DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Correction to notice.

SUMMARY: The following correction is being made to Federal Register notice document 91-29093 beginning on page 63572 in the issue of Wednesday, December 4, 1991:

On page 63572, second column, Supplemental Information, the tribe was previously listed as the Lower Brule Sioux Tribe. This should be corrected to read Sisseton-Wahpeton Sioux Tribe.

DATES: This action is effective upon date of publication.

ADDRESSES: Office of Tribal Services, Bureau of Indian Affairs, Department of the Interior, MS 4614, 1849 C Street NW., Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Joyce Grisham, Bureau of Indian Affairs, Washington, DC 20230, (202) 208-7445.

Dated: April 3, 1992.

Eddie F. Brown,

Assistant Secretary—Indian Affairs

[FR Doc. 92-8506 Filed 4-13-92; 8:45 am]

BILLING CODE 4310-02-M

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming; Sisseton-Wahpeton Sioux Tribe, South Dakota; Approved Tribal-State Compact

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of Approved Tribal-State Compact.

SUMMARY: Pursuant to 25 U.S.C. 2710, of the Indian Gaming Regulatory Act of 1988 (Pub. L. 100–497), the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal-State Compacts or considered approved for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority is publishing a Tribal-State Compact between the Sisseton-Wahpeton Sioux Tribe and the State of South Dakota which is considered approved, but only to the extent the compact is consistent with the provisions of the Indian Gaming Regulatory Act.

SUPPLEMENTAL INFORMATION: Because the expiration of the 45 days specified in 25 U.S.C. 2710(d)(8)(B) in which the Secretary could approve or disapprove this compact, the Lower Brule Sioux Tribe video lottery compact is considered approved as specified in 25 U.S.C. 2710(d)(8)(B) to the extent that it is consistent with the Indian Gaming Regulatory Act.

However, it is our opinion that section 11.1 of part A of the compact is not consistent with the Act.

DATES: This action is effective December 4, 1991.

ADDRESSES: Office of Tribal Services, Bureau of Indian Affairs, Department of the Interior, MS/MIB 4603, 1849 "C" Street, NW., Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Joyce Grisham, Bureau of Indian Affairs, Washington, DC 20240, (202) 208–7445.

Dated: November 26, 1991.

Eddie F. Brown,

Assistant Secretary—Indian Affairs.

[FR Doc. 91–29093 Filed 12–3–91; 8:45 am]

BILLING CODE 4310–02–M

United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

NOV 26 1991

Honorable Russell Hawkins,
Chairman, Sisseton-Wahpeton
Tribal Council
Route 2 - Agency Village
Sisseton, South Dakota 57262

Dear Chairman Hawkins:

The Bureau of Indian Affairs received your video lottery gaming compact between the Sisseton-Wahpeton Sioux Tribe and the State of South Dakota on August 13, 1991. We also received legal advice from the Acting Associate Solicitor - Indian Affairs indicating that sections 3.1 and 11.1 of Part A of the compact, read together, may violate the Indian Gaming Regulatory Act (IDRA) by imposing a state assessment on the Tribe which is unrelated to the costs of regulating the game. (Copy enclosed)

We have now completed our review. Because the statutory deadline set forth in 25 U.S.C. § 2710 (d)(8)(B) for approval or disapproval by the Department of the Interior has expired, the compact is considered approved except, as specified in 25 U.S.C. § 2710 (d)(8)(B), to the extent it is not consistent with the IGRA. However, it is our opinion that section 11.1 of Part A is not consistent with the Act.

We wish you success as you proceed to new negotiations on this compact.

Sincerely,

/S/ Eddie F. Brown

Assistant Secretary - Indian Affairs

Enclosure

Identical letter to: Honorable George Mickelson
Governor of South Dakota
700 Governor's Drive
Pierre, South Dakota 57501

cc: Aberdeen Area Director with copy of approved compact
Sisseton Agency Superintendent with copy of approved compact
National Indian Gaming Commission with copy of approved compact
Penny Coleman, SOL

bcc: Secy Surname: Secy RF: 101-A: 100: 400: BingoChron
TR Surname: TR Chron: 440 Chron: Hold
JGrisham:ff:11/7/91:TR/Ext-7445:DISK #bingo:S-WAPCPT

GAMING COMPACT FOR VIDEO LOTTERY BETWEEN THE SISSETON-WAHPETON SIOUX TRIBE AND THE STATE OF SOUTH DAKOTA

This Agreement is made and entered into as of the _____ day of MAY 30,1991, 1991, by and between the Sisseton-Wahpeton Sioux Tribe (Tribe), and the State of South Dakota (State) and is effective on the date provided for in Part C, paragraph 1, below.

