

NATIONAL
INDIAN
GAMING
COMMISSION

NOV 19 1993

Joseph Goodthunder
Chairman of the Community Council
Lower Sioux Indian Community in Minnesota
Rural Route 1, P.O. Box 308
Morton, Minnesota 56270

Dear Chairman Goodthunder:

This letter responds to your request to review and approve the tribal gaming ordinance submitted on November 15, 1993, for the Lower Sioux Indian Community in Minnesota (Community). This letter constitutes such approval under the Indian Gaming Regulatory Act (IGRA).

Under the IGRA and the regulations of the National Indian Gaming Commission (NIGC), the Chairman is directed to review ordinances with respect to the requirements of the IGRA and the implementing regulations. Thus, the scope of the Chairman's review and approval is limited to the requirements of the IGRA and the NIGC regulations. Provisions other than those required under the IGRA or the NIGC regulations that may be included in a tribal ordinance are not subject to review and approval. Also, such approval does not constitute approval of specific games.

It is important to note that the gaming ordinance is approved for gaming only on Indian lands as defined in the IGRA.

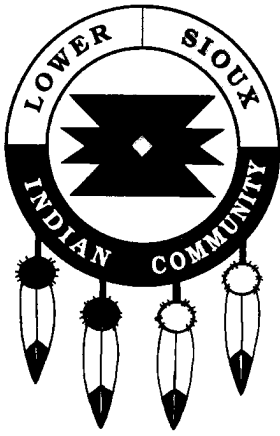
With the Chairman's approval of the Community's gaming ordinance, the Community is now required to conduct background investigations on its key employees and primary management officials. The NIGC expects to receive a completed application for each key employee and primary management official pursuant to 25 C.F.R. § 556.5(a) and an investigative report on each background investigation before issuing a license to a key employee or primary management official pursuant to 25 C.F.R. § 556.5(b).

Thank you for submitting the ordinance of the Lower Sioux Indian Community in Minnesota for review and approval. The NIGC staff and I look forward to working with you and the Tribe in implementing the IGRA.

Sincerely yours,

Anthony J. Hope

Anthony J. Hope
Chairman



Lower Sioux Indian Community

P.O. Box 308 • RR#1 • Morton, MN 56270

LOWER SIOUX INDIAN COMMUNITY IN MINNESOTA AUTHORIZATION FOR SUBMISSIONS TO NIGC RESOLUTION NO. 18-93-94

WHEREAS, the Indian Gaming Regulatory Act of 1988 and the regulations of the National Indian Gaming Commission (NIGC) require that certain submissions be made to the NIGC when the Lower Sioux Indian Community in Minnesota submits its Class II and III Gaming Ordinance for NIGC approval; and


WHEREAS, the Lower Sioux Community Council has reviewed the submissions, including the designation of agents for service of NIGC documents, the policies and procedures of Community gaming operations, and a memorandum of understanding regarding the dissemination of criminal history record information by the National Indian Gaming Commission; and

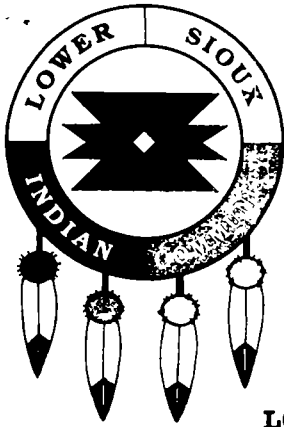
WHEREAS, the Lower Sioux Indian Community in Minnesota wishes to make all appropriate submissions to the NIGC;

NOW THEREFORE BE IT RESOLVED that the Chairman of the Lower Sioux Indian Community in Minnesota, Joseph Goodthunder, is hereby authorized to designate to the NIGC agents for service, to certify Community gaming policies and procedures to the NIGC, to sign on behalf of the Lower Sioux Indian Community in Minnesota a memorandum of understanding regarding the dissemination of criminal history record information by the National Indian Gaming Commission, and to sign or certify other related documents to the NIGC.

WE DO HEREBY CERTIFY, that the foregoing resolution was duly presented to and adopted by a vote of 3 for, and 0 against, at a Special meeting of the Lower Sioux Community Council, a quorum being present, held on November 11, 1993, at Minneapolis, Minnesota.


Joseph Goodthunder
Chairman


Betty Lee
Secretary



Lower Sioux Indian Community

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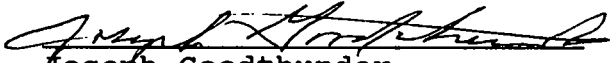
**LOWER SIOUX INDIAN COMMUNITY IN MINNESOTA
APPROVAL OF CLASS II AND III GAMING ORDINANCE
RESOLUTION NO. 17-93-94**

