



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

AUG 10 1990

Dan Brown, Chairman
Leech Lake Reservation
Business Committee
RR. 3, Box 100
Cass Lake, Minnesota 56633

Dear Chairman Brown:

I am in receipt of the tribal-state compact concluded between the Corporate Commission of the Leech Lake Band of Chippewa Indians and the State of Minnesota, accompanied by a tribal resolution authorizing the compact process.

Pursuant to my delegated authority and section 11 of the Indian Gaming Regulatory Act of 1988 (P.L. 100-497; 25 U.S.C. 2701 et seq.), I approve the compact.

Section 11(d), (25 U.S.C. 2710) of the Gaming Act requires that the Chairman of the National Indian Gaming Commission approve tribal resolutions authorizing Class III gaming. However, no Commission exists to date. In this interim period, it is the position of the Department of the Interior that the tribal resolution meets the requirements of the Act. When the Commission is established, the tribe shall then submit its resolution for approval by its Chairman.

The compact shall take effect upon publication in the Federal Register of notice of my approval pursuant to section 11(d)(3)(B).

I wish the Tribe and the State success in this economic endeavor.

Sincerely,

/S/ Eddie F. Brown

Assistant Secretary - Indian Affairs

Enclosure

Identical letter to: Rudy Perpich, Governor
State of Minnesota
130 Capitol Building
St. Paul, Minnesota 55102

Copy to: Minneapolis Area Office

bcc: Secty's Reading File(2)
Secty's File Copy
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**TRIBAL-STATE COMPACT
FOR CONTROL OF CLASS III VIDEO GAMES OF CHANCE ON
THE LEECH LAKE RESERVATION
IN MINNESOTA**

This Compact is made this 6th day of June, 1990, by and between the State of Minnesota (hereinafter "State") and the Leech Lake Band of Chippewa Indians, (hereinafter "Tribe"). The State is acting through its Governor and the Governor's designated representatives as authorized by Minn. Stat. § 3.9221 (1989). The Tribe is acting through its Chairman and Secretary/Treasurer, as duly authorized by resolution of the Leech Lake Reservation Business Committee, the federally recognized governing body of the Leech Lake Band of Chippewa Indians. This Compact is made pursuant to the "Indian Gaming Regulatory Act of October 17, 1988", Public Law 100-497, 102 Stat. 2467, 25 U.S.C. Sec. 2701 to 2721 (1988), (hereinafter referred to as "IGRA").

WHEREAS, the State of Minnesota and the Leech Lake Band of Chippewa Indians are separate sovereigns, and each respects the laws of the other sovereign; and

WHEREAS, the Tribe is an Indian Tribe as the term is defined by IGRA and exercises governmental authority within the Leech Lake Reservation (hereinafter "Reservation"), which, for purposes of this Compact, means those lands within the current boundaries of the Leech Lake Reservation and any other "Indian lands", as defined by IGRA over which the Band exercises governmental authority; and

WHEREAS, the Congress of the United States has enacted IGRA, creating a mechanism through which the several States and Indian tribal governments may enter into Compacts to allocate jurisdiction and control of Class III gaming activity which occurs on Indian lands; and

WHEREAS, the Legislature of the State of Minnesota authorized the Governor or his representatives to negotiate with regard to Compacts with the several Indian tribal governments in the State of Minnesota; and

WHEREAS, the Governor has appointed Senator Ron Dicklich, Representative Becky Kelso and Lottery Director George Andersen, to negotiate Tribal-State Compacts with Indian tribal governments in the State of Minnesota; and

WHEREAS, the Tribe is a federally recognized Indian tribal government which is duly qualified to conduct certain types of Class III gaming on its lands;

NOW THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Tribe and the State enter into the following Compact.

