

TABLE GAMES REGULATORY PROCESSES: RESPONSIBILITIES OF IGR AND SLGA

A. Process for New Table Games or Amendments to New Table Games (SIGA Table Games Terms and Conditions, Section 3)

Currently both SIGA and SGC are required to submit the rules of play for all table games played at the casinos for approval by SLGA. Through this process, SGC and SIGA are currently operating on approved rules of play. There are differences among the casinos in how games are played. However, these differences are within limits that SLGA finds acceptable.

SLGA has plans to bring the rules of play at the casinos into closer harmony through the creation of a formal set of approved rules of play for the province. These will be referred to as provincial standards.

Pending SLGA's formal adoption of provincial standard rules of play, the current SIGA rules of play are the reference point for regulation of the table games and shall continue to be such for IGR.

Process for new table games or amendments to approved table games

In the event that SIGA desires to add a new table game or change an existing game, the following process shall apply and shall be completed in the following order:

1. SIGA submits required documentation to IGR as required by Section 3 of the Terms and Conditions and identifies casino sites where games would be offered for play.
2. IGR evaluates the submission in accordance with the Table Games Evaluation Procedure in effect at the time as established by SLGA (attached as Schedule 1) and such other analysis as IGR may consider appropriate. SLGA may amend the Table Games Evaluation Procedure from time to time, following meaningful consultation with IGR, and will provide written notice to IGR of any such changes.
3. IGR provides a background report, analysis, and recommendation to SLGA as to whether SIGA's proposal should be accepted or rejected.
4. SLGA evaluates the material provided by IGR and may request additional information as required. Requests for additional information will be made by SLGA to IGR.

| | IGR | SLGA | 1 |
|---|---|--------------------------------|---|
| Subcommittee Recommendation to Main Table | Initial: TD Date: Dec 13/05 | Initial: 7C Date: Dec 13/05 | |
| Main Table Recommendation | Initial: Date: | Initial: Date: | |

5. Upon completion of its review and analysis of IGR's recommendation, SLGA either approves or rejects the table game or the amendment and notifies IGR.
6. IGR shall notify SIGA of the acceptance or rejection of the application, with a copy to be provided concurrently to SLGA.

B. Process for Approval of Disposal of a Progressive Jackpot (SIGA Tables Games Terms and Conditions, Subsection 6(2))

In the event that SIGA desires to dispose of a progressive jackpot other than through the payout of the progressive jackpot at the same table game, the following process shall apply and shall be completed in the following order:

1. SIGA submits the proposal to IGR as required by subsection 6(2) of the Terms and Conditions.
2. IGR evaluates the submission.
3. IGR provides an analysis and recommendation to SLGA as to whether SIGA's proposal should be accepted or rejected.
4. SLGA evaluates the material provided by IGR and may request additional information as required. Requests for additional information will be made by SLGA to IGR.
5. Upon completion of its review and analysis of IGR's recommendation, SLGA will either approve or reject or require revisions to the proposal.
6. IGR shall notify SIGA of the acceptance or rejection or required revisions to the proposal, with a copy to be provided concurrently to SLGA. In the event, that revisions are required, IGR shall require SIGA to re-submit the proposal and steps 2 through 6 shall be repeated.

C. Process for Approval of Security Policies (SIGA Table Games Terms and Conditions, Section 18) ^{jc} ^{BM}

In the event that SIGA desires to modify or replace its existing plan referred to in section 18, the following process shall apply and shall be completed in the following order:

1. SIGA submits the revised plan to IGR as required by section 18 of the Terms and Conditions.
2. IGR evaluates the submission.

| | IGR | SLGA | 2 |
|---|---|---|---|
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3. IGR provides an analysis and recommendation to SLGA as to whether SIGA's proposal should be accepted or rejected.
4. SLGA evaluates the material provided by IGR and may request additional information as required. Requests for additional information will be made by SLGA to IGR.
5. Upon completion of its review and analysis of IGR's recommendation, SLGA will either approve or reject or require revisions to the proposed plan.
6. IGR shall notify SIGA of the acceptance or rejection or required revisions to the plan, with a copy to be provided concurrently to SLGA. In the event, that revisions are required, IGR shall require SIGA to re-submit the revised plan and steps 2 through 6 shall be repeated.