WHEREAS, the Tribe is a federally recognized Indian Tribe in northeastern South Dakota; and

WHEREAS, the Constitution of the Tribe provides for adequate authority for negotiations and agreements with state government; and

WHEREAS, the State has, through constitutional provisions, legislative acts, and regulations moved for the placement and operation of video lottery machines at various locations within the State; and

WHEREAS, the Congress of the United States has enacted the Indian Gaming Regulatory Act, Public Law 100-497, 102 Stat. 2426, 25 U.S.C. § 2701, et seq. (1988) which requires Indian tribes to authorize or operate Class III gaming activities in "Indian country" pursuant to a Tribal-State Compact entered into for that purpose; and

WHEREAS, the Tribe desires to authorize the State to conduct its video lottery operation within the locations identified within this Compact but also desires to retain the option to revoke the authorization to the State to conduct a state video lottery operation in favor of its own video lottery operation;

NOW THEREFORE, in consideration of the foregoing, the Tribe and the State hereby do promise, covenant and agree that the State shall be authorized to operate its video lottery operation at the locations identified within this Compact commencing on the effective date of the Compact in conformity with the provisions of Part A and C of this Compact, provided however, that the Tribe may, on 20 days written notice to the State, revoke this authorization and may, at the expiration of that 20 day period, conduct a video lottery operation in conformity with Part B and C of this Compact at the locations identified herein, provided further that if, prior to or within 30 days following the effective date of this Compact or otherwise on 20 days written notice, the Tribe notifies the State that it will

conduct its own video lottery operation, the Tribe may do so in conformity with Part B and C of this Compact at the locations identified herein, provided further that on 20 days written notice to the State that the Tribe desires to terminate a video lottery operation conducted independently by the Tribe, the State shall be authorized to operate its video lottery operation at the locations identified within this Compact at the expiration of that 20 day period and in conformity with the provisions of Part A and C of this Compact.

PART A

1. Definition of terms.

The term "this Compact" or "this Agreement" when used in Part A refers only to the provisions in Part A.

For the purpose of this Compact, the term "video lottery machine" shall be defined at SDCL 42-7A-1(13).

2. Authorization to conduct video lottery.

The Tribe authorizes the placement and operation of video lottery games operated by the South Dakota Lottery at the tribal gaming establishments located at Dakota Sioux Entertainment Center, a facility five miles north of Watertown, on Sioux Valley Road and at Agency Village, South Dakota.

3. Operation and administration of lottery games.

3.1 The State and Tribe agree that this placement and operation of video lottery machines shall be subject to chapter 42-7A of the South Dakota Codified Laws and the regulations of the South Dakota Lottery Commission now existing, or as may be hereinafter adopted or amended, to the same extent and effect as if fully set forth in and made part of this Agreement.

3.2 Notwithstanding paragraph 3.1 above, the State and the Tribe agree that the Tribe is not required, as a condition of operating video lottery machines in a particular "building" or establishment, to obtain a liquor license for that "building" or establishment.

4. Number of machines.

4.1 The parties agree that the number of lottery machines allowed at the tribal gaming establishments identified in paragraph 2, above, shall not be more than ten per "building" as the term "building" is used in paragraph 4 of the document entitled "In Re: Official Policy of the South Dakota Lottery--Guideline for Determining Separate and Distinct Facilities" dated April 9, 1990. The parties agree further that should the April 9, 1990 "Guideline" be revised by the Lottery Commission, this Compact will be considered likewise revised.

4.2 In the alternative, and notwithstanding any other provision of this compact, including section 4.1 above, if the Tribe limits the number of "buildings" in which it conducts gaming to not more than two, the parties agree that the Tribe may have not more than a total of 20 lottery machines and that the Tribe may designate 20 machines to be placed at one "building" and none at the other "building," may designate 15 at one "building" and 5 at the other "building" or may designate any other configuration which yields a total of not more than 20 machines at the two "buildings."

4.3 Any increase or decrease of the video lottery machine limitation contained in State law and regulation will automatically result in a proportional increase or decrease in the video lottery machine limitation set forth in this Compact.