Section 1. Findings and Declaration of Policy

1.01 Findings

As the basis for this Compact, the State and the Tribe have made the following findings:

- 1.02 This Compact shall govern the licensing, regulation and operation of video games of chance within the Reservation. Video games of chance are defined as electronic or electromechanical video devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, 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 game credits, cash, tokens, or replays, and contain a meter or device to record unplayed credits or replays.
- 1.03 The purposes of this Compact include providing the Tribe with the opportunity to operate video games of chance in a way that will benefit the Tribe economically, that will insure fair operation of the games, and that will minimize the possibilities of corruption and infiltration by criminal influences.
- 1.04 The Tribe has the right to license and regulate gaming activity on its lands in accordance with the IGRA and this Compact.
- 1.05 A principal goal of Federal Indian policy is to promote tribal economic development, tribal self-sufficiency, and strong tribal government;
- 1.06 The State and the Tribe find it to be consistent with the IGRA, and the public health, safety and welfare to regulate video games of chance pursuant to this Compact.
- 1.07 The Tribe has operated various forms of Class II gaming and has implemented controls satisfactory to the Tribe for the responsible operation and regulation of the games.
- 1.08 The Tribe has the intention to operate video games of chance pursuant to this Compact contemporaneously with its Class II gaming operations.

1.1 Declaration of Policy

- 1.2 In the spirit of cooperation, the State and the Tribe hereby set forth in joint effort to carry forward and implement the terms of the IGRA regarding video games of chance within the Reservation.
- 1.3 The State recognizes the positive impacts that gaming may provide to the Tribe. The Tribe may utilize gaming generated financial resources to fund programs that provide various vital services to Reservation residents. These programs may include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, and economic development. The State also recognizes that the positive economic effects of such gaming enterprises may extend beyond the Reservation to the Tribe's neighbors and surrounding communities, and may help to foster mutual respect and understanding among Indians and non-Indians.
- 1.4 The Tribe and the State, through this Compact, and the regulations incorporated herein, shall attempt, in good faith, to address the legitimate common concerns of both parties.

Section 2. Duration and Renegotiation

2.1 Duration

This Compact shall become effective upon execution by the Governor of the State, ratification by the Tribe, approval by the Secretary of the Interior and publication of that approval in the Federal Register pursuant to the IGRA. This Compact is entered into pursuant to the IGRA, State law and Tribal law. Minn. Stat. § 3.9221, subd. 4 (1989) is incorporated herein by reference. It is the intent of the State that, if the Minnesota Legislature prohibits the operation or use of video games of chance for all purposes as against public policy and as a matter of criminal law, this section shall not be construed to provide for continued operation by the Tribe of video games of chance pursuant to this Compact. It is the intent of the Tribe that, if the Minnesota Legislature prohibits the use of video games of chance for all purpose as against public policy and as a matter of criminal law, this section shall not be construed to prohibit the continued operation by the Tribe of video games of chance pursuant to this Compact. As provided in Minn. Stat. § 3.9221, subd. 4 (1989), in the event of a request for a renegotiation or a new Compact, the existing Compact will remain in effect until renegotiated or replaced.

2.2 Renegotiation

The State or the Tribe may, by appropriate and lawful means, request negotiations to amend, replace or repeal this Compact. In the event of a request for renegotiation or the negotiation of a new Compact, this Compact shall remain in effect until renegotiated or replaced. Such requests shall be in writing and shall be sent by certified mail to the Governor of the State or the Chairman of the Tribe at the appropriate governmental office. If such a request is made by the Tribe, it shall be treated as a request to negotiate pursuant to the IGRA. The parties shall have 180 days to negotiate, and all further procedures and remedies available under the IGRA shall thereafter apply. The State and the Tribe may agree to extend the 180 day period without prejudice to the rights of either party under this section.