D. Process for Monitoring SIGA's Compliance with Terms and Conditions

1. Inspection Process and Reporting Guideline

On a quarterly basis, IGR and SLGA will carry out joint inspections of table games at each SIGA casino and jointly ensure the completion of the inspection checklist with supporting documents. A joint inspection means that each of IGR and SLGA review and ensure completion of all items on the Table Game Inspection Checklists in effect at the time (attached as Schedule 2). The Table Game Inspection Checklists may be amended from time to time by SLGA following meaningful consultation with IGR.

IGR and SLGA may carry on such other joint or independent inspections as considered appropriate.

IGR will provide SLGA with:

- (a) any observations with respect to cheating at play and advantage players immediately;
- (b) monthly reports that summarize the inspections conducted by IGR in the preceding month, to be provided by the 15th of each month; and
- (c) comprehensive quarterly reports that include inspection reports and supporting documentation, to be provided by the 15th of the month following the end of the quarter.

IGR will prepare and provide to SLGA, IGR's proposed quarterly letter to SIGA, at least five business days prior to its intended issuance to allow SLGA the opportunity to comment on its contents. Thereafter, IGR shall provide SLGA with a copy of IGR's quarterly letter to SIGA, concurrently with its issuance to SIGA.

| | IGR | SLGA | 3 |
|---|--|--|---|
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| Main Table Recommendation | Initial: Date: | Initial: Date: | |

2. IGR Workplan

IGR will provide to SLGA:

- (a) on or before September 1st of each year, its plan for casino visitations (proposed number of visits and to which casino) for the upcoming fiscal year; and
- (b) at least 2 weeks prior to the start of each quarter of the fiscal year, its updated plans for casino visitations for the next quarter.

IGR's casino visitation plan should indicate how IGR will ensure each area of the terms and conditions will be evaluated during the course of the year.

3. Observations of Underage, Intoxicated, Banned Persons

IGR will immediately report to SIGA security any instances where it observes any underage, intoxicated or banned persons in the table games area and record any such occurrences in its monthly and quarterly reports. The role of IGR staff that observes such occurrences is to advise SIGA security staff and not to directly intervene with the underage, intoxicated or banned person.

4. Malfunctioning Equipment

IGR will immediately report to SLGA any instances of malfunctioning equipment related to table games or table games surveillance and record any such occurrences in its monthly and quarterly reports.

E. General provisions

1. Process Review

SLGA and IGR may make any mutually-agreed-upon changes to these provisions as agreed to from time to time by SLGA and IGR in writing. In addition, IGR and SLGA shall conduct and complete a joint review of the process for monitoring SIGA's compliance prior to the third anniversary of the Licensing Agreement. In the event that SLGA and IGR are unsuccessful in reaching mutual agreement on changes to the inspecting and reporting provisions, the provisions in effect at the time will remain in full force and effect.

2. SLGA Continued Access to Table Games Area

SLGA retains the authority to make observations of the table games as part of its responsibility for the overall casino and as part of the ongoing post-delegation capacity evaluation of IGR.

| | IGR | SLGA | 4 |
|---|--|--|---|
| Subcommittee Recommendation to Main Table | Initial: <i>CA</i> Date: <i>Dec 13/05</i> | Initial: <i>JK</i> Date: <i>Dec 13/05</i> | |
| Main Table Recommendation | Initial: Date: | Initial: Date: | |

3. Timeliness

The parties will respond to each other in a timely manner.

Schedule 1 – Table Games Evaluation Procedure Checklist

Schedule 2 – Table Games Inspection Checklist

| | IGR | SLGA | 5 |
|---|---|---|---|
| Subcommittee Recommendation to Main Table | Initial: SA Date: Dec 13/05 | Initial: RC Date: Dec 13/05 | |
| Main Table Recommendation | Initial: Date: | Initial: Date: | |

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SCHEDULE 1

Table Games Evaluation Procedure

CHECKLIST

| | IGR | SLGA |
|---|---|---|
| Subcommittee Recommendation to Main Table | Initial: <i>EM</i> Date: <i>06/01/06</i> | Initial: <i>FC</i> Date: <i>07/01/06</i> |
| Main Table Recommendation | Initial: Date: | Initial: Date: |