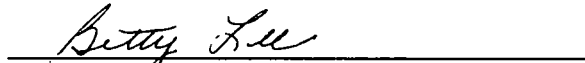
- WHEREAS, the Lower Sioux Indian Community in Minnesota owns, operates, and licenses gaming enterprises on the Lower Sioux Community reservation as part of its sovereign governmental power; and
- WHEREAS, such gaming enterprises provide an essential source of employment to Community members and their families as well as to members of the non-Indian community in and around the Lower Sioux Community reservation; and
- WHEREAS, such gaming enterprises provide the Community with revenue that is vital to programs operated by the Community for the general welfare of its members; and
- WHEREAS, the Lower Sioux Community Council is the governing body of the Lower Sioux Indian Community in Minnesota and has the authority and responsibility to regulate gaming on the Community reservation; and
- WHEREAS, the Lower Sioux Community Council has the authority and responsibility to exercise federally recognized inherent powers of self-government within the Community reservation, and pursuant to the Constitution of the Lower Sioux Indian Community in Minnesota has the authority to promulgate ordinances to promote the general welfare of the Community and to provide for the peace and safety of the Community; and
- WHEREAS, pursuant to its own powers of self-government, and under the terms of the federal Indian Gaming Regulatory Act of 1988, and under the terms of Tribal/State Compacts which the Community has executed with the State of Minnesota, it is wise and necessary to implement certain regulations regarding gaming within the Community reservation; and

WHEREAS, it is in the best interests of the Lower Sioux Indian Community to revise in a comprehensive manner all its previous gaming regulations and to incorporate them into one comprehensive gaming ordinance, and the Lower Sioux Community Council has the sovereign authority to adopt or amend its gaming ordinances.

NOW THEREFORE BE IT RESOLVED that the Lower Sioux Community Council in the exercise of its sovereign authority and its responsibilities under applicable federal law and Tribal/State gaming compacts, hereby repeals all previous gaming ordinances and regulations and adopts the following comprehensive Class II and III Gaming Ordinance.

WE DO HEREBY CERTIFY, that the foregoing resolution was duly presented to and adopted by a vote of 3 for and 0 against, at a Special meeting of the Lower Sioux Community Council, a quorum being present, held on November 11, 1993, at Minneapolis, Minnesota.


Joseph Goodthunder
Chairman


Betty Lee
Secretary

LOWER SIOUX INDIAN COMMUNITY IN MINNESOTA
CLASS II AND III GAMING ORDINANCE

I. Purpose

The Lower Sioux Indian Community in Minnesota (hereinafter "Community"), empowered by the Community Constitution to enact ordinances through its Community Council, hereby enacts this ordinance in order to set the terms for Class II and III gaming operations on Community lands.

II. Gaming Authorized

Class II and Class III gaming as defined in the Indian Gaming Regulatory Act, P.L. 100-447, 25 U.S.C. Section 2703(7)(A) and 25 U.S.C. Section 2703(8) (hereinafter "IGRA") and by the regulations promulgated by the National Indian Gaming Commission at 25 C.F.R. Section 502.3 and 25 C.F.R. Section 502.4 (as published in the Federal Register at 57 FR 12382-12393, April 9, 1992) are hereby authorized.

III. Ownership of Gaming

The Community shall have the sole proprietary interest in and responsibility for the conduct of any gaming operation authorized by this ordinance.

IV. Use of Gaming Revenue

A. Net revenues from Class II gaming shall be used only for the following purposes: to fund Community government operations and programs; provide for the general welfare of the Community and its members; promote Community economic development; donate to charitable organizations; or help fund operations of local government agencies.

B. If the Community elects to make per capita payments to Community members, it shall authorize such payments only upon approval of a plan submitted to the Secretary of the Interior under 25 U.S.C. Section 2710(b)(3).

V. Audit

A. The Community shall cause to be conducted annually an independent audit of gaming operations and shall submit the resulting audit reports to the National Indian Gaming Commission.

B. All gaming related contracts that result in the purchase of supplies, services, or concessions in excess of \$25,000.00 annually, except contracts for professional legal and accounting services, shall be specifically included within the scope of the audit that is described in subsection A. above.

VI. Protection of the Environment and Public Health and Safety

Class II and Class III gaming facilities shall be constructed, maintained and operated in a manner that adequately protects the environment and the public health and safety.

VII. Licenses for Key Employees and Primary Management Officials

The Community Council shall ensure that the policies and procedures set out in this section are implemented with respect to key employees and primary management officials employed at any Class II or Class III gaming enterprise operated on Indian lands . All key employees and primary management officials shall have duly approved Community licenses issued in accordance with this section.

A. Definitions

For the purposes of this section, the following definitions apply:

1. Key Employee means

- (a) A person who performs on or more of the following functions:
 - (1) Bingo caller
 - (2) Counting room supervisor
 - (3) Chief of security
 - (4) Custodian of gaming supplies or cash
 - (5) Floor manager
 - (6) Pit boss
 - (7) Dealer
 - (8) Croupier
 - (9) Approver of credit
 - (10) Custodian of gambling devices including persons with access to cash and accounting records within such devices; or
- (b) If not otherwise included, any other person whose total cash compensation is in excess of \$50,000 per year; or
- (c) If not otherwise included, the four most highly compensated persons in the gaming operation.

2. Primary Management Official means

- (a) The person having management responsibility for a management contract;
- (b) Any person who has authority:
 - (1) To hire and fire employees; or
 - (2) To set up working policy for the gaming operation; or
- (c) The chief financial officer or other person who has financial management responsibility.

3. Gaming Enterprise means

Any commercial gaming business owned by the Lower Sioux Community and operated under this Gaming Ordinance.