Section 3. Allocation of Jurisdiction

3.1 Tribal and State Jurisdiction Over Video Games of Chance

For purposes of this Compact, the Tribe shall exercise exclusive civil jurisdiction over Tribal members and members of the Minnesota Chippewa Tribe, and the Tribe and the State shall exercise concurrent civil jurisdiction over non-Tribe members. The State pursuant to P.L. 280, 18 U.S.C. 1162 may exercise criminal jurisdiction within the Reservation. This jurisdiction is concurrent with federal criminal jurisdiction under the IGRA and Tribal criminal jurisdiction over Tribal members. Nothing in this Compact shall be construed to limit State, Federal, and Tribal criminal jurisdiction.

Section 4. Regulatory Standards for Video Games of Chance

4.1 Common Interest

In recognition of the valid public policy interests of the State, which are similarly appreciated as desirable by the Tribe, the following regulatory standards are established for video games of chance operated and played within the federally recognized boundaries of the Reservation.

4.2 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 video gaming facility operated within the Reservation, and no operator shall permit any person or organization to offer such credit for a fee. 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 the Tribe or any other person 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.

4.3 Minimum Age for Players

No person below the age of 18 on the date of gaming shall be permitted to play any video game of chance. If any person below the age of 18 plays and otherwise qualifies to win any video game which requires notice and payout by the operator of the facility, the prize shall not be paid, and the estimated amount wagered during the course of the game shall be returned to the minor.

4.4 Inspection

Agents of the Department of Public Safety of the State of Minnesota, or their designated representatives, shall upon the presentation of appropriate identification, have the right to gain access, without notice during normal business hours, to all premises used for the operation of video games of chance, or the storage of video games of chance or equipment related thereto, and may inspect all premises, equipment, daily records, documents, or items related to the operation of video games of chance in order to verify compliance with the provisions of this Compact. Inspections made pursuant to this section shall not be conducted in a manner which disrupts normal business operations and shall be conducted by agents who maintain the highest security clearance available within the Department of Public Safety. Agents of the State Department of Public Safety, or their designated representatives, shall also have the right, upon the presentation of appropriate identification and with reasonable notice, to inspect other records or documents associated with the operation of video games of chance and maintained by the Tribe.

4.5 Non-Complying Video Games of Chance

The following are declared to be non-complying video games of chance:

- (1) all video games of chance to which the agents of the Department of Public Safety of the State of Minnesota or their designated representatives have been denied access for inspection purposes;

- (2) all video games of chance operated in violation of this Compact.

4.6 Demand for Remedies for Non-Complying Video Games of Chance

Video games of chance believed to be non-complying shall be so designated, in writing, by the Commissioner of the Department of Public Safety. Within 5 days of receipt of such written designation, the Tribe shall either:

- (1) accept the finding of non-compliance, remove the video games of chance from play, and take appropriate action to ensure that the Tribe, manufacturer, distributor or other responsible party cures the problem; or
- (2) contest the finding of non-compliance by so notifying the Commissioner of Public Safety in writing, and arrange for the inspection of the contested equipment or single example thereof, by an independent gaming test laboratory as provided in section 6 within three days of the receipt of the finding of non-compliance. If the independent laboratory finds that the video game of chance or related equipment is non-complying, the non-complying video game of chance and related equipment shall be permanently removed from play unless modified to meet the requirements of this Compact. Video games and related equipment removed from play and modified pursuant to this section may be returned to play only after inspection by the Department of Public Safety, under the guidance of the independent gaming test laboratory; or
- (3) contest the finding of non-compliance by: (1) filing an appropriate action in federal district court; or (2) if the court declines jurisdiction, contest the finding of non-compliance before the National Indian Gaming Regulatory Commission; or (3) if the Commission declines jurisdiction, contest the finding of non-compliance in a court of competent jurisdiction. If a court or the Commission finds that the video game or related equipment is non-complying, it shall be removed from play. Video games or related equipment removed from play pursuant to this section may be returned to play only after inspection by the Department of Public Safety or an independent laboratory performing such services for the State.

Nothing in this section shall limit the rights or remedies available to the parties under the IGRA.