SCHEDULE 1

Table Games Evaluation Procedure
CHECKLIST

IGR Recommendation: _____ Date: _____

Name of Venue Requesting Approval: _____

Date of Request: _____

Name of Game: _____

DOCUMENTS SUBMITTED BY VENUE

| Yes | No | Document |
|-------|-------|---|
| _____ | _____ | Rules of Play |
| _____ | _____ | Full description of game |
| _____ | _____ | Photographs, or depiction of table layout |
| _____ | _____ | Name of supplier or distributor |
| _____ | _____ | Expert mathematical analysis of expected theoretical House Advantage and Hold |
| _____ | _____ | Betting Limits |
| _____ | _____ | Dealer training planned to secure assets |
| _____ | _____ | Other documents. |

IGR ASESMENT OF THE SUITABILITY OF TABLE GAME REQUEST

| Yes | No | Review |
|-------|-------|---|
| _____ | _____ | Meets requirements of <i>Criminal Code of Canada</i> e.g. not a dice or three card Monte game? |
| _____ | _____ | Are rules of play consistent with the developers recommendations? |
| _____ | _____ | Is the Supplier or Distributor registered with SLGA as a gaming supplier? |
| _____ | _____ | Is the assessment of House Advantage and Hold provided by an expert in Table Games mathematics? |
| _____ | _____ | Source of mathematical analysis _____ |
| _____ | _____ | Is expected house advantage and/hold fair to the gaming public? |
| _____ | _____ | Is the house advantage reasonably consistent with standards of approved games such as blackjack, and roulette? |
| _____ | _____ | Are betting limits appropriate according to manufacturers specifications? |
| _____ | _____ | Is pay table clearly outlined on the proposed layout for the gaming public? |
| _____ | _____ | Is there an adequate training plan available to ensure all table game and surveillance staff are adequately trained? |
| _____ | _____ | Are there integrity standards to be addressed, i.e. number of decks, automatic shufflers? |
| _____ | _____ | Assessment of security or financial issues of the game by other regulatory bodies in other jurisdictions (provide list of jurisdictions). |

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SCHEDULE 2

Table Games Inspection Checklists

Table Games Inspection Checklists:

1. Management of Table Games
2. Condition and Maintenance of Table Games
3. Dealer Procedure
4. Cards
5. Table Opening
6. Closing Procedures
7. Security

| | IGR | SLGA |
|---|--|---|
| Subcommittee Recommendation to Main Table | Initial: <i>[Signature]</i> Date: <i>06/01/06</i> | Initial: <i>TC</i> Date: <i>04/01/06</i> |
| Main Table Recommendation | Initial: Date: | Initial: Date: |

Management of Table Games

Table Games Inspection Checklist

Casino: _____

Inspector: _____

Date of Inspection: _____

MANAGEMENT OF TABLE

APPROVALS:

Yes No

Has SIGA submitted to IGR a complete description of:

a) each game?

b) equipment used?

Do all games on the gaming floor appear on the licence?

Are all games on the playing floor approved?

Are games being played according to the approved "rules of the game"?

Are the betting limits all within the approved limits?

Are the betting limits posted at each table?

Are progressive jackpots displayed properly?

NUMBER OF TABLES ON THE GAMING FLOOR:

| <i>Game</i> | <i>#</i> | <i>Game</i> | <i>#</i> | <i>Poker</i> | <i>#</i> |
|------------------|----------|---------------------------|----------|--------------------------------------|----------|
| Roulette | | Black Jack | | Omaha Hold'em (high/low-8 or better) | |
| Tres Card Stud | | Mini Baccarat | | Omaha Hold'em (high) | |
| Red Dog | | Big Wheel | | Seven Card Stud | |
| Baccarat | | Caribbean Stud | | Texas Hold'em | |
| Let It Ride | | Casino War | | | |
| Three Card Poker | | Phil-em Up | | | |
| Canadian Stook | | Texas Hold'em Bonus Poker | | | |
| Extreme 21 | | Triple Shot | | | |
| Three Card Stud | | Progressive Blackjack | | | |