4. Compact on Video Games of Chance means

The Tribal/State compact between the Lower Sioux Indian Community in Minnesota and the State of Minnesota for the control of Class III video games of chance, adopted and approved under the Indian Gaming Regulatory Act of 1988, as that compact may be amended from time to time.

5. Compact on Blackjack means

The Tribal/State compact between the Lower Sioux Indian Community in Minnesota and the State of Minnesota for the control of Class III blackjack, adopted and approved under the Indian Gaming Regulatory Act of 1988, as that compact may be amended from time to time.

B. Application Forms

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

In compliance with the Privacy Act of 1974, the following information is provided: Solicitation of the information on this form is authorized by 25 U.S.C. 2701 et seq. The purpose of the requested information is to determine the

eligibility of individuals to be employed in a gaming operation. The information will be used by National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecutions or when pursuant to a requirement by a tribe or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license, or investigations of activities while associated with a tribe or gaming operation. Failure to consent to the disclosures indicated in this notice will result in a tribe's being unable to hire you in a primary management official or key employee position.

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

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

a. Complete a new application form that contains a Privacy Act notice; or

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

3. The following notice shall be placed on the application form for a key employee or a primary official before that form is filled out by an applicant.

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

4. Existing key employees and primary management officials shall be notified in writing that they shall either:

a. Complete a new application form that contains a notice regarding false statements; or

b. Sign a statement that contains the notice regarding false statements.

C. Background Investigations

1. The Community Council shall request from each primary management official and from each key employee all of the following information:

- a. Full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);
- b. Currently and for the previous 5 years: business and employment positions held, ownership interests in those businesses, business and residence addresses, and drivers license numbers;
- c. The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (1)(b) of this section;
- d. Current business and residence telephone numbers;
- e. A description of any existing and previous business relationships with Indian tribes, including ownership interests in those businesses;
- f. A description of any existing an previous business relationships with the gaming industry generally, including ownership interests in those businesses;
- g. The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;
- h. For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date and disposition if any;
- i. For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations) within 10 years of the date of the application, the name and address of the court involved and the date and disposition;
- j. For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed

pursuant to paragraph (1)(h) or (1)(i) of this section, the criminal charge, the name and address of the court involved and the date and disposition;

- k. The name and address of any licensing or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;
- l. A current photograph;
- m. Any other information the Community Council deems relevant; and
- n. Fingerprints taken on behalf of the Community by officials from a Minnesota County Sheriff's Office.

2. The Community Council shall conduct, or cause to be conducted, an investigation sufficient to make a determination under subsection D. below. In conducting a background investigation, the Community or its agent shall promise to keep confidential the identity of each person interviewed in the course of the investigation. Fingerprints taken on behalf of the Community shall be submitted through the National Indian Gaming Commission to the Federal Bureau of Investigation for a fingerprint check. In addition, for Class III gaming, pursuant to Tribal/State Compacts, the Community shall submit information to the State of Minnesota in order to allow the State Commissioner of Public Safety to perform a background check.

D. Eligibility Determination

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

E. Procedures for Forwarding Applications and Reports for Key Employees and Primary Management Officials to the National Indian Gaming Commission

1. When a key employee or primary management official begins work at a gaming enterprise authorized by this ordinance, the

Community Council or its delegate shall forward to the National Indian Gaming Commission a completed application for employment and conduct the background investigation and make the determination referred to in subsection D of this section.

2. The Community Council or its delegate shall forward the report referred to in subsection F of this section to the National Indian Gaming Commission within 60 days after an employee begins work or within 60 days of the approval of this ordinance by the Chairman of the National Indian Gaming Commission.

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

F. Report to the National Indian Gaming Commission

1. Pursuant to the procedures set out in subsection E of this section, the Community Council or its delegate shall prepare and forward to the National Indian Gaming Commission an investigative report on each background investigation. An investigative report shall include all of the following:

- a. Steps taken in conducting a background investigation;
- b. Results obtained;
- c. Conclusions reached; and
- d. The bases for those conclusions.

2. The Community Council or its delegate shall submit, with the report, a copy of the eligibility determination made under subsection D of this section.

3. If a license is not issued to an applicant, the Community Council or its delegate:

- a. Shall notify the National Indian Gaming Commission; and
- b. May forward copies of its eligibility determination and investigative report (if any) to the National Indian Gaming Commission for inclusion in the Indian Gaming Individuals Records System.

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

G. Granting a Gaming License

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

2. The Community Council or its delegate shall respond to a request for additional information from the Chairman of the National Indian Gaming Commission concerning a key employee or a primary management official who is the subject of a report. Such a request shall suspend the 30-day period under paragraph G.1. of this section until the Chairman of the National Indian Gaming Commission receives the additional information.

3. If, within the thirty (30) day period described above, the National Indian Gaming Commission provides the Community with a statement itemizing objections to the issuance of a license to a key employee or to a primary management official for whom the Community has provided an application and investigative report to the National Indian Gaming Commission, the Community shall reconsider the application, taking into account the objections itemized by the National Indian Gaming Commission. The Community Council or its delegate shall make the final decision whether to issue a license to such applicant.