Section 5. Background Investigations and Licensing of Employees and Managers

5.1 Background Investigations Prior to Employment

The Tribe, prior to placing a prospective employee whose responsibilities include the operation or management of video games of chance, shall obtain a release and other information from the applicant to permit the State to conduct a background check on the applicant. This information shall be provided in writing to the State Commissioner of Public Safety, along with the standard fee, who shall conduct the background check and provide a written report to the Tribe regarding each applicant within 30 days of receipt of the request. The Tribe may employ any person who represents in writing that he or she meets the standards set forth in this section, but must not retain any person who the Department of Public Safety reports has been: (a) convicted of any felony within five years of the commencement of employment with the Tribe; or (b) convicted of a felony or gross misdemeanor involving violence, fraud, misrepresentation, dishonesty, deceit or gambling. Criminal history data compiled by the Bureau of Criminal Apprehension of the State Division of Gambling Enforcement on prospective employees shall, subject to applicable state or federal law, be released to the Tribe as part of the report regarding each applicant.

5.2 Background Investigations of Employees During Employment

Each person whose responsibilities include the operation or management of video games of chance shall be subject to periodic review comparable to that required for initial employment as provided in section 5.1 by the State Department of Public Safety, which review shall take place at least annually commencing with the date of employment. The Tribe shall provide sufficient information to the State Commissioner of Public Safety to permit the State to conduct the background check on the employee. The Department of Public Safety shall conduct the necessary investigation within 30 days of written request therefor, subject to the standard fee, and shall provide a written report regarding each employee. Employees found to have been convicted of violations described in Section 5.1 during the term of this employment shall be dismissed.

5.3 Licensing and Discipline of Employees

All personnel employed by the Tribe whose responsibilities include the operation or management of video games of chance shall be licensed by the Tribe. The Tribe shall publish and maintain a procedural manual for such

personnel, which includes disciplinary standards for breach of the procedures.

5.4 Qualifications of Lessors of Video Games of Chance

- (1) Prior to entering into any lease agreement, the Tribe shall obtain any necessary releases and other information sufficient from the proposed lessor and all persons holding any direct or indirect financial interest in the lessor or the lease agreement to permit the State 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 Tribe regarding each applicant within 30 days of receipt of the request.
- (2) The Tribe shall not enter into any lease agreement for video games of chance or related equipment with any person or entity if the State Commissioner 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 an offense listed in Section 5.1. Notwithstanding the foregoing, existing lease agreements shall be subject to section 5.4 within six months of the effective date of this Compact.

Section 6. Technical Standards For Video Games of Chance

6.1 Testing and Approval of Video Games of Chance

No video game of chance may be purchased, leased or otherwise acquired by the Tribe unless: (1) 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 Tribe pursuant to Section 6.13; and (2) the video game of chance, or a prototype thereof, has been tested, approved or certified by a gaming test laboratory as meeting the requirements and standards of this Compact. For purposes of this Compact, a gaming test laboratory is a laboratory agreed to and designated in writing by the State Commissioner of Public Safety and the Tribe as competent and qualified to conduct scientific tests and evaluations of video games of chance and related equipment. A laboratory operated by or under contract with the states of Minnesota or Nevada, or New Jersey, or South Dakota constitutes a designated gaming test laboratory.

6.2 Application for Approval of Prototype Video Game of Chance

The Tribe shall provide or require that the manufacturer provide to the gaming test laboratory two copies of video game of chance illustrations, schematics, block diagrams, circuit analyses, technical and operation manuals, program object and source codes, hexadecimal dumps (the compiled computer program represented in base 16 format) and any other information requested by the gaming test laboratory.

6.3 Testing of Video Game of Chance

If required by the gaming test laboratory, the Tribe shall require the manufacturer to transport not more than two working models of the video game of chance and related equipment to a location designated by the laboratory for testing, examination and analysis. The Tribe shall require the manufacturer to pay for any and all costs for the transportation, testing, examination, and analysis. The testing, examination, and analysis may include the entire dismantling of the video games 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 Tribe must require the manufacturer to provide, specialized equipment or the services of an independent technical expert to assist with the testing, examination and analysis.

