DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior

ACTION: Notice of approved Tribal-State Compact

SUMMARY: Pursuant to Section 11 of the Indian Gaming Regulatory Act of 1988, Pub. L. 100–497, 25 U.S.C. 2710, the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal-State Compacts for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority, has approved the Winnebago Tribe of Nebraska and the State of Iowa Gaming Compact between the Winnebago Tribe of Nebraska and the State of Iowa, which was executed on August 6, 1998.

DATES: October 19, 1998.

FOR FURTHER INFORMATION CONTACT: George T. Skibine, Director, Indian Gaming Management Staff, Bureau of Indian Affairs, Washington, DC 20240, (202) 219–4066 .

Dated: October 7, 1998.

Kevin Gover,

Assistant Secretary—Indian Affairs.

[FR Doc. 98–27935 Filed 10–16–98; 8:45 am]

BILLING CODE 4310–02–P

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

OCT 07 1998

Honorable Kenneth Mallory
Chairman
Winnebago Tribe of Nebraska
P.O. Box 687
Winnebago, Nebraska 68071

98 NOV 16 PM 3:07

Dear Chairman Mallory:

On August 24, 1998, we received the Gaming Compact between the Winnebago Tribe of Nebraska (Tribe) and the State of Iowa (State), dated August 6, 1998. 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 delegated authority and Section 11 of 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.

We interpret Section 4 (16) & (17) of the Compact to allow the Tribe to engage in sports betting if the Tribe meets one of the exceptions of the Professional and Amateur Sports Protection Act , 28 U.S.C. §§ 3701-3704 (PASPA). PASPA makes it unlawful for a governmental entity, including an Indian tribe, to sponsor, operate or authorize by law or compact, gaming based on the outcome of professional and amateur sports competitions. This prohibition does not extend to parimutuel animal racing or jai-alai games. To be lawful, any prohibited sports gaming pursuant to Section 4 (16) & (17) of the Compact must come within one of the two exceptions in PASPA which are applicable to Indian tribes.

Under the first exception, the general prohibition does not apply to a State or other governmental entity, including an Indian tribe, to the extent that the sports gaming activity was conducted by that State or other governmental entity between January 1, 1976 and August 31, 1990. The second exception establishes two criteria which must be met to authorize an otherwise prohibited

sports betting activity within a State or governmental entity: (1) the activity must actually have been authorized by a statute in effect on October 2, 1991; and (2) the activity must actually have been conducted at some point between September 1, 1989 and October 2, 1991 pursuant to the law of that State or other governmental entity. We are not, however, in a position to verify the factual basis for establishing whether the Tribe comes within one of the two exceptions described above. Therefore, we express no opinion on the matter.

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

Sincerely,

/s/ Kevin Gover

Assistant Secretary - Indian Affairs

Enclosure

Identical Letter Sent to: Kim D. Schmett
Director, Department of Inspection and Appeals
Lucas State Office Building
Des Moines, Iowa 50319

cc: Anadarko Area Director w/copy of approved Compact
Supt., Winnebago Agency w/copy of approved Compact
[redacted]
Twin Cities Field Solicitor w/copy of approved Compact
Iowa US Atty-Southern Dist. w/copy of approved Compact

WINNEBAGO TRIBE OF NEBRASKA AND THE STATE OF IOWA GAMING COMPACT

between

THE WINNEBAGO TRIBE OF NEBRASKA

and

THE STATE OF IOWA

THIS TRIBAL/STATE COMPACT, (the Compact) made and entered into this 6th day of August, 1998, by and between the WINNEBAGO TRIBE OF NEBRASKA, a federally-recognized Indian Tribe acting through its Chairman, the Honorable Kenneth Mallory, and the STATE OF IOWA, acting through the Director of the Department of Inspections and Appeals, Kim D. Schmett.

WHEREAS, the Winnebago Tribe of Nebraska is a federally recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining, and as such is acting with regard to this Compact under its Constitution and Bylaws adopted pursuant to Section 16 of the Indian Reorganization Act, 25 U.S.C. § 476; and

WHEREAS, the State of Iowa is a sovereign state of the United States with all rights and powers thereto pertaining, and the State of Iowa has authorized the Director to enter into this Compact pursuant to Iowa Code § 10A.104(10) (1997); and

WHEREAS, the Congress of the United States has enacted into law the Indian Gaming Regulatory Act, §§ 2-24, Pub. L. 100-497, 102 Stat. 2425, (codified at 25 U.S.C.A. §§ 2701-2721 and 18 U.S.C.A. §§ 1166-1168 (Supp. 1998), which provides, in part, that a tribal/state compact may be negotiated between an Indian tribe and a state to govern the conduct of Class III Gaming activities on tribal lands within the state provided that such Class III Gaming is permitted by the state for any purpose by any person, organization, or entity;

WHEREAS, the laws of the State of Iowa permit certain Class III Gaming activities; and

WHEREAS, the Tribal Council of the Winnebago Tribe of Nebraska has enacted the Gaming Ordinance of 1992, authorizing, among other things, Class III gaming on Winnebago Lands; and

WHEREAS, the Winnebago Tribe of Nebraska and the State of Iowa have mutually agreed to the terms and conditions under which Class III Gaming may be conducted on Winnebago Lands; and

WHEREAS, the Winnebago Tribe of Nebraska and the State of Iowa intend that the conduct of Class III Gaming under the terms and conditions set forth below will benefit the Winnebago Tribe and protect the citizens of the Winnebago Tribe and the State of Iowa in a manner consistent with the objectives of the Act;

NOW, THEREFORE, THE WINNEBAGO TRIBE OF NEBRASKA AND THE STATE OF IOWA AGREE AS FOLLOWS:

SECTION 1. Title. This document shall be referred to as "The Winnebago Tribe of Nebraska and the State of Iowa Gaming Compact."

SECTION 2. Declaration of Policies and Purposes. The purposes of this Compact are:

(a) To authorize the operation of Class III Gaming by the Tribe on Winnebago Lands located in the State as a means of promoting tribal economic development, self-sufficiency and strong tribal government;

(b) To provide for the regulation of Class III Gaming, to protect against organized crime and other corrupting influences, to ensure that Class III Gaming is conducted fairly and honestly by the Tribe, its licensees and participants and to ensure that the Tribe is the primary beneficiary of its Class III Gaming operations;

(c) To fulfill the purpose and intent of the Act by providing for certain Class III Gaming by the Tribe on Winnebago Lands as a means of generating tribal revenues with no less than twenty (20) percent of the revenues generated from gaming authorized by this Compact being used to promote the general welfare of the Tribe.

SECTION 3. Definitions. For purposes of this Compact:

(a) "Act" means the Indian Gaming Regulatory Act, §§ 2-24, Pub. L. 100-497, 102 Stat. 2425, (codified at 25 U.S.C.A. §§ 2701-2721 and 18 U.S.C.A. §§ 1166-1168 (Supp. 1998), as amended from time to time.

(b) "Authorized Class III Gaming" means all Class III Gaming which is specifically authorized by this Compact and which is conducted in conformance with this Compact and all applicable laws.

(c) "Big Six" means a vertical standing wheel of fortune with fifty-four (54) spaces

occupied by six (6) different available wagers.

(d) "Chairman" means the Chairman of the National Indian Gaming Commission.

(e) "Class III Gaming" means all gaming which is not Class I gaming or Class II gaming, as defined in Sections 4(6) and 4(7) of the Act, 25 U.S.C. § 2703 (6) and (7).

(f) "Commission" means the Gaming Commission appointed by the Tribe.

(g) "Commissioner" means a member of the Tribal Gaming Commission.

(h) "Craps" means a gambling game in which a player throws two (2) dice and in which the player wins if the total of the two (2) dice is seven (7) or eleven (11) and in which the player loses if the total of the dice is two (2), three (3) or twelve (12). If any other total is thrown, that total must be thrown in a subsequent throw before a seven (7) is thrown.

(i) "DCI" means the division of criminal investigation of the Iowa Department of Public Safety or the division's designee.

(j) "Director" means the Director of the Iowa Department of Inspections and Appeals or the Director's designee.

(k) "Gaming Ordinance" or "Ordinance" means Title 9, Article 1 of the Winnebago Tribal Code, entitled "Gaming Ordinance of 1992", as amended from time to time, authorizing, among other things, Class III Gaming on Winnebago Lands.

(l) "Keno" means a manual form of a matrix game in which the player chooses five (5) or more numbers on a purchased ticket and wins by matching the numbers selected on the ticket to numbers subsequently selected in a chance drawing by the gambling Operator.

(m) "Key Employee" means any Operator, subcontractor, manager or employee of a gaming operation who: (i) is a department manager, (ii) is accountable for gaming revenues or payouts, (iii) is a caller, dealer or operator of a game, (iv) has access to the internal space of any gaming device, or (v) is responsible for auditing, surveillance or security in a gambling facility.

(n) "Lotteries" means games, including Keno, for which tickets are sold, the winning ticket or tickets being secretly predetermined or ultimately selected in a chance drawing and

in which the holders of winning tickets receive money or something of value.

(o) "Management Contract" means the complete agreement between the Tribe and a Management Contractor including all collateral agreements relating to gaming activity.

(p) "Management Contractor" means any individual, sole proprietorship, partnership or corporation which operates a class III Gaming facility on behalf of the Tribe pursuant to a Management Contract approved pursuant to Section 8 of this Compact and any subcontractor, assignee or transferee of a Management Contractor approved pursuant to Section 8 of this Compact.

(q) "Operator" means any individual, sole proprietorship, partnership, or corporation which operates an Authorized Class III Gaming activity on behalf of the Tribe pursuant to a Management Contract approved as required by the Act and this Compact or the Tribe if no Management Contract is in effect.

(r) "Pari-mutuel" means a betting system in which all persons who bet share in an established prize pool of similar bets.

(s) "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.

(t) "Poker" means those card games commonly known as: (i) Texas hold'em, (ii) five-card low draw poker, (iii) five-card high draw poker, (iv) five-card high-low split draw poker, (v) seven-card low stud poker, (vi) seven-card high stud poker, and (vii) seven-card high-low split stud poker.

(u) "Progressive Slot Machine" means a Slot Machine with a payoff which increases as the Slot Machine is played.

(v) "Regulations" means the gaming regulations promulgated by the Tribe pursuant to this Compact and the Gaming Ordinance.