5. Civil Jurisdiction--Regulation of lottery games.

The parties agree that the State shall have exclusive jurisdiction over the licensing and regulation of the video lottery machines authorized by this Agreement, together with the present and continuing right with rule power and authority to enforce all associated laws and regulations of the State of South Dakota and the South Dakota Lottery at any place within any "Indian country" associated with the Tribe. This jurisdiction includes but is not limited to, the full power and authority for the Lottery to investigate, license and regulate all individuals and entities conducting or selling video lottery machines authorized and administered by the Lottery. The foregoing sentence does not, however, require licensing of the Tribe itself. Any civil enforcement actions permitted by this paragraph shall be prosecuted by the State before the administrative or judicial tribunals of the State of South Dakota.

To the extent necessary to carry out the provisions of this paragraph, the Sisseton-Wahpeton Sioux Tribe waives its sovereign immunity to suit in state and federal court.

6. Civil jurisdiction--Private civil disputes.

Except when a claim is under the authority in paragraph 5 above, civil jurisdiction of private disputes is covered by this paragraph. Private civil cases

involving only tribal members shall be heard in tribal court. Cases involving one or more persons who are not tribal members shall be heard in state court, unless all parties stipulate the action shall be heard in tribal court. This paragraph shall not be construed to be a waiver of the sovereign immunity of the Sisseton-Wahpeton Sioux Tribe except that by signing this Compact, the Sisseton-Wahpeton Sioux Tribe waives the sovereign immunity of the Tribe for civil actions for money damages up to the limit of any policy of insurance covering the subject matter of such civil action.

7. Criminal Jurisdiction.

The parties recognize that the State has a legitimate interest in the exercise of its criminal jurisdiction to protect the lottery operation. The parties agree that the State has criminal jurisdiction to prosecute any person, including any tribal member, for violation of any provision of SDCL 42-7A, and any regulation promulgated thereunder which has the force of law. The parties agree further that, in the case of injury or threat of injury to the property of the lottery or to those representing the lottery, the State has jurisdiction to prosecute any person, including any tribal member, for violation of any law of the state of South Dakota which protects the property of the lottery or any person representing the lottery.

8. Official action by Executive Committee.

To the extent necessary to carry out and effectuate the purposes of this Agreement, the Tribe shall enact such resolutions, ordinances, statutes and/or regulations as may be necessary to adopt and/or incorporate the provisions of the South Dakota Lottery laws and regulations relating to the placement, distribution and sale of video lottery machines authorized pursuant to and consistent with this Agreement.

9. Action to facilitate Agreement.

The Tribe and State shall, from time to time with the mutual consent of both parties in writing, execute, acknowledge, and deliver such amendments and supplements hereto as may be reasonably required for carrying out the intention of or facilitating the performance of this Agreement.

10. Accounting.

The Lottery will provide and make available to the Tribe an accounting of video lottery machine transactions on a monthly basis. The Tribe may request and the Lottery shall furnish additional accounting and sales information that is available and on file with the Lottery.

11. Payment to the Tribe.

11.1 The Lottery shall pay to the Tribe fifty percent of the State's share of net machine income from video lottery machines placed pursuant to this Compact. The amount shall be transferred to the Tribe on a monthly basis. The Lottery is not a party to or liable for any additional percentage of net machine income contracted between the Tribe and its licensed operator.

11.2 The Lottery will make payments to the Tribe by check to the person at the address named below (authorized by the Tribe to receive payment):

_____

_____

_____

The check shall be issued: Pay to the Order of

_____

Sisseton-Wahpeton
Sioux Tribe

Part All

PART B

1. Definition of terms.

The terms "this Compact" or "this Agreement", when used in Part B refer only to provisions in Part B. For the purpose of this Compact, the term "video lottery machine," shall be defined at SDCL 42-7A-1(13).

2. Purpose and Scope of Compact.

This Compact and the Tribe's gaming regulations and ordinances shall govern the regulation and operation of video lottery machines placed in the gaming establishments located at Dakota Sioux Entertainment Center, a facility five miles north of Watertown on Sioux Valley Road and at Agency Bingo at Agency Village, South Dakota.

The purpose of this Compact is to provide the Tribe with the opportunity to operate video lottery gaming activities in a manner that will benefit the Tribe economically, that will insure fair operation of the games, and that will minimize the possibility of corruption.

