

THIS AGREEMENT MADE EFFECTIVE THE 11TH DAY OF JUNE, A.D., 2007.

BETWEEN:

**HER MAJESTY THE QUEEN,
IN THE RIGHT OF THE PROVINCE OF SASKATCHEWAN,
AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE
LIQUOR AND GAMING AUTHORITY**

(hereinafter referred to as the "Government")

AND:

**THE FEDERATION OF SASKATCHEWAN INDIAN NATIONS,
ON ITS OWN BEHALF AND ON BEHALF OF FIRST NATION
BANDS AND TRIBAL COUNCILS IN THE PROVINCE
OF SASKATCHEWAN**

(hereinafter referred to as "FSIN")

2007 AMENDING AGREEMENT

WHEREAS by Agreement dated June 11th, 2002 (hereinafter referred to as the "2002 Framework Agreement") between the Government and the FSIN, an arrangement was agreed upon to provide for the long-term stability of First Nations casinos in Saskatchewan within the parameters of the *Criminal Code*;

AND WHEREAS the 2002 Framework Agreement was amended by the 2004 Amending Agreement executed November 10th, 2004 and the File Hills Qu'Appelle Tribal Council 2004 Amending Agreement executed January 13th, 2005;

AND WHEREAS the parties wish to make certain further amendments to the 2002 Framework Agreement;

AND WHEREAS Section 35 of the *Constitution Act, 1982* recognizes and affirms the existing aboriginal and Treaty rights of the aboriginal peoples of Canada;

AND WHEREAS it is the position of the FSIN and its members, without it being the intention of the Government to in any way confirm such position by this Agreement, that they enjoy an existing inherent right of self-government, confirmed by the six

Treaties in Saskatchewan, and have the necessary authority to enact laws on matters of concern to all First Nations in Saskatchewan based on an exercise of that right, including in relation to gaming;

NOW THEREFORE, in consideration of the mutual agreements hereinafter contained, the Parties agree to amend the 2002 Framework Agreement as follows:

1. The following Part is added after Part 3:

PART 3A NEW GAMING VENTURES

“3A.1 The Parties acknowledge that the gaming industry continues to change and evolve through development of new technologies and concepts, and further, is subject to modification through amendments to the Criminal Code respecting what is legally permissible gaming in Canada. In recognition, the Parties agree that either Party may, at any time, raise for discussion with the other Party issues related to gaming ventures that may include new technologies, gaming concepts, or games of chance or gaming that becomes legal by amendments to the Criminal Code. When such issues are raised in writing by one Party, the responding Party agrees that it shall discuss the matter fully, in a timely manner, and in good faith, with the Party that raised the issue for discussion.

3A.2 In the case of a gaming venture proposed by the FSIN, subject to reaching an agreement in principle pursuant to the above paragraph for the development of a gaming venture, the FSIN shall:

- (a) prepare and present to the Government a specific, detailed proposal for the gaming venture including a development and market plan, supported by market research evidencing an identifiable viable market, that is consistent with the principles of orderly and phased development of gaming in Saskatchewan;*
- (b) prior to obtaining the approvals required under (c) and (d), engage in a reasonable community notification and consultation process with respect to the proposed gaming venture for each municipality and First Nation from which approval is required;*
- (c) in the case of a gaming venture site proposed to be located on a reserve, obtain:*
 - i) the approval of the First Nation of the reserve by means of a resolution passed by the Band Council;*

- ii) *if the reserve is substantially surrounded by one municipality, the approval of the council of that municipality by means of a resolution passed by the council; and*
 - iii) *if a municipality in the vicinity of the reserve will constitute the major market for the proposed gaming venture, the approval of the council of that municipality by means of a resolution passed by the council;*
- (d) *in the case of a gaming venture site proposed to be located on land other than a reserve, obtain:*
- i) *the approval of the council of the municipality in which the gaming venture is proposed to be located, by means of a resolution passed by the council; and*
 - ii) *if a municipality in the vicinity will constitute the major market for the proposed gaming venture, the approval of the council of that municipality by means of a resolution passed by the council;*
- (e) *notwithstanding Part 13, negotiate with the Government any changes to the limitations imposed by section 3.3(b); and*
- (f) *obtain the approval of the Government for the specific proposed gaming venture.”*

2. Section 4.1 is amended as follows:

- a) By striking out “2002/2003” in the first sentence thereof and substituting “2007/2008”;
- b) Subsection 4.1(a) is amended by striking out the figure “\$2,000,000” and substituting the figure “\$2,250,000”;
- c) Subsection 4.1(b) is amended by striking out the word “and” following the semicolon;
- d) By adding the following subsection after subsection 4.1(b):