(w) "Roulette" means a gambling game played at a roulette table with a roulette wheel which spins in one direction while a roulette ball rolls in the opposite direction until it drops into a numbered slot, corresponding to designated figures on the roulette layout.

(x) "Secretary" means the Secretary of the United States Department of Interior.

(y) "Simulcast" means the closed-circuit television or radio transmission of a race at a racetrack to another facility at the same time the race is being conducted.

(z) "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.

(aa) "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.

(bb) "Sports Betting Pool" means a game in which numbers are randomly selected for 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.

(cc) "State" means the State of Iowa, its authorized officials, agents and representatives or other designee.

(dd) "Tribal Chairman" means the duly elected Chairman of the Tribe.

(ee) "Tribal Citizen" or "Tribal Member" means an individual listed on the enrollment records of the Winnebago Tribe of Nebraska.

(ff) "Tribe" means the Winnebago Tribe of Nebraska, its authorized officials, agents and representatives.

(gg) "Twenty-one" means a card game in which players and a dealer are dealt two (2) cards and may draw additional cards in an attempt to obtain a total which is the closest to twenty-one (21) points without exceeding a total of twenty-one (21) points.

(hh) "Video Games of Chance" mean 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, or other common gambling forms which are activated by the insertion of a coin, token or currency and which award additional plays or a written or displayed statement of the amount of a prize which is redeemable for cash.

(ii) "Winnebago Lands" or "Tribal Lands" means all lands within the Winnebago

Reservation and all lands within the state of Iowa held in trust by the United States for the benefit of the Tribe or held by the Tribe or any individual subject to restriction by the United States against alienation and over which the 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 Tribe in the future and which meet the requirements of Section 20 of the Act, 25 U.S.C. § 2719.

SECTION 4. Authorized Class III Gaming. This Compact authorizes only Class III Gaming on Winnebago Lands which is specifically identified in this Section and which is conducted in conformance with this Compact, the Regulations, the Gaming Ordinance and all other applicable laws. Any other form of Class III Gaming conducted on Winnebago Land is illegal.

(a) As of the effective date of this Compact, the Tribe, pursuant to its sovereign authority and in accordance with the terms of this Compact, may conduct any or all of the following Authorized Class III Gaming activities.

(1) Lotteries, including Keno;

(2) Pari-mutuel betting on Simulcast horse or dog races,

(3) Video Games of Chance;

(4) Slot Machines;

(5) Progressive Slot Machines;

(6) Twenty-one;

(7) Red Dog;

(8) Roulette;

(9) Big Six;

(10) Craps;

(11) Poker;

(12) Pai gow and Pai gow Poker;

(13) Caribbean Stud;

(14) Let It Ride;

(15) Monte (Spanish Monte and Monte Bank);

(16) Sports Betting Pools; and

(17) Sports Betting, including Parlay Cards.

(b) At any time following the effective date of this Compact, the Tribe may submit an application to the Director requesting an amendment to this Compact which would authorize any additional type or types of Class III Gaming that is permitted in Iowa for any purpose by any person, organization, or entity. The application shall be in writing and shall be submitted by the Tribal Chairman to the Director. The application shall identify with specificity the additional proposed gaming activity or activities and any proposed amendments to this Compact, the Gaming Ordinance or the Regulations. The application shall also include a citation to the particular Iowa law which authorizes the type of gaming sought and a statement to the effect that the Tribe intends to conduct such gaming following any necessary amendments to this Compact. Within forty-five (45) days following receipt by the Director of a proper application, the Director shall provide the Tribal Chairman with a proposed written amendment to this Compact covering any additional terms relative to the additional, proposed gaming activity or a statement indicating that the type of gaming sought is not authorized by Iowa law. Any proposed amendments to this Compact shall be consistent with the policies and purposes of this Compact.

SECTION 5. Gaming Owned By Tribe. Authorized Class III Gaming shall be owned solely by the Tribe.

SECTION 6. Conduct and Regulation of Class III Gaming. The Tribe shall conduct Authorized Class III Gaming activities pursuant to the terms of this Compact, the Gaming Ordinance, Regulations and other applicable laws. The Tribe shall take the necessary steps to incorporate the terms of this Compact and the Regulations into the laws of the Tribe which shall be in effect on all Winnebago Land prior to conducting any authorized gaming activity. Nothing in this Compact shall be construed as preventing the Tribe or the Commission from implementing policies or procedures applicable to authorized gaming which are in addition to

or more restrictive than the minimum requirements specified in this Compact provided that the additional terms or restrictions do not conflict with this Compact. The Tribe shall take all 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 Winnebago Lands and to prosecute or cause the United States Attorney to prosecute persons or entities violating the terms of this Compact, the Gaming Ordinance, the Regulations and other applicable laws.

SECTION 7. Gaming Commission. The Tribe shall appoint a Gaming Commission comprised of five (5) members who shall be under the direct authority of the Tribe. Gaming Commissioners and members of their immediate families shall not have any financial interest in the gaming regulated by the Commission other than the financial interest enjoyed equally by all tribal members and shall not have any financial interest in any business supplying equipment or services for Authorized Class III Gaming. "Immediate family" as used in this Section means a Commissioner's spouse and the father, mother, brother, sister, grandparent, child or step child of the Commissioner or the Commissioner's spouse.

The Commission shall have full jurisdiction over and shall regulate and supervise all authorized gaming. The Commission shall have and perform duties and powers as prescribed by the Tribe which shall include the following duties and powers:

(a) To draft and propose Regulations consistent with the Act, the Gaming Ordinance and this Compact under which all authorized gaming shall be conducted and all authorized gaming facilities maintained.

(b) To specify the wagering structure for Authorized Class III Gaming which shall include a maximum wager and maximum loss equal to or less than the maximum wager and maximum loss specified by law for the games played pursuant to Iowa's excursion boat gambling laws on all authorized gaming except pari-mutuel wagering on Simulcast horse or dog races, Lotteries, including Keno, Sports Betting Pools, and Sports Betting, including Parlay Cards.

The Tribe may submit its procedure for the regulation of its wager and loss limits to the Director for comment and may take such action as the Tribe deems appropriate in view of the Director's comments on the Tribe's procedure. Notwithstanding anything herein to the contrary, the Tribe's failure to enforce the loss and wager limit shall not be construed to be a default under the terms of this Compact provided that the Tribe has made a good faith effort to adopt and enforce a procedure reasonably expected to ensure compliance with the wager

and loss limits.

Pari-mutuel wagering on Simulcast horse or dog races and Lotteries, including Keno, may be conducted without a wagering or loss limitation.

Sports Betting Pools may be conducted without a loss limitation, but the maximum wager shall not exceed the maximum wager specified in Section 14(l) of this Compact.

Sports Betting, including betting on Parlay Cards, shall be conducted within the limitations specified in Section 14(m) of this Compact.

(c) To enter the office facilities or other places of business of an Operator to determine compliance with this Compact, the Gaming Ordinance, the Regulations and other applicable laws.

(d) To identify Key Employees and occupations within Authorized Class III Gaming operations which require licensing and to adopt standards for licensing the occupations.

(e) To investigate alleged violations of this Compact, the Gaming Ordinance, Regulations and other applicable laws and to take appropriate disciplinary action against an Operator or the holder of an occupational license for a violation or to institute appropriate legal action for enforcement or both.

(f) To assess fines and revoke or suspend licenses for conduct violating the terms of this Compact, the Gaming Ordinance, the Regulations or other applicable laws.

(g) To specify the payout from Authorized Class III Gaming.

(h) To specify the payout rate for all Video Games of Chance, Slot Machines and Progressive Slot Machines.

(i) To provide for the surveillance and video taping of all Authorized Class III Gaming activities.

(j) To provide for reasonably adequate security at all facilities in which Authorized Class III Gaming is conducted.

(k) To confiscate or shut down all equipment and gaming supplies failing to conform

to the required standards.

Prior to appointing a Commissioner the Tribe shall conduct a background investigation on the proposed Commissioner which shall meet the background requirements for Management Contractor background investigations set forth in this Compact. The Tribe shall not appoint a Commissioner if the individual would not be eligible for an occupational license pursuant to Section 9 of this Compact.

SECTION 8. Management Contractor. The Tribe may contract with a Management Contractor to operate the gaming authorized by this Compact provided that the Management Contract does not contain terms contradicting the terms of the Regulations, Ordinance, this Compact and other applicable laws, the contract is approved by the Chairman of the National Indian Gaming Commission, the contract prohibits the Management Contractor from subcontracting, assigning, or transferring its rights and duties under the contract or any ownership interest without the prior written approval of the Tribe and the Secretary or the Chairman, the Management Contractor is licensed by the Commission prior to conducting any Authorized Class III Gaming activity and the Management Contractor's background investigation is completed and submitted to the Director for comment prior to the conduct of any Authorized Class III Gaming activity. The Commission shall submit a proposed Management Contract and any proposed subcontract, assignment or transfer of any rights of a Management Contractor to the Director along with completed background investigation application forms and investigation results, as required by this Compact, relating to the proposed Management Contractor or the proposed subcontractor, assignee or transferee of any rights or duties of a Management Contractor, prior to submitting the Management Contract or a request to transfer, assign or subcontract the rights or duties of a Management Contractor to the Chairman or the Secretary. The Director shall have thirty (30) days following receipt of the required information to provide comments to the Tribe, the Commission or the Chairman or Secretary concerning the suitability of the Management Contractor or the suitability of the proposed subcontractor, assignee or transferee of a Management Contractor.

SECTION 9. Occupational Licensing. Every person participating in authorized gaming as a Key Employee, Management Contractor, equipment manufacturer or equipment distributor shall have an occupational license issued by the Commission. The Commission shall specify licensing requirements which shall include the following limitations:

(a) Applicants must be at least eighteen (18) years of age.

(b) Applicants must not have been convicted, within the last ten (10) years, of a

gambling related offense, an offense involving fraud, misrepresentation or deception, a drug related offense or any felony. If a conviction for any of these offenses occurred more than ten (10) years prior to the date of the application, the Commission may issue a license if the Commission determines that sufficient evidence of rehabilitation exists. The Commission shall temporarily deny a license if charges are pending against an applicant which, if resulted in a conviction, would disqualify the applicant from receiving a license.

(c) Applicants must not have been deemed ineligible to participate in gaming regulated by the State of Iowa.