3. Type of gaming permitted.

The Tribe shall operate video lottery machines pursuant to the terms of this Compact and the Tribe's gaming regulations and ordinances.

4. Operation of video lottery machines.

4.1 The Tribe shall operate its gaming activities pursuant to this Compact and the ordinances and regulations enacted by the Tribe which ordinances and regulations shall be at least as stringent as those adopted by the State of South Dakota in SDCL ch. 42-7A and ARSD et seq. All such ordinances and regulations shall be made available to the State.

4.2 Notwithstanding paragraph 4.1 above, the State and the Tribe agree that the Tribe is not required, as a condition of operating video lottery machines in a particular "building" or establishment, to obtain a liquor license for that "building" or establishment.

4.3 The Tribe shall appoint a Tribal Gaming Commission which shall supervise the gaming activities, issue licenses as provided herein, inspect all premises

where gaming is conducted and otherwise be responsible for enforcing the Tribe's Gaming Act and regulations.

The Sisseton-Wahpeton Sioux Tribal Gaming Commission shall have primary responsibility for the supervision and regulation of gaming conducted under the authority of this Compact. This shall include, but not be limited to, the licensing of gaming employees and the inspection and regulation of video lottery machines. Any discrepancies in the gaming operation and any violation of Tribal Gaming Commission regulations and rules or this Compact shall be immediately reported to the Tribal Gaming Commission and the South Dakota Lottery Commission for appropriate action by the Tribal Gaming Commission pursuant to the terms of this Compact.

4.3 Disciplinary action for misconduct by licensees.

Any suspected violation of any law or rule, adopted in Part B of this Compact, shall be reported to the Tribal Gaming Commission and the South Dakota Lottery Commission. If either the State or the Tribe concludes that a violation has occurred, the violation will be addressed by the Tribe within five (5) days. If, after consultation with the Tribal Gaming Commission and after efforts to resolve any difference of opinion reflecting an appropriate penalty for such a violation have been made, the executive director of the South Dakota Lottery Commission concludes that the disciplinary action undertaken by the Tribal Gaming Commission is inadequate, a more severe penalty shall be imposed by the Tribal Gaming Commission as requested by the executive director of the South Dakota Lottery Commission.

5. Tribal ordinances and regulations.

The Tribe has adopted and agrees to adopt gaming ordinances and regulations to regulate gaming in the gaming establishments identified in paragraph 2 of Part B, which ordinances and regulations are at least as stringent as those statutes and administrative rules adopted by the State of South Dakota to regulate its video lottery. The Tribe shall furnish the State with copies of such ordinances and regulations and shall advise the State of any amendment, revision or rescission of the gaming regulations. The Tribe agrees that in no event shall it amend, revise or rescind any

gaming regulations which would result in the tribal regulations being less stringent than the statutes and rules adopted by the State of South Dakota.

6. Law enforcement.

Criminal proceedings against defendants who are members of the Sisseton-Wahpeton Sioux Tribe shall occur in tribal court. Criminal proceedings against defendants who are nonmembers shall occur in South Dakota state court. Nothing contained in this provision shall deprive the federal courts of any jurisdiction which they might otherwise have.

7. Civil jurisdiction (other than appeals from the Commission).

Cases involving only tribal members shall be heard in tribal court. Cases involving one or more persons who are not tribal members shall be heard in state court, unless all parties stipulate the action shall be heard in tribal court. This provision shall not be construed to be a waiver of the sovereign immunity of the Sisseton-Wahpeton Sioux Tribe except that by signing this Compact, the Sisseton-Wahpeton Sioux Tribe waives the sovereign immunity of the Tribe for civil actions for money damages up to the limit of any policy of insurance covering the subject matter of such civil action.

8. Licensing of gaming operations and employees.

All individuals who operate or manage a video lottery gaming operation under the authority of this Compact shall be licensed by the Tribal Gaming Commission. All individuals employed to work directly with a video lottery gaming operation shall be licensed by the commission.

The Sisseton-Wahpeton Sioux Tribal Gaming Commission shall have primary responsibility for the licensing of individuals who operate or manage a video lottery gaming operation or who are employed in the tribal gaming operation. Any person seeking to be licensed hereunder shall first submit an application to the Tribal Commission which application shall include a written release by the applicant authorizing the State to conduct a background investigation of the applicant on behalf of the Tribal Gaming Commission. The State shall agree to conduct an investigation of the applicant on behalf of the Commission, upon receipt of the executed release and payment of the fee as provided

in the South Dakota Lottery Commission rules and regulations for such investigations. The State shall provide the Commission with a written report regarding each applicant within 30 days of the receipt of the request and fee or as soon thereafter as practical.