6.4 Report of Test Results

At the conclusion of each test, the laboratory shall provide to the State Commissioner of Public Safety and the Tribe a report that contains findings, conclusions and a determination that the video game of chance and related equipment conforms or fails to conform to the technical requirements and standards set forth in this Compact. If modifications can be made which would bring the video game or related equipment into compliance, the report may contain recommendations for such modifications.

6.5 Modifications of Approved video games of chance

The manufacturer or distributor shall assemble and install all video games of chance and related equipment in a manner approved and licensed by the Tribe. 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 State Department of Public Safety and the Tribe that the modified video games of chance conforms to the standards of this Compact. All proposed modifications shall be described in a written

request made to the State Commissioner of Public Safety, the gaming test laboratory and the Tribe, which contains information describing the modification, the reason therefor and all documentation required by the laboratory. In emergency situations where modifications are necessary to prevent cheating or malfunction, the laboratory may grant temporary certification of the modifications for up to 15 days pending compliance with this section.

6.6 Conformity to Technical Standards

The Tribe shall require the manufacturer or distributor to certify, in writing, to the Tribe and to the State Commissioner of Public Safety that, upon installation, each video game of chance placed in a gaming facility within the Reservation: (1) conforms precisely to the exact specifications of the video game of chance prototype tested and approved by the gaming test laboratory; and (2) operates and plays in accordance with the technical standards set forth in sections 6.9 and 6.10 of this Compact.

6.7 Existing Video Games Of Chance

Video games of chance, or prototypes thereof, operated within the Reservation on or before the effective date of this Compact must be tested and approved by a gaming test laboratory as required in section 6 on or before October 30, 1990. Notwithstanding the foregoing, if the existing video games of chance cannot comply with the technical standards of this Compact by October 30, 1990 due to circumstances beyond the control of the Tribe, the existing video games of chance shall be brought into compliance or replaced with complying equipment at the earliest date possible, but in no instance later than June 1, 1991.

6.8 Information to be Provided

Prior to the installation of any video game of chance acquired by the Tribe after the effective date of this Compact, and as soon as possible but in no event later than October 30, 1990, for any video game of chance operated within the Reservation on or before the effective date of this Compact, the Tribe shall provide, or require that the manufacturer or distributor provide to the State Commissioner of Public Safety:

- (1) a list of all states in which the distributor or manufacturer from whom the video games of chance were acquired or leased is licensed, the license numbers

(if license numbers are issued) and operative dates of the license(s); and

- (2) identification numbers or codes for each video game of chance placed in the Reservation.

6.9 Hardware Requirements for Video Games of Chance

Video games of chance operated within the Reservation must be licensed by the Tribe and meet the following specifications:

(1) No Physical Hazard. Electrical and mechanical parts and design principals may not subject a player to any physical hazards.

(2) Surge Protectors. A surge protector must be installed for all power which is fed to the device.

(3) Battery Back-up. A battery back-up, or an equivalent, for the electronic meters must be capable of maintaining accurate readings for 180 days after power is discontinued from the device for all information regarding:

- (a) current and total tallies of amounts wagered and paid out;
- (b) records of access to the logic board compartment;
- (c) records of access to the cash and coin compartment;
- (d) such other data as may be required by written regulation of the Tribe.

The back-up device shall be located within the locked logic board compartment and shall not be accessible to the manufacturer or distributor after the initial installation of the equipment.

(4) Power Switch. A power switch must be located in an accessible place within the interior of the game which controls the electrical current used in the operation of the game.

(5) Resistance to Electromagnetic Interference. The operation of the video game of chance, including the coin drop and other such component parts, must not be adversely affected by static discharge, radio frequency interference or other electromagnetic interference.