(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 the applicant's employment and the interests and objectives of the licensed employment.

(e) Applicants must be of good moral character.

(f) Applicants must be qualified, by experience or otherwise, to perform the duties required.

(g) The applicant must agree to comply with the Regulations, Gaming Ordinance, this Compact and with all other applicable laws.

(h) The license shall be nontransferable and shall prohibit the licensee from transferring any of its rights or duties relating to the license either directly or indirectly.

The Commission 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.

Prior to issuing a license the Commission shall cause a background investigation to be conducted on applicants to verify the truthfulness of the information provided by the applicant to the Commission and to ensure that persons and entities licensed by the Commission are eligible for licensure. However, temporary licenses may be issued pending background investigations for a period of up to six (6) months for occupations other than for Management Contractors. A Management Contractor may receive a temporary license for a period of up to six (6) months provided that the Management Contractor is licensed in a capacity substantially similar to the position of a Management Contractor by the states of Nevada, New Jersey or

South Dakota and the Management Contractor's background investigation has been completed and submitted to the Director and the comment or approval period has expired. Background investigations may be performed by the Federal Bureau of Investigation or by another entity mutually agreeable to the Tribe and the Director.

If a Management Contractor is used by the Tribe the Commission shall cause a thorough background investigation of the Management Contractor to be conducted prior to licensing by the Commission unless the Management Contractor is eligible for a limited temporary license as described above. Management Contractor background investigations shall be conducted on each person or entity having a direct financial interest in or management responsibility for the contract with the Tribe, and in the case of a corporation, on those individuals who serve on the board of directors of the corporation or any parent or subsidiary company of the corporation, or as officers of the corporation or any parent or subsidiary company of the corporation and all stockholders who directly or indirectly own five (5) percent or more of the issued and outstanding stock of the corporation or any parent or subsidiary company of the corporation. Management Contractor background investigations shall also be conducted on any subcontractor, assignee or transferee of a Management Contractor which is approved as required by Section 8 of this Compact. For purposes of determining the identities of the individuals to be investigated, any subcontractor, assignee or transferee of a Management Contractor shall be considered to be a Management Contractor. At a minimum, Management Contractor background applications shall require the applicant to make a sworn statement containing the following information:

(1) Name;

(2) Date of birth;

(3) Social security number;

(4) Physical description;

(5) The applicant's residence since age eighteen (18);

(6) The applicant's employment history since age eighteen (18);

(7) The applicant's criminal history, including major traffic offenses, including the date, place, details surrounding any arrest or charges, and the disposition of any charges filed;

(8) Whether the applicant has ever held a professional or occupational license issued by the state of Iowa, the type of license, the license number, and the details surrounding any suspension, revocation, or other disciplinary action based on the license, and if not current, the reason it is not current,

(9) Whether the applicant has ever held a gambling related license issued by the state of Iowa or any other jurisdiction, the jurisdiction in which the license was issued, the type of license, the license number, 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;

(10) Whether the applicant has ever had any experience related to any agreement with any gaming operation, the exact nature of the applicant's role in the operation, the name and address of all parties to the agreement, the place the agreement was performed, and the dates covered by the agreement;

(11) A complete financial statement of the applicant;

(12) The applicant's commitment to provide any additional information as may be required by the Commission.

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

SECTION 10. Minimum Standards for Inspection and Approval of Video Game of Chance, Slot Machines and Progressive Slot Machines. Prior to the installation and use of a Video Game of Chance, Slot Machine or Progressive Slot Machine the Commission shall inspect, test and consider the gambling device for approval by the Commission. The Commission shall not approve a gambling device unless the tests conducted indicate that the device meets the following minimum standards 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 Commission may waive its inspection and testing requirements.

(a) Slot Machine, Progressive Slot Machine and Video Games of Chance hardware and software 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 one hundred eighty (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 (1) electronic coin acceptor meeting the security requirements of the Commission.

(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 credits 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 ninety-nine (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 ninety-nine (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 ninety-nine (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 ninety-nine (99) percent confidence level using standard serial correlation analysis.

(3) Continuation of game after malfunction is cleared. Each 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 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 (6) digits in length, for the following 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 a Commission official.

All meter readings shall be recorded in the presence of a Commission employee 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 gaming 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 eighty (80) percent and no more than ninety-nine (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) 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 approved by the Commission 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 device error codes and their meanings shall be affixed inside the slot machine.

(8) Hopper mechanism. 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 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) 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 licensee.

(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.

(5) When the maximum jackpot limit is reached, it must be permitted to remain until it is won by a player.

(6) 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 unless permission to destroy them earlier is given by the Commission in writing.

SECTION 11. Security and Surveillance. The Commission shall require Operators to provide and adhere to the minimum security and surveillance standards described in this Section.

(a) Closed circuit television. Every Operator shall install, maintain and operate a closed circuit television system according to the specifications set forth in this Section. The Commission shall have 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) Pan, tilt, zoom cameras, 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 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 monitor screens must be at least 12 inches measured diagonally and all controls must be front mounted. Solid state circuitry is required.

(4) 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 shall be of sufficient quality and size to accommodate P.T.Z. cameras and shall be capable of providing clear, unobstructed views.

(7) Video switchers shall be capable of both manual and automatic sequential switching for the entire surveillance system.

(8) 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 in required.

(c) Required surveillance. Every Operator shall conduct and record surveillance

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) Every licensee who exposes Video Games of Chance or Slot Machines for play shall install, maintain, and operate at all times a casino surveillance system that possesses the capability to monitor and.record clear, unobstructed views of the following:

(a) All slot or video game 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 machine number.

(c) All areas, recorded with sufficient clarity to permit identification of all players, employees, patrons, and spectators.

(d) Equipment in surveillance offices. Gambling facilities 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.

(6) 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. There shall be provided in each gambling facility a room or rooms specifically utilized 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 the Commission rooms.

(3) Access. Commission employees shall at all times be provided immediate access to the casino surveillance room and other casino surveillance area. Also, all Commission employees shall have access to all records and areas of such rooms.

(4) Surveillance logs. Entry in the log shall be required when requested by the Commission, whenever surveillance is conducted on anyone, or whenever any activity that appears unusual, irregular, illegal or in violation of Commission rules is observed. Also, all telephone calls shall be logged.

(5) Blueprints. A copy of the configuration of the casino floor shall be

posted 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 Commission room.

(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 the Commission, or a court order. Original audio tapes and original video tapes shall be released to the Commission upon demand.

(7) Malfunctions. Each malfunction of surveillance equipment must be repaired within twenty-four (24) hours of the malfunction. If, after twenty-four (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 Commission on a daily basis.

(8) Security. Entry to the surveillance room is limited to persons approved by the Commission. A log of personnel entering and exiting the surveillance room shall be maintained and submitted to the Commission every thirty (30) days.

(g) Playback station. An area is required to be provided within the Commission room 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 will be continuous in the Commission and 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 the Commission or a court order.

(2) The Commission and its authorized employees shall at all times be provided immediate access to the surveillance room and all areas of the

casino.

(3) 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) The Operator may change the location of table games, Slot Machines, and other gaming devices. The surveillance system must also be adjusted, if necessary, to provide the coverage required by these rules. The Commission shall approve the change in surveillance system before the relocated table games, Slot Machines, or other gaming devices may be placed into operation. The Operator must submit any change to the surveillance system showing the change in the location of the gaming devices and related security and surveillance equipment within seven (7) days to the Commission.

(j) 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 (1) 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.

SECTION 12. Accounting and Cash Control.

(a) The Commission shall require the filing of monthly and annual financial statements covering all of the financial activities of the gambling operation. At a minimum the financial statements shall include the following items in detail: Casino revenues; revenues net of complimentary services; total costs and expenses; income before extraordinary items and net income.

(b) Operators shall implement an internal control system that meets the following

minimum standards:

(1) Administrative controls which include, but are not limited to, the plan of organization and the procedures and records which reflect the decision process leading to management's level of authorization of transactions.

(2) Accounting controls which include the plan of organization and the procedures and records intended to safeguard assets and ensure the reliability of financial records and are consequently designed to provide reasonable assurance that:

(a) Transactions are executed in accordance with management's general and specific authorization.

(b) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets.

(c) Access to assets is permitted only in accordance with management authorization.

(d) Recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(c) The internal control system shall ensure that personnel are honest and competent and adequately trained in the applicable procedures. Employee functions shall be segregated to ensure that no employee is in a position to perpetrate or conceal errors or irregularities in the normal course of their duties.

SECTION 13. Operational Regulations.

(a) Each gambling Operator shall be required to employ an adequate security force and shall submit a security plan to the Commission for its approval. In addition, a certified peace officer (state, local or federal) with the power to arrest all persons committing gaming violations shall be present at all times when gambling is being conducted. The operator shall file a written report with the Commission detailing any incident in which an employee or

patron or other person is suspected of violating a provision of the Regulations, Gaming Ordinance this Compact or applicable laws within twenty-four (24) hours of the occurrence of the incident.

(b) The Commission shall implement disciplinary measures upon the finding of a violation of the Gaming Ordinance, Regulations, this Compact or applicable laws. The Commission shall honor the suspension of an occupational license of any person currently under suspension or in bad standing in any other United States gambling jurisdiction.

(c) The gambling Operator shall be required to equip and maintain adequate first aid facilities.

(d) The possession of fire arms shall be prohibited at all times within the gambling area and adjacent facilities except for certified law enforcement officers on duty.

(e) The acceptance of personal checks and credit cards may be allowed. Under no circumstance shall any other form of credit be offered or accepted. Personal checks accepted by the Operator must be deposited into a financial institution within two banking days following the receipt of such check.

SECTION 14. Rules of the Game.

(a) Craps.

(1) Rules, permissible wagers and payout odds: Proposals for permissible rules, wagers and payout odds shall be submitted in writing by the Operator to the Commission and shall be approved by the Commission prior to conducting any Craps games. All changes in these rules shall be approved in writing by the Commission prior to the implementation of the change.

(2) Call bets: Wagers shall be made before the dice are thrown. "Call bets," or the calling out of bets between the time the dice leave the shooter's hand and the time the dice come to rest, not accompanied by the placement of gaming chips, shall not be allowed.

(3) Placement of bets: All wagers at craps shall be made by placing gaming chips on the appropriate areas of the craps layout.

(b) Twenty-One.