H. License Suspension

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

2. The Community Council or its delegate shall notify the licensee of a time and a place for a hearing on the proposed revocation of a license.

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

VIII. License Locations

The Community Council or its delegate shall issue a separate license to each place, facility, or location on Indian lands where Class II or Class III gaming is conducted under this ordinance.

IX. Repeal

All prior gaming ordinances are hereby repealed.

X. Compliance With Tribal-State Compacts

The Community shall adopt regulations and take all actions necessary to ensure that Class III gaming conducted on the lands of the Community complies in all respects with the Tribal-State Compacts between the Community and the State of Minnesota for Class III Video Games of Chance and Class III Blackjack Gaming.

XI. Conduct of Class II and Class III Games

All Class II and Class III games operated under this ordinance shall be conducted in accordance with this section.

A. Rules and Restrictions for Gaming Activities. Each Licensee operating a Gaming Enterprise under a license issued by the Community pursuant to Section VII of this ordinance must all times observe the following rules and restrictions on gaming activities:

1. **No Credit Extended.** All gaming shall be conducted on a cash basis. Except as herein provided, no person shall be extended credit for gaming by any Gaming Enterprise. This restriction shall not apply to credits won by players who activate play on video games of chance after inserting coins or currency into the game, and shall not restrict the right of a Gaming Enterprise to offer check cashing or to install or accept bank card or credit card transactions in the same manner as would be normally permitted at any retail business within the State of Minnesota.

2. **Minimum Age for Players.** No person below the age of eighteen (18) years on the date of gaming shall be permitted to participate in the gaming in any Gaming Enterprise. If any person below the age of eighteen (18) years plays and otherwise qualifies to win any prize, the prize shall not be paid, and the estimated amount wagered during the course of the game shall be returned to the player.

3. **Procedure Manuals.** Each Gaming Enterprise shall publish and maintain a manual governing personnel policies and procedures,

including standards of conduct and job descriptions for each employee, and describing the procedures that the Enterprise will follow, and the rights available, to each employee subject to the manual.

B. Rules and Restrictions Governing Bingo Games. The conduct of bingo games within a Gaming Enterprise must take place within the following rules and restrictions:

1. Bingo Equipment to be Used. The conduct of bingo must employ a machine or other device from which bingo balls, or appropriate substitute equipment, are withdrawn, ensuring that such drawing is on a random basis. The balls or appropriate substitute drawing equipment must be available for inspection by the players before a bingo session begins to determine that all are present and in operating condition. Each numbered ball or marker must be essentially equal as to size, weight, shape and balance and as to all other characteristics that may control their selection and all must be free from any defects and be present in the receptacle before each game is begun. Each bingo card must have printed on its face both its individual card or sheet number and the series number assigned by the manufacturer to that set of bingo cards.

2. Conduct of Games. Bingo games shall be conducted in the following manner:

(a) Each Gaming Enterprise conducting bingo games shall post a notice or notices on its premises which are plainly visible to the public, and which shall contain the rules governing the conduct of bingo.

(b) All sales of bingo cards must take place upon the site immediately preceding or during the session for which the bingo cards are being sold.

(c) No bingo card shall be reserved for use by players, except braille cards or other cards for use by legally blind or disabled players.

(d) The particular arrangement of numbers required to be covered in order to win each game must be clearly described and announced to the players immediately before.

(e) Immediately following the drawing of each bingo ball in a bingo game, the caller shall display the letter and number on the ball to the players and the corresponding letter or number on the Gaming Enterprise's flashboard must be lit for player viewing.

(f) A winner shall be determined when a specified pattern of called numbers appear on a card; and every winning card shall be verified by an employee of the Gaming Enterprise.

next ball or object randomly selected must be removed and must be the next ball or object to be called in the event the declared winning bingo is not valid.

(h) No person shall engage in any act, practice or course of operation that would affect the integrity or adversely affect the outcome of any bingo game.

(i) No person who works at a Gaming Enterprise during a bingo session shall be permitted to play in a bingo game during that bingo session.

(j) No person who works at a Gaming Enterprise may have direct contact with a member of his or her immediate family, including the employee's spouse, child, parent, brother, or sister, on any matter involving the play of bingo, during a bingo session.

3. Bingo Records. For each bingo session, the following records must be kept:

- (a) the number of players in attendance;
- (b) the total amount wagered;
- (c) the total prizes, cash and non-cash, awarded;
- (d) a copy of the schedule of gems and their prizes; and
- (e) the number and price of cards sold, by type.

4. Checkers Required. One or more checkers must be engaged for each bingo session. The checker or checkers must record on a form prescribed by the Community the number of cards played in each game, the registration or card number of each winning card, and the prizes awarded to the recorded cards. Each checker, must certify that the figures are correct to the best of the checker's knowledge.

5. Gross Receipts Compared and Discrepancies Reported. The gross receipts of each bingo occasion must be compared to the checkers' records by an employee of the Gaming Enterprise who did not sell cards for the session. The comparison must be on a form prescribed by the Community. If a discrepancy of more than \$20 is found between the gross receipts as reported by the checkers and the gross receipts as determined by totalling the cash receipts, a copy of the comparison must be provided to the Community Council within five days of the bingo session.