(6) Approved Coin and Bill Acceptors. At least one electronic or mechanical coin acceptor must be installed in or on each video game of chance. The devices may also contain bill acceptors for denominations determined by the

Tribe. Prior to operation within the Reservation, all models of coin and bill acceptors installed must have been tested and approved in writing by a gaming test laboratory as provided in Section 6.

(7) Secure Cabinets. The internal space of the video game of chance shall not be readily accessible when the door is closed and sealed.

(8) Secure Electronic Components. Logic Boards and software Electronically programmable read only memory chips (hereinafter EPROMS) and other logic control components shall be located in a separate compartment within the video game of chance and that compartment shall be locked with a different key or combination than that used for the main cabinet door.

(9) Secure Cash Compartment. The coins and currency compartment shall be secured with a different key or combination than that used for the main cabinet door, except that a separate cash compartment shall not be required for coins necessary to pay prizes in a machine which pays prizes through a drop hopper.

(10) No hardware Modification of Pay Tables or Payouts. No hardware switches (DIP Switches) may be installed which alter the pay tables or payout percentages for the game.

(11) Printed Record of Credits and Payouts Required. A single printing mechanism which must be capable of printing an original ticket and retaining an exact, legible copy, either within the game or in a slot management/reporting system approved by the gaming test laboratory, that provides permanent sequential tracking, and which permits monitoring of error conditions on a printed medium for future use, and which records the following information: (a) the number of credits; (b) value of the credits in dollars and cents; (c) the cash paid by the device and (d) any other data required by the Tribe. Video games of chance utilizing coin drop hoppers are permitted, provided they are monitored by a slot management/reporting system of the type described in this paragraph which has been approved by an independent gaming test laboratory.

(12) Identification Plates Required. Each video game of chance shall have an unremovable identification plate on the exterior of the cabinet which contains the following information:

- (a) Manufacturer;
- (b) Serial Number;

- (c) Model Number;
- (d) License stamp and number issued by the Tribe certifying compliance with the technical standards set forth in this Compact.

(13) Rules of Play and Possible Winnings Displayed. The rules of play for each game must be prominently displayed on the game screen or the cabinet face. The Tribe shall not permit the display of any rules of play which are incomplete, confusing, or misleading. Each game must display the coins or credits wagered and the credits awarded for the occurrence of each possible winning combination based on the amount wagered. All information required by this section must be kept under glass or other transparent substance and at no time shall stickers or other such materials be placed on the machine face which obscure the rules of play or the operational features of the game.

(14) Operation as Part of Telecommunications Network. The hardware requirements above shall not be construed to prevent the operation of the video game of chance as part of a local or telecommunications area network with an aggregate prize or prizes. A video game of chance capable of bidirectional communication with external associated equipment must utilize communication protocol which insures that erroneous data or signals will not adversely affect the operation of the device.

(15) Security Tape for EPROMS. Upon installation, the Tribe shall affix or cause to be affixed to the EPROM of each video game of chance a strip of security tape, capable of evidencing the removal of the EPROM if the EPROM is removed from the circuit board. The security tape shall be secured and available only to the authorized personnel of the Tribe. The Tribe shall maintain accurate and complete records of the identification number of each EPROM installed in each video game of chance.

(16) No Credit Card Meters Permitted. No video game of chance may be equipped with a device which permits the player to use a credit card rather than currency or coin to activate the game.

6.10 Software Requirements for Video Games of Chance

Video games of chance operated within the reservation must meet the following specifications:

(1) Software Requirements for Randomness Testing. Each video game of chance must have a true random number generator which will determine the occurrence of a specific

symbol or a specific number to be displayed on the video screen where such symbol, card, or number is wholly or partially determinative of the outcome of a game. A selected process will be considered random if:

(a) Chi-Square analysis.

Each symbol, card, stop position, or number position which is wholly or partially determinative of the outcome of a game, satisfies the 99 percent confidence limit using the standard chi-square analysis.

(b) Runs Test.