(1) Rules, permissible wagers, shuffling, dealing and cutting procedures and payout odds: Proposals for rules, permissible wagers, shuffling, cutting procedures and payout odds shall be submitted in writing by the Operator and approved by the Commission prior to conducting any games of Twenty-One. Changes in rules, permissible wagers and payout odds shall be submitted in writing and approved by the Commission prior to implementation.

(2) Wagers - Twenty-One: Prior to the first card being dealt from each round of play, each player at the game of Twenty-One shall make a wager against the dealer by placing gaming chips on the appropriate areas of the Twenty-One layout. Once the first card of any hand has been dealt by the dealer, no player shall handle, remove or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager. Once a wager on the insurance line, a wager to double down or a wager to split pairs has been made and confirmed by the dealer, no player shall handle, remove or alter such wagers until a decision has been rendered and implemented with respect to that wager. No operator, dealer or other employee or person shall permit any player to engage in conduct violative of this rule.

(3) Dealing - Twenty-One: At the conclusion of a round of play, all cards still remaining on the layout shall be picked up by the dealer in order and in such a way that they can be readily arranged to indicate each player's hand in case of question or dispute. The dealer shall pick up the cards beginning with those of the player to the far right and moving counterclockwise around the table. The dealer's hand will be the last hand collected. The cards will then be placed on top of the discard pile. No player or spectator shall handle, remove or alter any cards used to game at Twenty-One and no dealer or other casino employee shall permit a player or spectator to engage in such activity.

Each player at the table shall be responsible for correctly computing the point count of their hand and no player shall rely on the point counts announced by the dealer without checking the accuracy of such announcement.

(c) Red Dog (in between).

(1) Rules, permissible wagers and shuffling, dealing and cutting procedures, game procedures and payout odds: Proposals for rules, permissible wagers, shuffling, dealing in cutting procedures, game procedures, and payout odds shall be submitted in writing by the Operator and approved by the Commission prior to conducting a game of Red Dog. Changes in rules regarding permissible wagers, payout odds, shuffling, dealing and cutting procedures, and game procedures and payout odds shall be submitted writing and approved by the Commission prior to implementation.

(2) Wagers: Prior to the first card being dealt from each round of play, each player at the game of Red Dog shall make a wager by placing gaming chips on the appropriate areas of the Red Dog layout. Each raise following the first two (2) cards of any hand may be considered to be a separate play for the purposes of any bet limitation but may not exceed the amount of the initial wager. Once the third card of any hand has been dealt by the dealer, no player shall remove, or alter any wagers that have been made until a decision has been rendered and implemented with respect to that wager. Once a raised wager has been made and confirmed by the dealer, no player shall remove or alter the initial wager or a raise wager until a decision has been rendered and implemented with respect to such wagers. No dealer, operator, or other casino employee or person shall permit any player to engage in conduct in violation of this rule.

(3) Dealing: At the conclusion of each round of play, all cards still remaining on the layout shall be picked up by the dealer in order and in such that they can be readily arranged to indicate each card position on the Red Dog layout. The dealer shall pick up the cards beginning with those on the dealer's far right and moving counter clockwise until all three cards are picked up. The cards will then be placed on top of the discard pile or placed in the discard chute. No player or spectator shall handle, remove, or alter any cards used at the game of Red Dog and no dealer or other casino employee shall permit a player or spectator to engage in such activity.

(d) Roulette.

(1) Wagers:

a. All wagers at Roulette shall be made by placing gaming chips or tokens on the appropriate areas of the roulette layout.

b. No person at a roulette table shall be issued or permitted to game with nonvalue chips that are identical in color and design to value chips or to nonvalue chips being used by another person at the same table.

c. Each player shall be responsible for the correct positioning of their wager or wagers on the roulette layout regardless of whether they are assisted by the dealer. Each player shall ensure that any instructions they give to the dealer regarding the placement of their wager are correctly carried out.

d. Each wager shall be settled strictly in accordance with its position on the layout when the ball falls to rest in a compartment of the wheel.

e. Each Operator shall submit in writing to the Commission for review and approval the minimum and maximum wagers permitted at each roulette table in the casino. The minimum and maximum wagers as approved by the Commission shall be conspicuously posted on a sign at each table at all times.

(2) Procedure for Roulette play: Proposals for procedures and payouts to be used at Roulette shall be submitted in writing and approved by the Commission prior to the Operator conducting any Roulette game. Changes in procedures must be submitted in writing and approved by the Commission prior to implementation.

(e) Big-Six.

(1) All wagers at Big-Six shall be made by placing gaming chips or plaques on the appropriate areas of the layout.

(2) Each player shall be responsible for the correct positioning of their wager or wagers on the layout regardless of whether they are assisted by the dealer.

(3) Each wager shall be settled strictly in accordance with its position on the layout when the wheel stops with the winning indicator in a compartment of the wheel.

(4) Each Operator shall submit in writing for the review and approval of the Commission the minimum and maximum wagers and payouts for each winning wager. These shall be posted conspicuously on a sign at each table.

(f) Poker.

(1) Proposals for rules, permissible wagers, shuffling, dealing, cutting procedures and payout odds shall be submitted in writing by the Operator and approved by the Commission prior to conducting any Poker games. Changes in rules, permissible wagers and payout odds shall be submitted in writing and approved by the Commission prior to implementation.

(2) An ante may be used in any Poker game at the discretion of the Operator. The player must ante for each hand by placing chips equaling the ante in front of him on the table before the first card of the game is dealt.

There is an initial betting round and, depending upon the game, a specified number of subsequent betting rounds. The ante and all bets and raises are subject to the limitations set forth in Section 7(b) of this Compact. All play must proceed in a clockwise direction with each player's turn following the person on the player's immediate right.

(3) Cards must be dealt out of the hand by the dealer. A marker may be moved around the table clockwise, player to player, so that the player who has the marker receives the advantage of playing and betting last. The first holder of the marker must be determined at random by dealing for the high card.

A player must protect his hand by holding onto it above the table or by placing one or more chips on it. The player who fails to protect his hand has no relief if his hand becomes dead by contact with discarded cards or is accidentally taken in by the dealer.

A card dealt must be the top card of the deck. After the first card of the hand has been dealt to a player, the deal continues in a clockwise direction. The order of cards in the deck may not be disturbed during the deal of a round. A misdeal causes all of the cards to be returned to the dealer for a redeal.

(4) Pots must be awarded by the dealer. When the dealer has awarded the pot and it has been taken in by a player without a claim against it, the award stands. No player may make an agreement with any other player regarding the pot. A game must be played to conclusion and the pot awarded to the winning player.

(5) The maximum number of players in five-card high stud and Texas Hold'em is ten (10). The maximum number of players in remaining authorized Poker games is eight (8).

(6) The rules of each Poker game played at the gaming facility must be posted in a conspicuous location near the Poker tables. Such rules must be clearly stated and must be legible and easily read. All rules and place of posting must be approved by the Commission.

(g) Pai gow and pai gow poker.

(1) Rules, game procedures, permissible wagers, shuffling, dealing and cutting procedures and payout odds. Proposals for rules, dice rolling procedures, game procedures, permissible wagers, shuffling, dealing, cutting procedures and payout odds shall be submitted in writing by the Operator and approved by the Commission prior to conducting any games of pai gow or pai gow poker. Changes in rules, dice rolling procedures, permissible wagers, payout odds, game procedures, shuffling, dealing and cutting procedures and game procedures shall be submitted in writing and approved by the Commission prior to implementation.

(2) Point Count. Each player at the table shall be responsible for correctly calculating the point count of their hand, and no player shall rely on the point counts announced by the dealer without checking the accuracy of each announcement.

(3) Altering wagers. Once a wager is placed, no player shall remove or alter such wager until a decision has been rendered and implemented with respect to that wager. No dealer, operator, person or casino employee shall permit any player to engage in conduct in violation of this rule. Each wager shall be settled strictly in accordance with its position on the layout when the decision is rendered.

(4) Wagering limitation. Each Operator shall submit in writing to the Commission for review and approval the minimum and maximum wagers permitted at each pai gow and pai gow poker table in the casino. The payment of vigorish shall not count against any bet limitation. The minimum and maximum wagers as approved by the Commission shall be conspicuously posted on a sign at each table at all times.

(h) Caribbean Stud

(1) Rules, permissible wagers, games procedures, shuffling, dealing and cutting procedures and payout odds. Proposals for rules, permissible wagers, gaming procedures, shuffling, dealing and cutting procedures and payout odds shall be submitted in writing by the Operator and approved by the Commission prior to the conduct of any games of Caribbean Stud. Changes in rules, permissible wagers, game procedures, shuffling, dealing and cutting procedures and payout odds shall be submitted in writing and approved by the Commission prior to implementation.

(2) Game Rules. Prior to the deal, each player makes an ante bet. Each player is then dealt five cards face down, including the dealer whose last card is dealt face up.

The object of the game is to make a five card stud poker hand better than the dealer's hand. After the deal, each player decides to call or to fold. If a player calls, he or she must put up a second wager twice the

size of the ante bet. If a player folds, the player places his or her cards face down. A player that folds loses his or her ante. When all play decisions have been made the dealer shows his hand. The dealer must have at least an Ace/King hand to compete against the call bets, anything less and he does not qualify and his hand is folded. If the dealer does not have an Ace/King or higher ranked hand, the ante bets of the active players are paid but the call bets are not. If the dealer has an Ace/King or higher ranked hand and the dealer's hand is ranked higher than the player's hand, the dealer wins and the player loses both bets, the ante and the call bet. If the player's hand is ranked higher than the dealer's hand, the player wins his or her ante bet (is paid even money), and the call bet is paid according to the rank of the player's hand, based on a predetermined pay schedule. The pay schedule is to be determined by the Commission.

(3) Dealing. The Caribbean Stud dealer will shuffle, cut and deal all hands of each game. Customers will at no time handle cards other than those cards in their respective hands while in play. The Dealer is responsible for the security of the cards at all times. All the discards should be visually checked by the Dealer to make sure none are held out. Gaming Operators shall submit proposed rules for dealing, shuffling, bum card procedures, blind due, rake and revenue procedures to the Commission for approval.