B. Rules and Restrictions Governing "Blackjack" Games. The conduct of games of "Blackjack" in a Gaming Enterprise must take place in accordance with the following rules and restrictions:

1. Object of Game. Blackjack shall be a Table Game played by a maximum of seven players, with one Dealer per Table. The object of the game shall be for a player to obtain a higher total point count than the Dealer, but not to exceed twenty-one points, and subject to the provisions of this Code, the rules of play shall be those generally applicable to the game known as "Blackjack" or "Twenty-One", as that game is played in the United States of America.

2. Card and Values. The game shall be played with decks of Blackjack Cards, which shall have the characteristics specified in section 5.c. of this Code, and shall comply with the terms of the Compact. For purposes of Blackjack, the Blackjack Cards shall have the following values:

(a) Aces shall count either one point or eleven points, at the option of the player;

(b) Numbered Blackjack Cards shall count the same number of points as the number on the Card (for example, a "9" Card shall count 9, and a "10" card shall count 10).

(c) Blackjack Cards bearing a King, Queen, or Jack shall count 10.

In the initial deal, when a player or the Dealer is dealt an Ace and any of the ten count Blackjack Cards, that combination shall constitute a natural Blackjack, which may be identified by the player or Dealer as "Blackjack".

3. Wagers. In the play of Blackjack, the following forms of wagers may be made by a player:

(a) Original Wager. An Original Wager shall be made by placing a Chip or Chips representing an amount from two dollars to one thousand dollars, as designated by a sign plainly posted at each table, inside the betting space provided on the playing surface of the Blackjack Playing Table, before the first Card is dealt in the game. Once the first card is dealt in a game, no Original Wager may be altered by any player.

(b) Split Wager. If a player receives, in the initial deal of Cards, either a pair or any two ten-count Cards, the player may split the cards, provided that no player may play more than four hands in one betting space. For each hand thus created, the player may wager an amount equal to the Original Wager.

(c) Double-Down Wager. After receiving two Cards, or two Cards for each hand in a split hand, a player may make a Double-Down Wager by wagering an additional amount equal to the Original Wager; and a player playing split hands may make a Double-Down Wager by wagering an amount equal to the Original Wager for

one or more such hands, provided that no player may place a Double-Down Wager on split Aces.

(d) Insurance Wager. If the first card received by the Dealer is an Ace, a player may make an insurance Wager in an amount equal to one-half of the amount of the Original Wager.

(e) Tip-Bet Wager. A Tip-Bet Wager, if made, shall be made before the first Card is dealt, and may be in any amount up to one-half of the Original Wager. It may not be increased or changed during play, and cannot be the subject of a Double-Down Wager or an Insurance Wager. If, following a Tip-Bet Wager, a player splits hands, the Tip-Bet Wager shall be assigned to the player's right-hand set of Cards (the first Cards to be played). All Tip-Bet Wagers shall have a pay-off of one dollar for each dollar wagered, whether or not the player receives a natural Blackjack. When a Tip-Bet Wager is made, if a player's hand wins, the Tip-Bet Wager shall be returned to the player and the amount won from the Enterprise becomes the property of the Dealer; if the Dealer's hand wins, the Tip-Bet Wager becomes the property of the Enterprise; and if the player's hand ties the Dealer's hand, the player may either take back the Tip-Bet Wager or leave it on the playing surface for the next round of play.

(f) Disposition of Tip-Bet Wagers Received. All Tip-Bets won by a Dealer shall be deposited in the locking Tip Box in the Dealer's pit area, shall be pooled with all other tips earned by dealers, and shall be divided weekly between Dealers and Pit Bosses on a formula to be agreed upon by them, subject to the requirements of Federal and State income tax laws and regulations.

4. Staffing. At any Gaming Enterprise conducting Blackjack games, the following staffing requirements shall apply:

(a) Necessary Staff on Duty. At all times during the conduct of Blackjack games at a Gaming Enterprise, the following staff must be on duty:

- (1) at least one Cashier;
- (2) at least one Pit Boss for each pit area open, and not less than one pit boss for each four open tables;
- (3) one Dealer per open table.

(b) Training of Dealers. All Dealers in Blackjack games must have completed at least thirty hours of training with the Gaming Enterprise.

(c) Training of Pit Bosses. All Pit Bosses must have completed at least six weeks of employment as a Dealer, and at

least thirty hours of Pit Boss Training within the Gaming Enterprise.

5. Equipment. The following requirements shall apply to all equipment used in the play of Blackjack:

a. Blackjack Playing Table -- Physical Characteristics. Each Playing Table for the play of Blackjack shall have the following characteristics:

(1) The Playing Table shall have either five or seven separate distinct betting spaces.

(2) The playing surface of the Playing Table shall prominently display the following complete statements: "Blackjack PAYS 3 TO 2" and "CALLER MUST STAND ON 17 AND MUST DRAW TO 16".

(3) Drop boxes, meeting the requirement of section 5.b. of this Gaming Ordinance, shall be securely locked to each Playing Table.

(4) The playing surface shall include special betting places for use of the placement of Tip-Bet Wagers.