The Commission shall not issue a license to any unsuitable applicant. A suitable applicant is one who is determined suitable by the Tribal Gaming Commission according to tribal ordinance and by the South Dakota Lottery Commission pursuant to SDCL ch. 42-7A and the South Dakota Lottery Commission rules and regulations.

Because each video lottery licensee must, in any case, be relicensed annually, the State agrees not to require additional relicensing of any person to operate, manage or be employed in any video lottery operation conducted under the authority of this Compact, provided that the person has obtained the applicable license to operate, manage or be employed in any video lottery operation conducted under the authority of the State of South Dakota or under the authority of a compact between the State of South Dakota and any Indian Tribe.

Should the Tribal Gaming Commission disagree with the State's determination on suitability, the Tribal Gaming Commission may invoke the following arbitration procedure:

The dispute shall be determined by a three-person binding Arbitration Board. One member of the Board shall be selected by the Tribal Gaming Commission, one member shall be selected by the State Lottery Commission, and one member shall be jointly selected by the State Lottery Commission and the Tribal Gaming Commission. Within thirty (30) days of the signing of this Agreement, the parties hereto shall appoint the member to the Arbitration Board for a three- year term. In the event of death, resignation, or expiration of a term, new members shall be appointed on the same basis as the original members. The Arbitration Board shall determine whether the applicant is deemed suitable, taking into consideration the ordinance and regulations adopted by the Tribal Gaming Commission and the statutes and rules adopted by the State of South Dakota. The Arbitration Board shall further decide the suitability issue in the best interest of the public. If permitted by law, either the State or the Tribe may appeal the arbitration decision to federal district court.

9. Regulatory standards of gaming.

In recognition of the valid public policy interests of the State, the following regulatory standards are established for gaming operated and played within the gaming establishments identified in paragraph 2 of Part B.

9.1 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 the gaming facility operated with the Reservation, and no operation 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 gaming machines 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.

9.2 Minimum age for players.

No person under the age of 18 shall be permitted on the premises where gaming is conducted pursuant to this Compact unless and until alcohol is permitted to be sold on the premises. In case alcohol is permitted to be sold on the premises, no person under the age of 21 shall be permitted on the premises where gaming is conducted pursuant to this Compact. No person under the age of 21 shall play or be allowed to play any video lottery machine authorized by this Compact. Any violation of this provision shall be enforceable pursuant to paragraph 6 as incorporated into Part B of this Compact. Violations prosecutable in state court shall proceed under SDCL 42-7A-48. Violations prosecutable in tribal court shall proceed under applicable tribal law.

9.3 Technical standards for video lottery machines and Central computer processing unit.

All video lottery machines operated and played within the establishments identified in paragraph 2 of Part B pursuant to this Compact shall meet or exceed the hardware and software specifications set forth by the South Dakota Lottery Commission

and SDCL 42-7A-21 prior to play. All video lottery machines operated and played pursuant to this Compact shall be connected to a central processing unit (cpu) which shall meet or exceed the hardware and software specifications established by the South Dakota Lottery Commission, prior to play. Video lottery machine prototypes will be tested and approved prior to play by the State according to State procedures.

9.4 Approval of video lottery machines and central computer processing unit.

No video lottery machine or the cpu shall be operated in the gaming operations identified in paragraph 2 of Part B unless:

1) The video lottery machine or the cpu is purchased, leased or acquired from a manufacturer or distributor licensed to sell, lease or distribute video lottery machines by the State, pursuant to SDCL ch. 42-7A and the associated rules and regulations, and

2) The video lottery machine or a prototype thereof, (or, in the case of the cpu, the cpu or the prototype thereof), has been tested, approved and certified by a gaming test laboratory as meeting the requirements and standards of this Compact. For purposes of this Compact, a gaming test laboratory shall be a laboratory agreed to and designated in writing by the South Dakota Lottery Commission and the Tribal Gaming Commission.