(i) Let It Ride

(1) Let It Ride Table, Physical Characteristics:

a. Let It Ride shall be played on a table having seven (7) places on one side for the players, and a place for the dealer on the opposite side.

b. The cloth covering a Let It Ride table (the layout) shall have betting areas for seven (7) players. Within each betting area there shall be three (3) separate designated betting spaces referred to a Bet 1, Bet 2, and Bet 3 for the placement of wagers. There shall also be a separate area located directly in front of the table inventory container designated for the

placement of the community cards.

c. If a Commission chooses to have an aggregate win per round or hand, it is the Commission's responsibility to post a sign at each Let It Ride table explaining the details and the ramifications of this aggregate win limit.

d. Each Let It Ride table shall have a drop box attached to it.

(2) Cards, Physical Characteristics:

Cards used to play Let It Ride shall be in standard decks of fifty two (52) cards, with each card identical in size and shape to every other card in such deck.

(3) Cards; number of decks:

a. Let It Ride shall be played with two (2) alternating decks, each consisting of fifty two (52) cards with backs of the same design.

b. Each deck of cards shall also comply with the following requirements:

(i) The backs of the cards in the two (2) decks are of different color;

(ii) One (1) deck is being shuffled by the automated card shuffling device while the other deck is being dealt or used to play the game;

(iii) Both decks are continuously alternated in and out of play, with each deck being used for every other round of play; and

(iv) The cards from only one (1) deck shall be placed in the discard rack at any given time.

(4) Dealing; Automatic Shuffling Devices Or Hand Dealing:

a. Cards used to play Let It Ride shall be dealt from the hand or automated card shuffling device.

b. A device which automatically shuffles cards will be utilized at the game of Let It Ride.

(5) Let It Ride- Definitions:

The following words and terms, when used in this- subchapter, shall have the following meanings unless the context clearly indicates otherwise:

- "Community cards" means any card which is initially dealt to the dealer and which is used by all players to form a five (5) card hand.
- "Hand" means the five (5) card hand formed for each player by combining the three (3) cards dealt to the player and the two (2) community cards.
- "Let It Ride" means when a player chooses not to take back either or both of two (2) of the three (3) wagers.
- "Round of play" means one (1) complete cycle of play during which all players and the dealer have been dealt three (3) cards, have wagered upon it and wagers have been paid off or collected in accordance with the rules of this subchapter.
- "Stub" means the remaining portion of the deck after all cards in the round of play have been dealt.
- "Suit" means one of the four categories of cards (clubs, diamonds, hearts or spades), with no suit being higher in rank than another.

(6) Let It Ride Hand Rankings:

a. The rank of the cards used in Let It Ride, for the determination of winning hands, in order of highest to lowest rank, shall be: ace, king, queen, jack, ten, nine, eight, seven, six, five, four, three and two. Notwithstanding the foregoing, an ace may be used to complete a "straight flush" or "straight" formed with a two, three, four, and five. All suits shall be considered equal in rank.

b. The permissible poker hands in the game of Let It Ride, in order of highest to lowest rank, shall be:

(i) "Royal flush" is a hand consisting of an ace, king, queen, jack and ten of the same suit;

(ii) "Straight flush" is a hand consisting of five (5) cards of the same suit in consecutive ranking, with king, queen, jack, ten and nine being the highest ranking straight flush and ace, two, three, four, five being the lowest ranking straight flush;

(iii) "Four-of-a-kind" is a hand consisting of four (4) cards of the same rank regardless of suit, with four (4) aces being the highest ranking four-of-a-kind and four (4) twos being the lowest ranking four-of-a-kind;

(iv) "Full house" is a hand consisting of "three-of-a-kind" and a "pair," with three (3) aces and two (2) kings being the highest ranking full house and three (3) twos and two (2) threes being the lowest ranking full house;

(v) "Flush" is a hand consisting of five (5) cards of the same suit;

(vi) "Straight" is a hand consisting of five (5) cards of consecutive rank, regardless of suit, with an ace, king, queen, jack and ten being the highest ranking straight and an ace, two, three, four and five being the lowest ranking straight; provided, however, that an ace may not be combined with any other sequence of card for purposes of determining a winning hand (e.g., queen, king, ace, two, three);

(vii) "Three-of-a-kind" is a hand consisting of three (3) cards of the same rank regardless of suit, with three (3) aces being the highest ranking three-of-a-kind and three (3) twos being the lowest ranking three-of-a-kind.

(viii) "Two pairs" is a hand consisting of two (2) "pairs," with two (2) aces and two (2) kings being the highest ranking two (2) pair and two (2) threes and two (2) twos being the lowest ranking two (2) pair; and

(ix) "One pair" is a hand consisting of two (2) cards of the same rank, regardless of suit, with two (2) aces being the highest ranking pair and two (2) tens being the lowest ranking pair.

(7) Wagers:

a. All wagers at Let It Ride shall be made by placing gaming chips or plaques on the appropriate betting areas of the table layout. A verbal wager accompanied by cash may be accepted depending on house rules or regulations.

b. All wagers shall be placed prior to the dealer announcing, "No more bets." No wager shall be made, increased, or withdrawn after the dealer has announced, "No more bets."

c. Each player shall be required to place three (3) equal but separate wagers for each round of play. The wagers shall be identified as Bet number 1, Bet number 2 and Bet number 3. Bet number I and Bet number 2 may be withdrawn by the player as provided in the Procedures For Completion Of Each Round Of Play."

(8) Shuffle and Cut of Cards:

a. Immediately prior to the commencement of play and after each round of play has been completed, the dealer shall shuffle the cards so that the cards are randomly intermixed. Upon completion of the shuffle, the device shall place the deck of cards in a single stack.

b. After the cards have been shuffled and stacked, the dealer shall:

(i) If a cut of the cards is not required, deal the cards following the procedures (a) for dealing the cards from the hand or (b) for dealing the cards from an automatic shuffling device.

(ii) If a cut of the cards is required, the- dealer shall, using one hand, cut the deck by taking a stack of at least ten (10) cards from the top of the deck and placing them on top of the cover card. The dealer shall place the cards remaining in the deck on top of the stack of cards which were cut. The dealer shall then deal the cards.

(9) Procedures for Dealing the Cards From the Hand:

a. Notwithstanding any other provisions, the Commission may, in its discretion, permit a dealer to deal the cards used to play Let It Ride from his or her hand.

b. If the Commission so requires, an automatic shuffling device shall be utilized at each Let It Ride table to shuffle the cards. If the Commission chooses to have the cards dealt from the dealer's hand, the following is required:

(i) The dealer shall remove the shuffled deck from the automatic shuffler and cut the cards if required.

(ii) The dealer shall place the deck of cards in either hand; and

(a) Once the dealer has chosen the hand in which he or she will hold the cards, the dealer shall use that hand whenever holding the cards during that round of play.

(b) The cards held by the dealer shall at all times be kept in front of the dealer and over the table inventory container.

(iii) The dealer shall then announce, "No more bets," prior to dealing the cards. The dealer shall deal each card by holding the deck of cards in the chosen hand and using the other hand to remove the top card of the deck and place it face down on the appropriate area of the layout.

c. The dealer shall, starting on his or her left and continuing around the table in a clockwise manner, deal the cards as follows:

(i) One card face down to each player who has placed three wagers;

(ii) One card face down to the dealer in the left rectangle of the area designated for placement of community cards;

(iii) A second card face down to each player who placed three wagers;

(iv) A second card face down to the dealer in the right rectangle of the area designated for placement of community cards;

(v) A third card face down to each player who has placed three wagers;

d. After all cards have been dealt, three (3) to each player and two (2) to the dealer in accordance with (3) above, the dealer shall place the remaining cards in his or her hand into the discard rack without exposing the cards.

(10) Procedures for Dealing the Cards From an Automatic Shuffling Device:

a. Cards used to play Let It Ride may, if the Commission so requires, be dealt from an automated shuffling device which dispenses cards in stacks of three (3), provided that the device, its location and the procedures for its use are approved by the gaming authority, if required.

b. If a Commission chooses to have the cards dealt from an automated shuffling device, the following requirements shall be observed:

(i) The cards shall be placed in the automated card shuffler.

(ii) The dealer shall then announce, "No more bets," prior to the shoe dispensing any stacks of cards.

c. The dealer shall deliver the first stack of cards dispensed by the automated shuffling device to the player farthest to his or her left. As the remaining stacks are dispensed to the dealer by the automated shuffling device, the dealer shall deliver a stack in turn to each of the other players, including the dealer, moving clockwise around the table. The dealer shall deliver each stack face down. The stack given to the dealer shall be delivered as follows:

(i) The stack shall be placed to the right of the area designated for placement of community cards.

(ii) The dealer will then slide the top card (face down) over to the left rectangle, then the next card over to the right rectangle.

(iii) The remaining third card (the bottom card of the stack), shall be "burned" by placing it into the discard rack, without the dealer exposing it.

d. After all stacks of three (3) cards have been dispensed and delivered to each player and the dealer, the dealer shall unload the remaining cards in the automatic shuffling device and place them into the discard rack without exposing the cards.

e. The automated shuffling device contains a feature which counts each card in the deck and indicates whether or not fifty two (52) cards are contained therein. The dealer shall observe the device to ensure there is an accurate count.

(11) Procedures for Completion of each Round of play:

a. Each player who wagers at Let it Ride shall be responsible for his or her own hand and no other person other than the player or the dealer may touch the cards of that player. Each player shall be required to keep the cards in full view of the dealer at all times.

b. After each player has examined his/her cards, the dealer shall, beginning from his or her left and moving clockwise around the table, ask each player if he or she wishes to withdraw Bet number 1 or Let It Ride.

(i) If a player chooses to let Bet number I ride, that bet must stay until the end of the round of play.

(ii) If a player chooses to withdraw Bet number 1, the dealer shall move the gaming chips on the betting area designated for Bet number 1 toward the player who shall then immediately remove the gaming chips from the betting area.

c. After each player has made a decision regarding Bet number 1, the dealer then turns over the card in the left rectangle of the area designated for placement of community cards. This card shall become the first community card.

d. After the first community card is exposed, the dealer shall, beginning from his or her left and moving clockwise around the table, ask each player if he or she wishes to withdraw Bet number 2 or Let It Ride. This decision shall be made regardless of the decision made for Bet number 1.

(i) If a player chooses to let Bet number 2 ride, that bet must stay until the end of the round of play.

(ii) If a player chooses to withdraw Bet number 2, the dealer shall move the gaming chips on the betting area

designated for Bet number 2 toward the player who shall then immediately remove the gaming chips from the betting area.