(5) Unless only one Playing Table is used at the Gaming Enterprise, a Playing Table number must be either permanently imprinted, or adhesively backed and impressed thereon, or attached to the top of each Playing Table.

(6) Each Playing Table or Pit Area shall be equipped with a removable transparent lockable Tip Box.

(7) A Card or Plaque located on the top of each Playing Table must indicate the minimum and maximum wagers permitted under the provisions of this Gaming Ordinance.

b. Drop Boxes -- Physical Characteristics. Each Playing Table for the play of Blackjack shall have a removable metal container known as a "Drop Box" into which must be deposited all duplicate Fill Slips, original Credit Slips, and currency received from Players for the purchase of Chips. Each Drop Box shall have the following characteristics:

(1) Unless only one Blackjack Playing Table is used at a Gaming Enterprise, each Drop Box shall have a number, either attached, permanently imprinted, or adhesively backed and impressed thereon, which corresponds to the number of the Playing Table to which it is attached.

(2) Each Drop Box shall be securely locked to its Playing Table, and shall have an individually keyed lock.

(3) During play, each Drop Box shall have a money plunger, which shall remain in the Drop Box slot at all times except when currency and forms are inserted into the Drop Box.

c. Blackjack Cards -- Physical Characteristics. All cards used in the play of Blackjack shall have the following characteristics:

(1) The cards used in the play of Blackjack shall be four or more complete decks of Blackjack Cards, shuffled together and used as one deck. The cards must be dealt as a single packet from a Dealing Shoe, which shall have the characteristics described in section 5.d. of this Gaming Ordinance.

(2) The design and color of the backs of each card in the decks in a Dealing Shoe shall be identical.

(3) No deck of Blackjack Cards may be used in any Blackjack Game if any card therein is taped, defaced, bent, crimped, cut, shaved, or deformed in any other manner.

d. Blackjack Dealing Shoe -- Physical Characteristics. Each Dealing Shoe used in the play of Blackjack shall have the following characteristics: It shall have an opaque face plate, a white or transparent base plate, and transparent sides, or a cutout under the base plate of each side, and shall be designed to contain at least four complete decks of Blackjack Cards.

(e) Blackjack Chips -- Physical Characteristics. Each Chip used in the play of Blackjack shall have the following characteristics:

(1) Each Chip shall be a die-cut clay security chip, designed, manufactured, and constructed to prevent, to the maximum extent possible, its counterfeiting.

(2) The playing value of each Chip, and the name of the Gaming Enterprise issuing the Chip, shall be clearly imprinted on the Chip.

6. Distribution of Chips to Playing Tables -- Use of Fill Slips. The following procedures shall govern the distribution of Chips to the Playing Tables, and the use of Fill Slips, for the play of Blackjack:

(a) Fill Slips -- Characteristics. The Fill Slips required by this section of this Gaming Ordinance shall be serially prenumbered forms, which shall be used in sequential order. Fill Slips shall be so designed as to permit the recording thereon of the following information: the date and time of the use of the Fill Slip, the quantity and denomination of the Chips being distributed, the total dollar value of each denomination of Chips being distributed, the total dollar value of all of the Chips being distributed, the

number of the Playing Table to which the distribution is being made, and the name of the Cashier making the distribution.

(b) Fill Slips -- Use. A Fill Slip shall be prepared by a Cashier prior to any distribution of Chips to any Playing Table. On the original and duplicate Fill Slip, all of the information described in section 5.a. of this Gaming Control Code shall be recorded by the Cashier distributing the Chips. The Pit Boss, or an employee designated by the Pit Boss, then shall examine the Chips being distributed and the Fill Slip, and if the Fill Slip correctly records all information, the Pit Boss or the designated employee shall sign the Fill Slip. The original copy of the Fill Slip shall be retained by the Cashier, and the Pit Boss or the designated employee shall transfer the duplicate copy of the Fill Slip, together with the Chips being distributed, to the Playing Table. The Dealer at the Playing Table shall then examine the Chips being distributed, and if the duplicate copy of the Fill Slip correctly records all information, the Dealer shall sign or initial the duplicate Fill Slip, and shall then immediately deposit it in the Drop Box attached to the Playing Table. Any Fill Slips which are voided must be marked "void" on both the original and duplicate copy, shall be signed by the person thus marking the Slips, and shall be recorded and retained in the same manner as valid Fill Slips.

(c) Fill Slips -- Accounting. Records of the serial number of all Fill Slips, and of the name of the cashier to whom each Fill Slip is distributed, together with the original and duplicate copy of each Fill Slip, including each void Fill Slip, shall be maintained by an employee of the Gaming Enterprise who is not a Cashier, Dealer, or Pit Boss.

7. Removal of Chips from Playing Tables -- Use of Credit Slips. The following procedures shall govern the removal of Chips from the Playing Tables, and the use of Credit Slips, for the play of Blackjack:

(a) Credit Slips -- Characteristics. The Credit Slips required by this section of this Gaming Ordinance shall be serially prenumbered forms, which shall be used in sequential order. Credit Slips shall be so designed as to permit the recording thereon of the following information: the date and time of the use of the Credit Slip, the quantity and denomination of the Chips being removed, the total dollar value of each denomination of Chips being removed, the total dollar value of all the Chips being removed, the number of the Playing Table from which the removal is being made, and the name of Dealer assigned to the Playing Table from which the Chips are being removed.