Each symbol, card, stop position or number does not as a significant statistic produce detectable patterns of game elements or occurrences. Each symbol, card, stop position or number will be regarded as random if it meets the 99 percent confidence level with regard to the "runs test" or any generally accepted pattern testing statistic.

(c) Correlation Analysis.

Each symbol, card, stop position or number is independently chosen without regard for any other symbol, card or number drawn within that game play. Each pair of symbol, card or number positions is considered random if it meets the 99 percent confidence level using standard correlation analysis.

(d) Serial Correlation Analysis.

Each symbol, card, stop position or number is independently chosen without reference to the same symbol, card, stop position or number in the previous game. Each symbol, card, stop position or number position is considered random if it meets the 99 percent confidence level using standard serial correlation analysis.

(e) Live game correlation.

Video games of chance that are representative of live gambling games must fairly and accurately depict the play of the live game.

(2) Software Requirements for Percentage Payout.

Each video game of chance must meet the following maximum and minimum theoretical percentage pay out during the expected lifetime of the game.

(a) Games Not Affected by Player Skill.

Video games of chance with game outcomes not affected by player skill shall payout a minimum of 80 percent and not more than 95 percent of the amount wagered, including replays. For the video game of keno and other similar games, the theoretical payout percentage requirements apply to each number of spots marked, but in no instance less than 75 percent for each wager.

(b) Video Games That Are Affected by Player Skill.

Video games that are affected by player skill, such as draw poker and blackjack, shall payout a minimum of 83 percent and no more than 98 percent of the amount wagered, including replays. This standard is met when using a method of play which will provide the greatest return to the player.

(3) Minimum Probability Standard for Maximum Payout.

Each video game of chance must have a probability of obtaining the maximum payout which is greater than 1 in 17,000,000 (ONE IN SEVENTEEN MILLION) for each play.

(4) Software Requirements for Continuation of Game After Malfunction.

Each video game of chance must be capable of continuing the current game with all current game features after a game malfunction is cleared automatically or by an attendant.

(5) Software Requirements for Play Transaction Records.

Each game shall maintain electronic accounting meters. Such meters shall be maintained at all times, whether or not the game is being supplied with external power. The following information must be recorded and stored on meters capable of maintaining totals no less than eight digits in length:

- (a) Total number of coins inserted (the meter must count the total number of coins, or the equivalent value if a bill acceptor is used, which are inserted by players);
- (b) Number of credits wagered;
- (c) Number of credits won;
- (d) Credits paid out by printed ticket voucher or cash paid by the device.

The following information must be recorded and stored on meters capable of maintaining totals no less than six digits in length:

- (e) Number of times the logic area was accessed;

- (f) Number of coins or credits wagered in the current game;
- (g) Number of coins or credits wagered in the last complete, valid game; and
- (h) Number of cumulative credits representing credits won and money inserted by a player but not collected, commonly referred to as the credit meter.

(6) No Automatic Clearing of Accounting Meters.

No video game of chance shall have a mechanism or program which will cause the electronic accounting meters to automatically clear. The electronic accounting meters may be cleared only after written records of the readings before and after the clearing process are taken by the Tribe, which shall also record the reason the meter was cleared.

6.11 Accounting and Audit Procedures.

The Tribe shall engage an independent certified public accountant to audit the books and records of all video gaming conducted pursuant to this Compact and shall make copies of the audit and all current internal accounting and audit procedures available to the State upon written request. All materials and information relating to the audit conducted hereunder which are provided to the State upon its request shall be treated as privileged information and shall not be released to third parties unless approved by the Tribe in advance in writing, ordered to be released by a court of competent jurisdiction, or required to be released pursuant to state or federal law.

6.12 Amendments to Hardware and Software Requirements for Video Games of Chance.

The technical standards set forth in section 6.9 and 6.10 shall govern the operation of video games of chance unless amended pursuant to Section 2 of this Compact or pursuant to the procedures set forth in this section. For purposes of this section, amendments to sections 6.9 and 6.10 may be made only upon the written recommendation for, and detailed explanation of, the proposed amendment by the gaming test laboratory designated pursuant to section 6.1. The State Commissioner of Public Safety and the Chairman of the Tribe may thereafter, by mutual written agreement, amend the technical standards contained in sections 6.9 and 6.10 of this Compact.