(iii) Once a determination is made on Bet number 2, each player places his/her three cards face down under the third wager.

e. The dealer shall then turn over the card located in the right rectangle of the area designated for placement of community cards. This card shall become the second community card.

f. The two (2) community cards shall be used by each player in conjunction with their three (3) cards to complete a five card hand.

g. After the second community card is turned face up, the dealer shall, beginning with the player to his or her right and continuing counterclockwise around the table, turn the player's three (3) cards face up. The dealer shall then resolve each hand by examining each player's cards, in combination with the two (2) community cards to determine if the player's hand is a winning or losing hand. In order to qualify for a payout, a player's hand must contain a pair of tens or better.

h. The dealer shall then pick and pay or lay and pay depending on casino procedures. All losing wagers shall be collected by the dealer and placed in the table inventory container.

i. Each winning wager shall be paid in accordance with the payout odds listed on the table layout or as displayed at the table.

j. The dealer shall then collect the cards of all players and the community cards and place them in the discard rack together with the remaining cards in the deck used for that round of play.

(12) Payout Odds:

a. The payout odds for winning wagers at Let It Ride printed on any layout or in any brochure or other publication distributed by a casino licensee shall be stated through the use of the word "to" or "win," and no odds shall be stated through the use of the word "for."

b. The casino licensee shall pay off each winning wager at no less than the odds listed below subject to the payout limitation in (3) below if applicable:

WINNING HANDS	PAYOUT ODDS
Royal Flush	1,000 to 1
Straight Flush	200 to 1
Four-of-a-Kind	50 to 1
Full House	11 to 1
Flush	8 to 1
Straight	5 to 1
Three-of-a Kind	3 to 1
Two Pair	2 to 1
Pair of Tens or Better	1 to 1

c. Notwithstanding the payout odds in (2) above and subject to gaming regulations, the Commission may establish a maximum aggregate amount that is payable per round or hand. It remains the Commission's sole responsibility to post a sign at each Let It Ride table explaining the details and the ramifications of the aggregate win limit.

(13) Irregularities:

a. A card that is found face up in the shoe or the deck while the cards are being dealt shall not be used in the game and shall be placed in the discard rack. If more than one card is found face up in the shoe or the deck during the dealing of the cards, all hands shall be void and the cards shall be reshuffled.

b. If any player or the area designated for the placement of the community cards is dealt an incorrect number of cards, all hands shall be void and the cards shall be reshuffled.

c. If the automatic card shuffling device jams, stops shuffling during a shuffle, or fails to deal all cards during a round of play, the floor supervisor shall address the problem according to established procedures and the cards shall be shuffled in accordance with procedures approved by the gaming authority.

d. If there is an incorrect number of cards in the deck, all hands will be void and the deck shall be removed from play and replaced with a new deck of cards according to established procedures.

(j) Monte (Spanish monte and monte bank.)

(1) Rules, shuffling, dealing and cutting procedures and payout odds: Proposals for rules, shuffling, dealing and cutting procedures and payout odds shall be submitted in writing by the Operator and approved by the Commission prior to conducting any game of monte. Changes in rules, permissible wagers and payout odds shall be submitted in writing and approved by the Commission prior to implementation.

(2) Game procedures, including dealing: Proposals for permissible wagers on the monte layout, selection of banker and rotation, and game procedures, including dealing, shall be submitted in writing by the Operator and approved by the Commission to conducting any game of monte. Changes in wagers, selection procedures for selection of bankers, and game procedures, including dealing, shall be submitted in writing and approved by the Commission prior to implementation.

(3) Wagers: Each player shall be responsible for the correct positioning of their wager or wagers on the monte layout regardless of whether they are assisted by the dealer. Each player shall ensure that any instructions they give the dealer regarding the placement of their wager or wagers are correctly carried out.

(4) Altering wagers. Once a wager is placed, no player shall remove or alter such wager until a decision has been rendered and implemented with respect to that wager. No dealer, Operator, person or casino employee shall permit any player to engage in conduct in violation of this rule. Each wager shall be settled strictly in accordance with its position on the layout when the decision is rendered.

(k) Pari-mutuel wagering on simulcast horse or dog racing: The Operator shall receive wagers of money only from a person present at the location showing the simulcast transmission. Such wagers shall only be received on a horse or dog in a race selected by a person making the wager to finish first in the race. The person wagering shall acquire an interest in the total money wagered on all horses or dogs in the race as first winners in proportion to the amount of money wagered by the person.

The Operator shall issue to each person wagering a certificate on which shall be shown the number of the race the amount wagered and the number or name of the horse or dog selected as the first winner.

As each race is won the Operator shall deduct sixteen (16) percent from the total sum wagered on all horses or dogs as first winners. The balance after deducting breakage (up to 10 cents on one (1) dollar) shall be paid to the holders of certificates on horses or dogs in the proportion that the amount wagered by each certificate holder bears to the total amount wagered on all horses. The Operator may likewise receive other wagers on horses or dogs that the Commission may authorize. The method, procedure and the authority and right of the Operator, as well as the deduction allowed to the Operator, shall be as specified with respect to wagers upon horses or dogs selected to run first. However, the Commission may authorize the Operator to deduct a higher percentage of the total sum wagered not to exceed twenty (20) percent on multiple or exotic wagering involving more than one (1) horse or dog.

(l) Sports Betting Pools: The maximum wager on a Sports Betting Pool shall be six (6) dollars and the maximum win on a Sports Betting Pool to all participants shall not exceed five hundred (500) dollars. All money wagered in the pool shall be awarded to participants. No person, including the Tribe and the operator, may receive or have any fixed or contingent right to receive, directly or indirectly, any amount wagered or bet or any portion of any amounts wagered or bet, except an amount which the person wins as a participant while playing on the same basis as every other participant. No person may participate in the Sports Betting Pool as the agent of another person. No cover charge, participation charge or other charge may be imposed upon a person for the privilege of participating in or observing

gambling, and no rebate, discount, credit or other method may be used to discriminate between the charge for the sale of goods or services to participants in gambling and the charge for the sale of goods or services to nonparticipants.

(m) Sports Betting, including Parlay Cards: Wagers or bets on Sports Betting, including Parlay Cards, may be made only between two (2) or more individuals who are physically in each others presence. The betting or wagering must be incidental to a bona fide social relationship between all participants in the betting. No person, including the Tribe and the operator, may receive or have any fixed or contingent right to receive, directly or indirectly, any amount wagered or bet or any portion of any amounts wagered or bet, except an amount which the person wins as a participant while playing on the same basis as every other participant. No person may participate in the Sports Betting as the agent of another person. No person may participate in Sports Betting, including Parlay Card wagering, if the athletic event or contest is authorized or sponsored by one or more schools, educational institutions, or interscholastic athletic organizations if the person is a coach, official, player or contestant in the athletic event or contest. No cover charge, participation charge or other charge may be imposed upon a person for the privilege of participating in or observing gambling, and no rebate, discount, credit or other method may be used to discriminate between the charge for the sale of goods or services to participants in gambling and the charge for the sale of goods or services to nonparticipants. No participant may win or lose more than a total of fifty (50) dollars or other consideration equivalent thereto on Sports Betting at any time during any period of twenty-four (24) consecutive hours. A person wins the total amount at stake in any game, wager or bet regardless of any amount that person may have contributed to the amount at stake.

SECTION 15. Audits, Inspections and Facility and Records Access. The Tribe shall cause an independent certified public accountant approved by the Director 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. The Tribe and the Director shall mutually agree on the scope of the audits to be conducted by the auditor. At a minimum the audit 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 and equipment testing and an audit of casino procedures as necessary to ensure that equipment and casino personnel function as required by this Compact, the Ordinance and the Regulations. All audits shall be conducted pursuant to the AICPA standards for audits of casinos when applicable. The Director may attend the entrance and exit conference between the Tribe and the auditors and shall be provided copies of the audits, including any audit notes, within fifteen (15) days of receipt.

In the event that the Director has probable cause to believe that there is a violation of this Compact, the Gaming Ordinance, the Regulations or other applicable laws, the Director may conduct additional audits or the Director may notify the Tribal Gaming Commission and request that the Commission obtain additional audits of the books, records, equipment and procedures of any authorized gaming operation, including the records of any Management Contractor and the records of the Tribal Gaming Commission and the Tribe to ensure compliance with this Compact, the Gaming Ordinance, the Regulations and other applicable laws. If the Director has probable cause to believe a violation has occurred, requests an additional audit by the Commission and the Commission refuses to conduct such an audit, the Director may conduct such an audit and bill the Tribe for the costs associated with such additional audits up to the amount of $30,000 in any single fiscal year. The Tribe shall, within seventy (70) days from receipt of an itemized statement from the State, reimburse the State for the actual cost of such audits. The State shall provide copies of audits conducted by the State to the Commission provided that provision of such audits would not compromise any law enforcement activities or violate any applicable law.

Authorities of the State may also make routine facility inspections of any Class III Gaming facilities which may include equipment testing and casino surveillance.

The authorities of the State shall provide the Commission with reasonable, advance notice of their intent to enter a gaming facility to conduct all routine facility inspections prior to their arrival. The Commission shall not, however, communicate the State's intent to conduct a routine facility inspection to any person or entity other than Commission members prior to the State's actual arrival at the facility.

The State shall also notify the Commission of its intent to conduct an audit based on probable cause unless the State reasonably believes that such notice might compromise its audit or other law enforcement activities of the State. In the event that the State notifies the Commission that an audit is to be conducted based on probable cause or requests that the Commission conduct such an audit, the Commission shall not communicate the State's request for an audit or the State's intent to conduct an audit to any person or entity other than Commission members or the selected auditor prior to the audit.

Subject to the notice requirements of this Section, the authorities of the State may enter upon the premises of any Class III Gaming facility at any time during normal business hours for the purpose of conducting inspections and audits. Audits and inspections shall be conducted by the State in such a manner as to minimize any disruption to the normal business of the gaming facility. Upon the reasonable request of the State, the Commission shall

provide the State with access to all areas of their Class III Gaming facilities and their records and equipment and shall ensure that all licensees make their records and facilities available to the State. The Commission shall ensure that information requested by the State is provided by all persons possessing the requested information and that a suitable office is provided in which the State may review records and inspect equipment. The Tribe agrees that the State may copy, remove from the premises and retain copies of materials and documents related to Class III Gaming. Equipment may be removed from the premises for a reasonable time to facilitate examination and testing.