9.5 Number of machines.

9.5.1 The parties agree that the number of lottery machines allowed at the tribal gaming establishments identified in paragraph 2, above, shall not be more than ten per "building" as the term "building" is used in paragraph 4 of the document entitled "In Re: Official Policy of the South Dakota Lottery--Guideline for Determining Separate and Distinct Facilities" dated April 9, 1990. The parties agree further that should the April 9, 1990 "Guideline" be revised by the Lottery Commission, this Compact will be considered likewise revised.

9.5.2 In the alternative, and notwithstanding any other provision of this compact, including section 9.5.1 above, if the Tribe limits the number of "buildings" in which it conducts gaming to not more than two, the parties agree that the Tribe may designate 20 machines to be placed at one "building" and none at the other "building," may designate 15 at one "building" and 5 at the other "building" or may designate any other configuration which yields a total of not more than 20 machines at the two "buildings."

9.5.3 Any increase or decrease of the video lottery machine limitation contained in State law and regulation will automatically result in a proportional increase or decrease in the video lottery machine limitation set forth in this Compact.

9.6 Inspection procedure.

South Dakota Lottery Commission agents shall be authorized to inspect (not to include audits) the video lottery machines and the cpu operated in the tribal gaming establishments in accordance with the laws and rules adopted in this Compact.

Any periodic inspection of video lottery machines or cpu shall only occur if the state inspector is accompanied by a member of the Tribal Gaming Commission, or a designee. Any such testing shall be carried out in a manner and at a time which will cause minimal disruption of the gaming operation. The Tribal Gaming Commission and the South Dakota Lottery Commission shall be notified of all such testing and the results of such testing.

9.7 Remedies for non-complying video lottery machines or cpu.

Upon inspection pursuant to paragraph 9.6 of Part B, the State may designate video lottery machines or the cpu which it believes does not comply with tribal gaming laws. The machines shall immediately be removed temporarily from play or sealed. Within five days of receipt of such written designation, the Tribe shall either:

1) accept the finding of non-compliance, remove such video lottery machines or the cpu 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 before the Arbitration Board as provided in paragraph 8 of Part B. In the event the Arbitration Board finds that the video lottery machine or cpu is noncomplying, such machine or cpu shall be removed from play. Any machine or cpu removed from play pursuant to this section may be returned to play only after such machine or cpu comes into compliance with the provisions of paragraph 9.3 of Part B herein.

9.8 Limit of wagers.

The amount of a bet in any video lottery machine may not be more than two dollars on the initial bet or subsequent bet subject to rules promulgated by the Tribal Gaming Commission. Video lottery machines operated in the establishments identified in paragraph 2 of Part B may in the future offer such higher bet limits which are consistent with South Dakota statute and regulation and which are authorized by the Tribal Gaming Commission.

10. Accounting and audit procedures.

The Tribe shall adopt accounting standards which meet or exceed those standards established by the South Dakota Rules and Regulations for Video Lottery Gaming.

The Tribe shall conduct independent audits of the gaming operation and provide copies to the State. At the request of the Tribe and at the Tribe's expense, the State may in its discretion audit the tribal operation.

The Tribe shall engage an independent certified public accountant to audit the books and records of all gaming operations 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. The Tribe shall permit the State to consult with the auditors before or after any audits or periodic checks on procedures which may

be conducted by the auditors, and shall allow the State to submit written or oral comments or suggestions for improvements regarding the accounting and audit procedures. Within 30 days of receipt of any written or oral comments, the Tribe shall: (a) accept the comments and modify the procedures accordingly; or (b) respond to the comments with counterproposals or amendments.

11. Cost of services.

The parties hereto agree that the Tribe will be responsible for the costs incurred by the State associated with the State's performance of its responsibilities as provided for herein. The intent of this Compact is to provide for the reimbursement of the costs and expenses of the State in performing its responsibilities as provided herein. The parties agree that this provision does not require payment by the Tribe of court costs or attorney's fees in litigation. The parties also agree that this provision does not require payment by the Tribe of costs incurred by the state of South Dakota for law enforcement officers of the State except that such payment is required with regard to costs incurred for law enforcement officers of the state who are agents and employees of the South Dakota Lottery Commission. Attached hereto is a schedule of costs marked Appendix A which is incorporated herein by reference as though fully set forth.

PART C

1. Duration.

This Compact shall become effective upon execution by the Governor of the State and the Chairman of the Tribe, approval by the Secretary of the Interior and publication of that approval in the Federal Register pursuant to the IGRA.

