of one trained surveillance person.
- (2) Locked down mode. Anytime the casino is closed and in a locked down mode, sufficient surveillance coverage shall be conducted to monitor and record the casino, in general, so that security integrity is maintained. During this period it is not required that a trained security surveillance person be present.

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