6.13 Tribal Licensing.

The Tribe shall only issue licenses to manufacturers of video gaming equipment with valid licenses from the states of Minnesota, New Jersey, Nevada, or South Dakota. The Tribe shall only issue licenses to distributors of video gaming equipment with valid licenses from the states of Minnesota, New Jersey, Nevada, or South Dakota. In the event that the State of Minnesota, or the States of New Jersey, Nevada, or South Dakota, suspend, revoke, or refuse to renew a license of a manufacturer or distributor similarly licensed by the Tribe, the Tribe shall accept the state's determination and shall require the suspension, revocation, or non-renewal of the license issued by the Tribe.

6.14 Definitions

- (1) "Chi-squared analysis" is the sum of the squares of the difference between the expected result and the observed result.
- (2) "Runs test" is a mathematical statistic which determines the existence of recurring patterns within a set of data.
- (3) "Symbol position" means first symbol drawn, second symbol drawn, in sequential order, up to the 20th number drawn.
- (4) "Video games of chance" means electronic or electromechanical video devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, 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 game credits, cash, tokens, or replays, and contain a meter or device to record unplayed credits or replays.

Section 7. Reservation of Rights Under the IGRA

The State and Tribe agree that by entering into this Compact, the Tribe shall not be deemed to have waived its right to initiate and pursue the procedure provided by section 11(d)(7) of the IGRA with respect to the State's refusal to enter into a Compact on other forms of Class III gaming, and neither the State nor the Tribe shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure.

Section 8. Severability

Each provision, section, and subsection of this Compact shall stand separate and independent of every other provision, section, or subsection. In the event that a court of competent jurisdiction shall find any provision, section, or subsection of this Compact to be invalid, the remaining provisions, sections, and subsections of the Compact shall remain in full force and effect.

Dated: June 6, 1990

Dated: 6-6-90

STATE OF MINNESOTA

LEECH LAKE BAND OF
CHIPPEWA INDIANS


GOVERNOR


CHAIRMAN


SECRETARY/TREASURER


ASSISTANCE SECRETARY - INDIAN AFFAIRS

8-10-90
DATE

LEECH LAKE RESERVATION BUSINESS COMMITTEE

RESOLUTION NO. 90-86

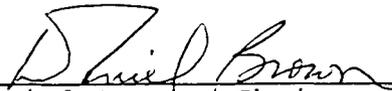
WHEREAS, the Leech Lake Reservation Business Committee is the duly elected governing body of the Leech Lake Reservation, and

WHEREAS, the Leech Lake Reservation Business Committee has identified the need to promote the economic and social well-being of Reservation residents, and

WHEREAS, in an economic development effort it is the intent of the Leech Lake Reservation Business Committee to operate class III video gaming on the Reservation,

NOW, THEREFORE BE IT RESOLVED, that the Leech Lake Reservation Business Committee grant Daniel Brown, Chairman and Alfred R. Pemberton, Secretary/Treasurer, the authority to enter into and sign all documents associated with a Tribal-State Compact concerning the control of class III video gaming on the Leech Lake Reservation.

WE DO HEREBY CERTIFY, that the foregoing resolution was duly presented and acted upon by a vote of 4 for, and 0 against, at a Special meeting of the LEECH LAKE RESERVATION BUSINESS COMMITTEE, a quorum being present, held on June 6, 1990, at Cass Lake, Minnesota.



Daniel Brown, Chairman
LEECH LAKE RESERVATION BUSINESS COMMITTEE



Alfred R. Pemberton, Secretary/Treasurer
LEECH LAKE RESERVATION BUSINESS COMMITTEE