The terms of this Compact shall be subject to review at two-year intervals dating from the date of publication of the Secretary's approval in the Federal Register. Prior to the expiration of the two-year period, each party to the Compact may give notice to the other party of provisions it believes requires review or amendment. Such notice shall be in writing and shall be sent by certified mail to the Governor of the State or chairman of the Tribe at the appropriate governmental office.

Upon receipt of such notice, the parties shall engage in good faith efforts to resolve the issues identified in the notice. The State and the Tribe may agree to extend the Compact for up to one hundred eighty days without prejudice to the rights of either party.

In the event the parties are unable to resolve the issues identified in the notice upon expiration of the Compact or any extension thereof, this Compact shall terminate and the parties shall be subject to the procedures provided for in the IGRA.

Either party may terminate this Compact upon a substantial breach by the other party regardless of any other provision of this Compact. Upon identification of what either party believes to be a substantial breach of the terms of this Compact, such party shall notify the other party in writing, via certified mail, return receipt requested, as to the nature of the substantial breach. The complaining party may terminate this Compact in writing after at least 30 days have elapsed from receipt of the notice of noncompliance by the other party, unless the breach has been remedied and the cause of the breach has been dealt with in a manner acceptable to the complaining party or unless the responding party has presented a plan to deal with the breach which is acceptable to the complaining party.

Notwithstanding any other provision of this Compact including the paragraph immediately above, it is agreed between the parties that on the day that it becomes

illegal as a matter of South Dakota law to operate video lottery machines within the State of South Dakota, this Compact shall expire and be of no further force.

2. General provisions.

The following conditions shall be applicable to both Part A and Part B of this Compact:

2.1 The parties hereto agree that in the event that a dispute arises as to an interpretation of the provisions of this Compact, or as to any of the rights, responsibilities or obligations attaching to the parties hereto, either party may commence an action in federal district court for the purpose of resolving such dispute.

2.2 Unless otherwise indicated, all notices, payments, requests, reports, information or demand which any party hereto may desire or may be required to give to the other party hereto, shall be in writing and shall be personally delivered or sent by telegram or first class certified or registered United States Mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as any party shall hereinafter inform the other party hereto by written notice given as aforesaid:

Notice to the Tribe shall be sent to:

Chairman's Office
Sisseton-Wahpeton Sioux Tribe
Box 509
Agency Village, SD 57262

Notice to the State shall be sent to:

Governor's Office
700 Governor's Drive
Pierre, SD 57501

All notices, payments, requests, reports, information or demand so given shall be deemed effective upon receipt or if mailed, upon receipt or the expiration of the third day following the day of mailing, whichever occurs first, except that any notice of change of address shall be effective only upon receipt by the party to whom said notice is addressed.

2.3 This agreement is the entire Agreement between the parties and supersedes all prior agreements whether written or oral, with respect to the subject matter hereof. Neither this Agreement nor any provision herein may be changed, waived, discharged, or terminated orally, but only by an instrument in writing.

2.4 This Agreement may be executed by the parties hereto in any number of separate counterparts with the same effect as if the signatures hereto and hereby were upon the same instrument. All such counterparts shall together constitute but one and the same documents.

2.5 The State and/or the Tribe may not assign any of its respective right, title, or interest in this Agreement, nor may the State and/or the Tribe delegate any of its respective obligations and duties under this Agreement, except as expressly provided herein. Any attempted assignment or delegation in contravention of the foregoing shall be null and void.

2.6 Nothing in this Compact shall be construed to limit the rights or remedies available to the parties hereto under the Indian Gaming Regulatory Act.

2.7 This Compact shall not be construed to waive or diminish the sovereignty of the Sisseton-Wahpeton Sioux Tribe or the State of South Dakota, except as specifically provided by the terms of the Compact set forth above.

2.8 This agreement may be amended or modified in writing at any time subject to any federal approval of such amendment or modification required by the Federal Indian Gaming Act.

IN WITNESS WHEREOF, the parties hereto have cause this Agreement to be executed as of the day and year first above written.

SISSETON-WAHPETON SIOUX TRIBE

May 29, 1991
(DATE)

BY: _____

STATE OF SOUTH DAKOTA

MAY 30, 1991
(DATE)

BY: _____
GOVERNOR

BUREAU OF INDIAN AFFAIRS

NOV 26 1991
DATE

_____
Assistant Secretary-Indian Affairs