“(b.1) The sum of \$250,000 shall be allocated to the FSIN, through the First Nations Trust, for funding of the FSIN’s gaming activities pursuant to this Agreement, for each of five fiscal years; and”
- e) Paragraph 4.1(c)(i) is amended by striking out “37.5%” and substituting “50%”;
- f) Paragraph 4.1(c)(ii) is amended by striking out “37.5%” and substituting “25%”;

3. The following section is added after section 5.3:

“5.3.1 For fiscal year 2006/07, SIGA shall withhold the amount of \$5,000,000 from funds that would otherwise be due to be remitted to SLGA by SIGA. This amount shall be used as a capital reserve for investment in capital as required by SIGA, subject to budget approval by SLGA pursuant to the provisions of the Casino Operating Agreement. For fiscal year 2006/07, this amount shall be accounted against SIGA’s net profits in determining the distributions for the fiscal year pursuant to section 4.1. Upon termination of this Agreement, the capital reserve shall be distributed in accordance with the revenue sharing provisions set out in subsection 4.1(c) as such subsection read as of March 31, 2007.”

4. Sections 5.4 and 5.5 are deleted.

5. The following section is added after section 7.2:

“7.2.1 By resolution dated May 30, 2007, the FSIN has designated Battlefords Agency Tribal Chiefs (“BATC”) as the host Tribal Council for the Gold Eagle Casino for the purposes of establishing a Community Development Corporation to receive distributions made under paragraph 4.1(c)(iii), to replace Battlefords Tribal Council and Gold Eagle Community Development Corporation. For these purposes, BATC has incorporated BATC Community Development Corporation located in the community of North Battleford. Therefore, notwithstanding subsection 7.2(b):

(a) BATC is the host Tribal Council for the Gold Eagle Casino and has incorporated the BATC Community Development Corporation, replacing Battlefords Tribal Council and Gold Eagle Community Development Corporation under this Agreement;

(b) notwithstanding subsection 7.2.1(a), for purposes of transition, with respect to the first quarterly distribution for fiscal year 2007/08 and the reconciliation of payments for fiscal year 2006/07, the FSIN and the Government will in good faith participate in a consultative process to determine how such funds should be distributed so as to best accomplish the purposes set out in section 7.5 and in such process, the FSIN and the Government will use best efforts to consult with Battlefords Tribal Council, Gold Eagle Community Development Corporation, BATC, and the BATC Community Development Corporation. Decisions resulting from such process will be made jointly by the Minister responsible for the Liquor and Gaming Authority on behalf of the Government, and by the Executive Member responsible for Gaming on

behalf of the FSIN, and those decisions shall be final and not subject to the dispute resolution process set out in Part 11 of this Agreement;

(c) the second quarterly distribution for fiscal year 2007/08 and subsequent distributions will be distributed to BATC Community Development Corporation.

6. Section 7.5 is amended by:

- (a) adding the words “*through grants*” after the words “shall distribute funds”;
- (b) adding the following sentence at the end of section 7.5:

“The Community Development Corporations shall not commit to any funding beyond the then-current fiscal year.”

7. Subsection 7.6(b) is amended to add the words “*or independent First Nations*” after the words “other Tribal Councils”.

8. Section 7.7 is amended by:

- (a) adding the words “*in consultation with the Community Development Corporations*” after the words “the FSIN Economic and Community Development Commission”;
- (b) adding the words “*and determine*” after the words “shall periodically review”;
- (c) striking out the words “ought to be” and substituting the word “*are*”.

9. Section 7.10 is deleted and the following substituted therefore:

“7.10 A Community Development Corporation shall appoint a qualified independent auditor who is a member in good standing of a nationally recognized professional accounting association and who shall, in accordance with generally accepted accounting principles as set out in the Canadian Institute of Chartered Accountants’ Handbook, as amended from time to time, examine the books and records of the Community Development Corporation and:

- (a) determine whether, in the auditor’s opinion, the monies received by the Community Development Corporation have been fully accounted for and properly disposed of, and the rules and procedures applied are sufficient to ensure an*

effective check on the receipt and allocation of monies received by the Community Development Corporation;

- (b) determine whether, in the auditor's opinion, the money expended was for the purposes outlined in section 7.5; and*
- (c) provide a written report on the financial statements for each fiscal year to the Community Development Corporation within one hundred and twenty (120) days of the end of each such fiscal year.*

7.10.1 A Community Development Corporation shall prepare an annual report, approved by the board of directors, of the Corporation, on the activities of the Community Development Corporation which report shall include:

- (a) copies of the audited financial statements of the Community Development Corporation;*
- (b) a list of all recipients who received grants from the Community Development Corporation in the previous fiscal year;*
- (c) the Community Development Corporation's strategic plan for the upcoming fiscal year, including a statement of goals, objectives and performance measures;*
- (d) an analysis of the Community Development Corporation's operations for the fiscal year, including an analysis of the actual results compared to the goals, objectives and performance measures determined the previous year.*

7.10.2(1) A Community Development Corporation shall submit a copy of the annual report to the Legislative Assembly of the FSIN within one hundred and twenty (120) days of the Community Development Corporation's fiscal year end.