(b) Credit Slips -- Use. A Credit Slip shall be prepared prior to the removal of any Chips from any Playing Table. On the original and duplicate Credit Slip, all of the information

described in section 7.a. of this Gaming Ordinance shall be recorded by the Dealer from whose Playing Table the Chips are being removed. The Pit Boss then shall examine the Chips being removed and the Credit Slip, and if the Credit Slip correctly records all information, the Pit Boss shall sign the Credit Slip. The original copy of the Credit Slip shall be retained by the Dealer, and shall immediately be deposited in the Drop Box attached to the Playing Table, and the Pit Boss shall transfer the duplicate copy of the Credit Slip, together with the Chips being removed, to the Cashier. The Cashier shall then examine the Chips being removed, and if the duplicate copy of the Credit Slip correctly records all information, the Cashier shall sign or initial the duplicate Credit Slip and shall retain it. Any Credit Slips which are voided must be marked "Void" on both the original and duplicate copy, and shall be signed by the person thus marking the Slips. All Credit Slips marked "Void" shall be recorded and retained in the same manner as valid Credit Slips.

(c) Credit Slips -- Accounting. Records of the serial numbers of all Credit Slips, and of the name of the Dealer to whom each Credit Slip is distributed, together with the original and duplicate copy of each Credit Slip, including each void Credit Slip, shall be maintained by an employee of the Gaming Enterprise who is not a Cashier, Dealer, or Pit Boss.

8. Blackjack Chip Bank Services. Blackjack Chip Bank Services shall occur in accordance with the following rules and restrictions:

(a) Sale of Blackjack Chips. Chips shall be sold only at Playing Tables, and shall be sold only for United States currency. No checks may be accepted for the purchase of Chips. The value at which Chips are sold and redeemed must be conspicuously posted by the Gaming Enterprise, and shall be visible to each person at the time Chips are purchased.

(b) Procedure for Accepting Cash. Each Dealer accepting currency for Chips at a Playing Table shall spread such currency on the surface of the Playing Table, in full view both of the player who presented it and of the Pit Boss assigned to the Playing Table. The Dealer shall then announce the amount of such currency, in a tone of voice loud enough to be heard by the player who presented the currency and the Pit Boss assigned to the Playing Table.

(c) Exchange of Chips -- Placement of Currency in Drop Box. Immediately after performing the procedures described in this section, the Dealer accepting currency shall give to the player who presented it an equivalent amount of Chips, and shall remove the currency received from the surface of the Playing Table and place it into the Drop Box attached thereto.

(d) Disposition of Currency -- Access to Drop Box. All currency

received for Chips at Playing Tables must be kept completely separate and apart from all other monies received by a Gaming Enterprise until such currency has been counted in accordance with the provisions of this Gaming Ordinance. No person, other than the Count Team described in this Gaming Ordinance, shall have access to the contents of any Drop Box.

(e) Redemption of Chips. Each Gaming Enterprise shall redeem Blackjack Chips for cash at the value for which they were sold, provided that such Chips were obtained lawfully and in accordance with the provisions of this Gaming Ordinance. The cash bank from which funds are obtained to redeem Chips shall be completely separate and apart from all other monies held by the Gaming Enterprise.

D. Video Games of Chance. The following requirements shall apply to the management and conduct of all Video Games of Chance within any Gaming Enterprise:

1. Licensing of Manufacturers. No Gaming Enterprise may own, lease, or operate Video Games of Chance that have been manufactured by a manufacturer that has not received a license from the Community. The Community shall issue licenses only to manufacturers of Video Games of Chance holding a valid license from the State of Minnesota, or the State of New Jersey, or the State of Nevada, or the State of South Dakota.

2. Licensing of Distributors. No Gaming Enterprise may own, lease, or operate Video Games of Chance that have been distributed by a distributor that has not received a license from the Community. The Community shall issue licenses only to distributors of Video Games of Chance holding a valid license from the State of Minnesota, or the State of New Jersey, or the State of Nevada, or the State of South Dakota.

3. Suspension, Revocation, or Non-Renewal of Manufacturer or Distributor License. In the event that the State of Minnesota, or the State of New Jersey, or the State of Nevada, or the State of South Dakota suspends, revokes, or refuses to renew a license of a manufacturer or distributor of Video Games of Chance similarly licensed by the Community, such action shall be grounds for similar action by the Community and the Community shall suspend, revoke or refuse to renew the license issued by the Community to such manufacturer or distributor.

4. Qualifications of Lessors of Video Games of Chance. In accordance with the terms of the Compact on Video Games of Chance, prior to entering into any lease agreement for Video Games of Chance or related equipment each Gaming Enterprise shall obtain sufficient information and identification from the proposed lessor, and all persons holding any direct or indirect financial interest in the lessor or the proposed lease agreement, to permit the State

of Minnesota to conduct a background check on those persons. The information shall be provided in writing, along with the standard fee, to the State Commissioner of Public Safety, who shall conduct the background check and provide a written report to the Community regarding each applicant within thirty (30) days of the receipt of such request. No Gaming Enterprise shall enter into a lease agreement for Video Games of Chance or related equipment with any person or entity if the State Department of Public Safety determines that the lessor, or any manager or person holding a direct or indirect financial interest in the lessor or the proposed lease agreement has been convicted of a felony within the previous five years, or has been convicted of a felony or a gross misdemeanor involving fraud, misrepresentation or gambling.