The requirements and limitations of this Section 15 shall not be construed as applicable to any law enforcement activities of the State or the Tribe.

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 Class III Gaming activities, including the records of any Management Contractor, the Tribe and the Tribal Gaming Commission 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.

SECTION 16. Tribe's Access to State Records. The Tribe shall have the right to inspect and copy all records received by the State from the Tribe or the Commission concerning Authorized Class III Gaming by the Tribe provided that inspection and copying by the Tribe would not violate any applicable law or compromise any ongoing law enforcement investigations or activities.

SECTION 17. Documents Provided By The Tribe To The State. The Tribe shall provide the Director with a copy of any information related to Authorized Class III Gaming on Tribal Lands which is requested by the Director or shall make such information available to the Director for on-site inspection. In addition, the Tribe shall routinely provide the Director with a copy of its current Gaming Ordinance, its Regulations, all subsequent amendments to the Gaming Ordinance and the Regulations, a copy of all independent audit reports of Authorized Class III Gaming activities with any audit notes, a copy of the results of all equipment or program tests, all Management Contracts and all contracts or leases for gaming equipment or services. The Tribe shall routinely provide the DCI with a copy of all background applications and the results of all background investigations, with information concerning any suspected or proven violations of the terms of this Compact, the Gaming Ordinance, the

Regulations or other applicable laws and with information describing the steps taken by the Tribe or the Commission to remedy such violations.

All copies shall be provided by the Tribe as soon as is reasonably practical but no later than ten (10) calendar days after the documents are received by the Tribe or the Commission.

SECTION 18. Gaming Conducted Solely on Winnebago Lands. Except as indicated in the following paragraph, all authorized Class III Gaming shall be conducted solely on Tribal Lands as defined in this Compact. Authorized Class III Gaming is conducted solely on Tribal Lands only if all consideration wagered is placed by players physically located on Tribal Lands at the time the wager is made, all activities performed by the player to participate in the game physically occur on Tribal Lands, and all activities related to determining and validating winners occur on Tribal Lands. The activities prohibited by this Section, include, without limitation, placing bets, placing wagers, or playing games by telephone, by mail, by internet, or by any other means of communication unless communications both originate and terminate on Tribal Lands and unless communication is sent from an address on Tribal Lands to an address on Tribal Lands. Winners may receive prize winnings outside the boundaries of Tribal Lands without violating this provision.

Nothing in this Section 18 shall prevent the Tribe from conducting inter-reservation Class III Gaming by means of telecommunications, satellite or technologic or computer enhancement provided that the inter-reservation gaming conforms to the requirements of federal law including the Act, this Compact, to the laws, and 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 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. § 2703(4), and as that term is limited by Section 20 of the Act, 25 U.S.C. § 2719) which belong to one of the participating tribes.

SECTION 19. Changes in Iowa Law. Nothing in this Compact shall be construed as prohibiting any change in the laws of Iowa which may restrict, diminish, or otherwise amend or affect the Tribe's rights pursuant to this Compact. The terms of this Compact are specifically made subject to such changes but only to the extent that applicable federal statutes, regulations or common law impose the restrictions of state law on tribal gaming operations.

SECTION 20. Division of Criminal and Civil Jurisdiction Over Activities Related to Class III Gaming and Class III Gaming Facilities.

20.1 Division of Criminal and Civil Jurisdiction: Except for the criminal prosecution of persons who are not Tribal Citizens, the Tribe shall exercise complete civil and criminal jurisdiction over players of authorized gaming, licensees and all other persons or entities whose acts or omissions relate to any authorized or unauthorized Class III Gaming activities on Winnebago Lands and over all property related to Class III Gaming activities on Winnebago Lands. The Tribe shall be responsible for addressing and solving all law enforcement problems arising from its Class III Gaming activities.

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.

Except for the criminal prosecution of Tribal Citizens, the State shall exercise complete civil and criminal jurisdiction over all 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 Winnebago Lands, and all property which is related to any authorized or unauthorized Class III Gaming activities on Winnebago Lands, for the purposes of administering, monitoring, auditing, investigating, enforcing and prosecuting violations of this Compact, the Regulations, the Gaming Ordinance and other laws applicable to Class III Gaming activities. In furtherance of an exercise of its jurisdiction, the State may take any action on Winnebago Land which would be lawful elsewhere in the State of Iowa.

20.2 Prosecution of Offenses by Iowa and the Tribe: The State of Iowa shall have jurisdiction to commence proceedings to remedy the violation of any applicable civil law or regulatory requirement, not inconsistent with this Compact, arising out of any investigation conducted by any governmental authority of any sovereign. The State of Iowa shall have jurisdiction to commence prosecutions for violation of any applicable criminal law arising out of any investigation conducted by any governmental authority provided that the subject of such criminal prosecution is not a Tribal Citizen.

The Tribe shall have jurisdiction to commence proceedings to remedy the violation of

any applicable civil law or regulatory requirement, not inconsistent with this Compact, arising out of any investigation conducted by any governmental authority of any sovereign. The Tribe shall have jurisdiction to commence prosecutions for violation of any applicable criminal law arising out of any investigation conducted by any governmental authority provided that the subject of such criminal prosecution is a Tribal Citizen. If the subject of a criminal prosecution is not a Tribal Citizen, the Tribe shall request that the offender be prosecuted by the United States.

20.3 Concurrent Jurisdiction: If exercised, Iowa's jurisdiction shall be exercised concurrently with, but independently of, the civil and criminal jurisdiction over such activities, property, persons, and entities held by the Tribe and the United States.

20.4 Exercise of Jurisdiction at Discretion of Iowa: The jurisdiction held by Iowa does not obligate Iowa to take any action on Indian Lands pursuant to its jurisdiction. The jurisdiction held by Iowa shall not be construed as creating an obligation between Iowa and the Tribe or between Iowa and any third party which would require Iowa to exercise its jurisdiction on Indian Lands.

20.5 Cross-Deputization Agreements: Iowa or the Tribe may enter into cross-deputization or similar agreements with each other or with agencies of the United States to facilitate law enforcement activities on Indian Lands.

20.6 Transfer to Appropriate Sovereign: Both the Tribe and Iowa and their respective agencies and instrumentalities shall have the power to arrest on Winnebago Land in Iowa and to detain any person whatsoever for any suspected violation of this Compact, or any law, rule, or regulation of any governmental authority respecting gaming on Winnebago Lands. Upon identification of the appropriate authority under this Compact for the prosecution of such suspected offense, the arresting governmental sovereign shall release such detained person to the custody of the sovereign or sovereigns which are empowered to prosecute the suspected offender under this Compact, applicable law, rule or regulation.

20.7 Cross-deputization Agreements: If the Tribe and the State enter into a cross-deputization agreement which conflicts with the terms of this Compact, the Tribe and the State shall simultaneously execute an amendment to this Compact.

SECTION 21. Confidentiality of Records and Information Provided by the Tribe to the State. With the following exceptions, the State shall maintain records provided by the Tribe which relate to this Compact as confidential records. The Tribe shall mark all records provided as

confidential prior to submission to the State. Nothing in this paragraph, however, shall prevent the State from sharing any material or documents provided by the Tribe to the State among any subdivisions of the State of Iowa, with the National Indian Gaming Commission, or with law enforcement or regulatory authorities of the federal government or another state. In addition, all information and records provided may be disclosed as necessary to audit, investigate, or prosecute violations of this Compact or the laws and regulations applicable to Class III Gaming on Winnebago Lands. The State may disclose to the public any audit or inspection results which demonstrate that gaming is not conducted in a manner which is safe for and fair to gaming participants. This executed Compact may be disclosed by the State. Nothing in this Compact shall be construed as preventing the State from complying with a subpoena or court order requiring the release of information provided by the Tribe.

The terms of this Section apply only to information provided to the State by the Tribe or obtained by the State through audits or facility inspections authorized by this Compact. These restrictions have no applicability to information received by the State from any other party or in any other way.

SECTION 22. Most Favored Nation Clause. Subject to the following limitations and exceptions, the State shall not enter into a compact with any other Tribe, while this Compact is in effect, which contains wager and loss limits higher than the wager and loss limits specified in this Compact without offering the higher wager and loss limits to the Tribe under terms substantially similar to those offered to the other Tribe. This Section shall not apply if the compact subsequently signed by the State is signed following a determination by a judge or other official that the State negotiated with the other tribe in bad faith, following an order from a judge or other official indicating that the State must agree to a specific compact or lose its ability to enter into a compact with a tribe or following an order of a judge or official which otherwise restricts the State's ability to negotiate freely with a tribe.

SECTION 23. Taxes. Nothing in this Compact shall be construed as imposing any tax on the Tribe's Authorized Class III Gaming activities.

The Tribe agrees to collect Iowa sales and/or use taxes that Iowa has the lawful authority to impose on transactions made to non-Indians. The Tribe agrees to continue to withhold Iowa income taxes for all persons subject to Iowa income tax who are employed by the Tribe at the Gaming Facility and to withhold Iowa income taxes that Iowa has the lawful authority to impose on all gaming winnings of non-Indians. The Tribe shall promptly remit all monies collected on behalf of the State of Iowa to the Iowa Department of Revenue.

During the term of this Compact, the Tribe agrees, as a matter of administrative convenience, to be registered with the Iowa Department of Revenue for withholding income tax and for sales tax purposes and shall have Iowa identification number(s) in order to facilitate collection and remittal of the taxes collected by the Tribe on behalf of the State. Iowa tax withheld shall be submitted to the Iowa Department of Revenue on a quarterly basis.

In addition, nothing in this Compact shall be construed as expanding or diminishing the State'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 Tribal Lands or on any Class III Gaming activity.

SECTION 24. 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 and approval by the Secretary. The Director may waive the requirements of this Compact which are imposed by the State 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.

SECTION 25. Breach Of This Agreement By Tribe And Dispute Resolution. In the event that the Tribe fails to comply with any material term of this Compact, the Department may suspend this Compact in whole or in part, terminate this Compact 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 Compact shall cease. All remedies provided in this Compact are cumulative and nonexclusive.