(2) If no Legislative Assembly of the FSIN is scheduled within one hundred and twenty (120) days of the Community Development Corporation's fiscal year end, the Community Development Corporation shall submit the annual report to the Clerk of the Legislative Assembly of the FSIN.

7.10.3 A Community Development Corporation shall provide to the Government a copy of the annual report within thirty (30) days following the issuance of the report.

7.10.4 A Community Development Corporation shall provide each member of its board of directors:

(a) a copy of the management letter issued by the auditor for each audit within thirty (30) days of the issuance of the letter;

(b) the response to the management letter within thirty (30) days of providing the response to the auditor;

(c) within one hundred eighty (180) days of the fiscal year end, a list of all recipients who received a grant from the Community Development Corporation and the amount each recipient received; and

(d) a copy of the reports prepared pursuant to sections 7.10 and 7.10.1 within thirty (30) days of the issuance of the reports.”

10. Section 7.12 is deleted and the following substituted therefore:

“7.12.1 The Parties acknowledge that the Community Development Corporations intend to establish an association of Community Development Corporations with the purpose of, among other things, facilitating and coordinating communications between the Community Development Corporations and the Government and/or the FSIN through the association. It is the Parties’ expectation, based on representations made by the Community Development Corporations, that either or both Parties will have access to the Community Development Corporations through the association to discuss matters of mutual concern, upon request.

7.12.2 In the event the Community Development Corporations do not form an association, or an association is formed and subsequently ceases to exist, the Parties agree to establish a Standing Committee consisting of representatives appointed by each Community Development Corporation, the FSIN and the Government. The Standing Committee’s principal role shall be to facilitate and coordinate communications between the Community Development Corporations, the FSIN and the Government concerning the operation of the Community Development Corporations and the distribution of gaming funds to organizations.”

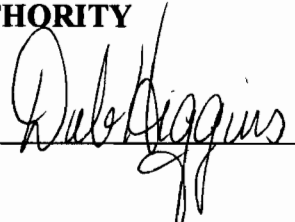
11. Section 8.1 is amended by adding the words “*to conduct research into problem gambling amongst First Nations people and*” after the word “FNARF”.
12. Section 8.3 is deleted.
13. Pursuant to section 13.01 of the Trust Indenture, the Parties consent to the following amendments to the Trust Indenture:

- (a) Section 6.06 is amended by striking out the words “Subject to section 6.07”, and substituting therefore the words “*If required by the FSIN pursuant to section 6.07*”;
- (b) Section 6.07 is deleted, and the following substituted therefore:

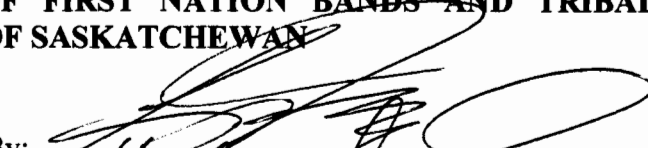
“6.07 The FSIN Legislative Assembly, in its discretion, may by resolution require each Trustee to obtain and at all times maintain in favour of the Trust a fidelity bond from a surety company in an amount established by the Legislative Assembly for the true and faithful performance of the Trustee’s obligations under this Trust Indenture.”
- (c) Paragraph 6.09(i)(ii) is amended by striking the words “section 5.06” and substituting the words “*section 6.06*”, and by striking the words “provided section 5.07 does not apply”.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS 2007 AMENDING AGREEMENT AS OF THE DATE FIRST ABOVE WRITTEN.

HER MAJESTY THE QUEEN IN THE RIGHT OF THE PROVINCE OF SASKATCHEWAN, AS REPRESENTED BY THE MINISTER RESPONSIBLE FOR THE LIQUOR AND GAMING AUTHORITY

By: 

THE FEDERATION OF SASKATCHEWAN INDIAN NATIONS, ON ITS OWN BEHALF AND ON BEHALF OF FIRST NATION BANDS AND TRIBAL COUNCILS IN THE PROVINCE OF SASKATCHEWAN

By: 
By: 