5. Technical Standards: Testing and Approval of Video Games of Chance. No Video Game of Chance may be purchased, leased, or otherwise acquired by a Gaming Enterprise unless: (i) the Video Game of Chance is purchased, leased or acquired from a manufacturer or distributor licensed to sell, lease or distribute Video Games of Chance by the Community pursuant to this Ordinance; and (ii) the Video Game of Chance, or a prototype thereof, has been tested, approved or certified by a Gaming Test Laboratory as meeting the requirements standards of the Compact on Video Games of Chance.

6. Technical Standards: Application for Approval of Prototype Video Game of Chance. Each Gaming Enterprise shall provide or require that a manufacturer of Video Games of Chance provide to a Gaming Test Laboratory two copies of Video Games of Chance illustrations, schematics, block diagrams, circuit analyses, technical and operation manuals, program object and secure codes and hexadecimal dumps (the compiled computed programs represented in base 16 format) and any other information requested by the Gaming Test Laboratory.

7. Technical Standards: Testing of Video Games of Chance. If required by the Gaming Test Laboratory, the Gaming Enterprise shall require the manufacturer of a Video Game of Chance to transport not more than two working models of a Video Game of Chance and related equipment to a location designated by the laboratory for testing, examination and analysis. The testing, examination and analysis may include the entire dismantling of the Video Game of Chance and related equipment and some tests may result in damage or destruction to one or more electronic components of the devices. If required by the laboratory, the Gaming Enterprise must require the manufacturer to provide specialized equipment or the services of an independent technical expert to assist with the testing, examination and analysis.

8. Technical Standards: Report of Test Results. At the conclusion of each test of a Video Game of Chance, the Gaming Test Laboratory shall provide to the Minnesota State Commissioner of Public Safety and the Community Council a report that contains

findings, conclusions and a determination that the Video Game of Chance and related equipment conforms or fails to conform to technical requirements and standards set forth in the Compact on Video Games of Chance. If modifications can be made which would bring the Video Game of Chance or related equipment into compliance with the requirements and standards set forth in the Compact on Video Games of Chance, the report may contain recommendations for such modifications.

9. Technical Standards: Modifications of Approved Video Games of Chance. The manufacturer or distributor of a Video Game of Chance shall assemble and install each Video Game of Chance and related equipment in a manner approved and licensed by the Community. No modification to the assembly or operational functions of any Video Game of Chance or related equipment may be made after testing and installation unless a Gaming Test Laboratory certifies to the Minnesota State Department of Public Safety and the Community that the modified Video Game of Chance conforms to the standards of the Compact on Video Games of Chance. All proposed modifications shall be described in a written request made to the Minnesota State Commissioner of Public Safety, the Gaming Test Laboratory and the Community. The written request shall contain information describing the modification, the reason therefore and all documentation required by the Gaming Test Laboratory. In all emergency situations where modifications are necessary to prevent cheating or malfunction, the Gaming Test Laboratory may grant temporary certification of the modifications for up to fifteen (15) days pending compliance with the terms of this section of the Code.

10. Technical Standards: Conformity to Technical Standards of Compact on Video Games of Chance As a condition to maintaining a manufacturer's and/or distributor's license under this Ordinance, each manufacturer and/ or distributor of a Video Game of Chance shall certify to the Community and to the Minnesota State Commissioner of Public Safety that, upon installation, each Video Game of Chance placed in a Gaming Enterprise by such manufacturer or distributor (i) conforms precisely to the exact specifications of the Video Game of Chance prototype tested and approved by the Gaming Test Laboratory; and (ii) operates and plays in accordance with the technical standards set forth in sections 6.9 and 6.10 of the Compact on Video Games of Chance.

11. Technical Standards: Information to be Provided. Prior to installation the Community shall require that the manufacturer or distributor of such Video Game of Chance provide to the Minnesota State Commissioner of Public Safety: (i) a list of all states in which the distributor or manufacturer from whom the Video Game of Chance was acquired or leased is licensed, the license numbers (if licensed numbers are issued) and operative dates of the license(s); and (ii) identification numbers or codes for each Video Game of Chance placed in the Gaming Enterprise.

12. Technical Standards: Hardware and Software Requirements for Video Games of Chance. Each Video Game of Chance operated by a Gaming Enterprise must be licensed by the Community, and shall meet the specifications contained in Sections 6.9 and 6.10 of the Compact on Video Games of Chance, as those specifications may be amended from time to time.

I DO HEREBY CERTIFY that the foregoing Class II and III Gaming Ordinance was duly adopted by a vote of 3 for and 0 against at a special meeting of the Lower Sioux Community Council, a quorum being present, held on November 11, 1993, at Minneapolis, Minnesota.


Joseph Goodthunder, Chairman
Lower Sioux Community Council