Prior to suspending or terminating this Compact or seeking any other remedy authorized by law, the Director shall deliver a written notice to the Tribe 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 State by a minimum of thirty (30) calendar days, provided, however, that if the Tribe notified 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 or cannot be cured by expiration of the notice period, the Director may immediately suspend or terminate this Compact and/or seek any other remedy authorized by law without further notice.

SECTION 26. 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.

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 twenty (20) calendar days. If the default is not cured or cannot be cured by expiration of the notice period, the Tribe may immediately seek any available remedy without further notice.

SECTION 27. Rights Available Under Act. Nothing in this Compact shall be construed to limit the rights or remedies available to the parties under the Act.

SECTION 28. Tribal And State Sovereignty.

(a) Neither the State nor the Tribe waive their sovereign immunity, under either state or federal law, by entering into this Compact and no provision of this Compact is intended to constitute a waiver of State or Tribal sovereign immunity.

(b) This Compact does not alter any waiver of either State or Tribal immunity which may have been effectuated by Congress in passing the Act. This Compact in no way limits the application of 25 U.S.C.A. sec. 2710(d)(7)(A)(ii) [Supp. 1998] which provides an enforcement mechanism for violation of this Compact.

(c) In addition to the enforcement mechanism under subsection (b), both the State and the Tribe agree that suit to enforce any provision of this Compact may be brought in federal court by either the State or the Tribe against any official or employee of either the State or the Tribe. Said suit may be brought for any violation of the terms of this Compact or violation of any applicable state or federal law. Relief in said suit shall be limited to prospective declaratory or injunctive relief. An allegation that an official or employee violated this Compact shall be deemed as an allegation that said official or employee is acting in excess of his/her authority for purposes of jurisdiction only. The State and the Tribe will bear their own costs of litigation for any action to enforce this Compact, including but not limited to, attorneys' fees.

(d) These enforcement provisions are an essential part of this Compact, and if they

are found to violate the sovereign immunity of either the State or the Tribe or should the courts otherwise determine they lack jurisdiction to enforce the Compact, the parties will immediately resume negotiations to create a new enforcement mechanism.

SECTION 29. Alternate Remedies. Nothing in 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, including but not limited to mediation or arbitration; provided that neither party is under any obligation to agree to such alternative method of dispute resolution.

SECTION 30. Effective Date. This Compact shall be effective upon signature by both parties, approval by the Secretary and publication by the Secretary in the Federal Register in accordance with the Act.

SECTION 31. Renegotiation and Duration. Unless earlier terminated pursuant to this Compact, this Compact shall remain effective through December 31, 2006, and shall renew automatically for successive eight (8) year terms unless either party gives notice of intent to renegotiate at least 12 months, but not more than 18 months, prior to the scheduled expiration of the existing term. The notice to renegotiate shall be in writing and shall describe the issues to be reconsidered. Negotiations conducted pursuant to the notice shall be conducted in good faith by both parties. If a notice to renegotiate is issued by either party, this Compact will automatically terminate at the conclusion of the existing term unless the parties have mutually agreed to extend this Compact on terms acceptable to both parties.

SECTION 32. 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 (1) year or if the Tribe ceases to operate all gaming covered by this Compact for a period of 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.

SECTION 33. Notices. All notices required or authorized to be served shall be served by first class, certified or registered mail at the following addresses:

Chairman
Winnebago Tribe of Nebraska
Winnebago, Nebraska 68071

Director of the Department of Inspections and Appeals
Lucas State Office Building
Des Moines, Iowa 50319

Either party may change the person and address to which notice is to be sent by providing the other party with written notification of the change.

SECTION 34. 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 a partnership, joint venture, or other joint or cooperative relationship between the State 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 the State or any subdivision of the State.

SECTION 35. Assignment. The Tribe shall not assign this Compact or any of its rights and obligations under this Compact to any other person or entity without the prior written consent of the Director. Any such transfer without the prior written consent of the Director shall be null and void. This Section does not prohibit the Tribe from entering into a Management Contract which meets the requirements of this Compact or entering into a cross-deputization agreement, mutual assistance agreement or other similar agreement with a law enforcement agency of the United States, the State of Iowa, municipalities of the State of Iowa or counties in the State of Iowa.

SECTION 36. No Third Party Beneficiaries. This Compact is intended to benefit only the State and the Tribe and is not for the benefit of any third party.

SECTION 37. Choice of Law and Forum. This Compact shall be governed by the laws of the Tribe, the United States and the State of Iowa. Any action brought to enforce this Compact shall be brought in Federal District Court for the Northern District of Iowa if jurisdiction and venue are proper in this court. The choice of venue by the parties shall not be construed as a waiver of any immunity which either party may have.

SECTION 38. Integration. This Compact 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.

SECTION 39. Severability. The parties acknowledge that this Compact is valid only to the extent to which it conforms with applicable state and federal laws. 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 for a period of sixty (60) days following the judgment date. Upon expiration of the sixty (60) day period, this Compact shall automatically terminate unless the parties have previously mutually agreed to the continuation of this Compact as modified by the judgment.

SECTION 40. Monitoring Fee. The Tribe shall remit, no later than October 30, 1999, and thereafter annually during the term of this Compact, to the Iowa Department of Inspections and Appeals for the purpose of monitoring Indian gaming according to standards determined by the Director, the sum of $30,000.00, increased each year by a percentage equal to the percentage change in the Consumer Price Index as reported by the Bureau of Labor Statistics for the previous twelve months

It is the intent of the Director to negotiate monitoring fees from all other Tribes operating Class III Gaming facilities on Indian Land in the State of Iowa as each tribal compact comes up for renewal. If any tribal-state compact subsequently entered into or extended or renewed by the State with any other Indian Tribe for a term longer than five years provides a monitoring fee of less than the amount due under this Section, this Section shall be subject to renegotiation upon written notice to the Director by the Tribe. During any such renegotiation period, the obligation of the Tribe to tender any sums due under this Section, that exceed the amount paid by other tribes, shall be suspended. The renegotiation of this Section pursuant to this provision shall have no effect on any other Section of this Compact, and all other provisions and terms of this Compact shall remain valid and have full force and effect.

SECTION 41. Employee Protection. Both the Tribe and the State acknowledge that the Tribe has offered and expects to continue to offer unemployment and worker's compensation protection to all its Gaming Facility employees under the State's legal framework. Accordingly, with respect to all those employed at the Gaming Facility, the Tribe agrees that as long as it participates within the State's unemployment and worker's compensation framework it will comply with applicable regulatory, administrative, and legal processes. Further, the Tribe agrees that as long as it participates within the State's unemployment and worker's compensation framework it will remit all fees or monies due under that framework. Prior to employment, the Tribe will inform the prospective employee of that person's right to unemployment and worker's compensation protection. Should the Tribe discontinue offering these employee protections to its Gaming Facility employees the Tribe shall notify the Director in writing thirty (30) days prior to discontinuance.

SECTION 42. Revocation of Previous Compacts. The Tribe and the State declare this Compact, once signed by the parties, approved by the Secretary and noticed in the Federal Register in accordance with the Act, to be the current Compact governing Class III gaming on Indian lands of the Winnebago Tribe of Nebraska in Iowa and hereby revoke all former gaming compacts between the parties on the date this Compact becomes effective.

SECTION 43. Execution. In Witness Whereof, the Winnebago Tribe of Nebraska and the State of Iowa have hereunto set their hands and seals to three original compacts, with one for each party and one for the Secretary.

Kenneth Mallory
Chairman of the Winnebago
Tribe of Nebraska

Kim D. Schmett
Director, Iowa Department of
Inspections & Appeals

Date

August 6, 1998
Date

State of Iowa
County of Woodbury

Signed or attested before me on Aug. 6, 1998 (date) by Kenneth Mallory and Kim D. Schmett.

NOTARY PUBLIC
My Commission Expires on April 21, 2000.

Winnebago Tribe of Nebraska and the
State of Iowa Gaming Compact
August 6, 1998

Approved this _____ day of OCT 07 1998, 1998.

KEVIN GOVER, Assistant Secretary-Indian Affairs
United States Department
of the Interior

Washington, D.C.

Signed or attested before me on _____(date) by,

_____, the United State's Secretary of the Interior.

_____
NOTARY PUBLIC
My Commission Expires on _____.

Winnebago Tribe of Nebraska and the
State of Iowa Gaming Compact
August 6, 1998

SECTION 1.	Title
SECTION 2.	Declaration of Policies and Purposes
SECTION 3.	Definitions
SECTION 4.	Authorized Class III Gaming
SECTION 5.	Gaming Owned By Tribe
SECTION 6.	Conduct and Regulation of Class III Gaming
SECTION 7.	Gaming Commission
SECTION 8.	Management Contractor
SECTION 9.	Occupational Licensing
SECTION 10.	Minimum Standards for Inspection and Approval of Video Game of Chance, Slot Machines and Progressive Slot Machines
SECTION 11.	Security and Surveillance
SECTION 12.	Accounting and Cash Control
SECTION 13.	Operational Regulations
SECTION 14.	Rules of the Game
SECTION 15.	Audits, Inspections and Facility and Records Access
SECTION 16.	Tribe's Access to State Records
SECTION 17.	Documents Provided By The Tribe To The State
SECTION 18.	Gaming Conducted Solely on Winnebago Lands
SECTION 19.	Changes in Iowa Law
SECTION 20.	Division of Criminal and Civil Jurisdiction Over Activities Related to Class III Gaming and Class III Gaming Facilities
SECTION 21.	Confidentiality of Records and Information Provided by the Tribe to the State
SECTION 22.	Most Favored Nation Clause
SECTION 23.	Taxes
SECTION 24.	Amendments and Waivers
SECTION 25.	Breach Of This Agreement By The Tribe And Dispute Resolution
SECTION 26.	Breech Of This Agreement By The State And Dispute Resolution
SECTION 27.	Rights Available Under Act
SECTION 28.	Tribal And State Sovereignty
SECTION 29.	Alternate Remedies
SECTION 30.	Effective Date
SECTION 31.	Renegotiation and Duration
SECTION 32.	Automatic Termination
SECTION 33.	Notices
SECTION 34.	No Separate Entity Or Cooperative Relationship
SECTION 35.	Assignment

SECTION 36. No Third Party Beneficiaries
SECTION 37. Choice of Law and Forum
SECTION 38. Integration
SECTION 39. Severability
SECTION 40. Monitoring Fee
SECTION 41. Employee Protection
SECTION 42. Revocation of Previous Contracts
SECTION 43. Execution