COMMENTS:

Print Name: _____ Signature: _____

Handwritten initials/signature

Condition and Maintenance of Table Games

Table Games Inspection Checklist

Casino: _____

Inspector: _____

Date of Inspection: _____

CONDITION AND MAINTENANCE OF TABLE

Yes No

- ___ ___ Is the Roulette Wheel balanced as per scheduled checks?
- ___ ___ Have the chipper machine and electronic roulette board been tested?
- ___ ___ Has the Baccarat "last play" board been tested?
- ___ ___ Is the condition of the table layout being maintained adequately?
- ___ ___ Is electronic and mechanical table game equipment functioning properly?

COMMENTS/ISSUES:

Print Name: _____ Signature: _____

Dealer Procedure

Table Games Inspection Checklist

Casino: _____

Inspector: _____

Date of Inspection: _____

DEALER

Yes No

- ____ Are payments made according to policies and procedures?
- ____ Are chips stacked in proper quantities or pyramided?
- ____ Are hands "washed" after opening and closing bets or plunging cash?
- ____ Are accepted shuffle and correct cash or chip payout procedures being followed?
- ____ Is the hand swept to signal last bet at least three rotations before ball drops on roulette?
- ____ Does the ball make a minimum of seven rotations?
- ____ Are all tips and proscribed cash amounts announced to supervisor prior to being placed in the tip box (plunging)?
- ____ Is the tray cover placed immediately on a dead table?
- ____ Is the dealer maintaining table security while table is dead?
- ____ Is the dealer clearing the layout properly?
- ____ Is the dealer collecting cards in proper sequence to allow last game recall?
- ____ Is the dealer clearing the bets properly?
- ____ Is the dealer checking the cards for completeness before the initial shuffling?
- ____ Is the dealer calling the supervisor when there is an error?

COMMENTS/ISSUES:

Print Name: _____

Signature: _____

JK BY

Cards

Table Games Inspection Checklist

Casino: _____

Inspector: _____

Date of Inspection: _____

CARDS

Yes No

1) NEW CARDS

___ ___ Does the supervisor verify used cards from each table, and secure cards?

___ ___ Does the pit manager complete a card control sheet?

2) RECEIVING

___ ___ Are cards accounted for by security and key personnel upon receipt (at the table)?

___ ___ Are cards locked in pit stand by authorized disciplines?

3) USED CARDS

___ ___ Does security verify the number of cards to be rendered unserviceable?

COMMENTS/ISSUES:

Print Name: _____ Signature: _____

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Table Opening

Table Games Inspection Checklist

Casino: _____

Inspector: _____

Date of Inspection: _____

Yes No

1) TABLE OPENING

- ____ ____ If security is not present, is the float in a locked container?
- ____ ____ Is the supervisor present in the pit?
- ____ ____ Are chips counted and handled by dealer only, and in the presence of a supervisor?
- ____ ____ Is closure slip in chip tray?
- ____ ____ Do opening and closing amounts reconcile?
- ____ ____ Are chip trays kept locked in place until guests are seated?
- ____ ____ Has the dealer fanned the cards and checked for marks, completeness and excessive wear etc?
- ____ ____ Does the dealer keep cards fanned until checked by supervisor?
- ____ ____ Have mechanical shufflers been tested?
- ____ ____ Are distress alarms present and functioning?
- ____ ____ Do dealers and table games staff sign in via computer link (if available)?


2) FILLS AND CREDITS

- ____ ____ Do table fills and credit slips correspond with chip count?
- ____ ____ Are credit/fill slips signed by dealer and supervisor?

COMMENTS/ISSUES:

Print Name: _____

Signature: _____

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Closing Procedures

Table Games Inspection Checklist

Casino: _____

Inspector: _____

Date of Inspection: _____

Yes No

1) CLOSING

- ___ ___ Does the supervisor check locking of trays and wheel?
- ___ ___ Does the supervisor monitor chip tray clean-up?
- ___ ___ Are chip trays, tip boxes, and drop boxes secured via single lock?
- ___ ___ Are chip trays properly locked?
- ___ ___ Are tip boxes and drop boxes removed and opened by appropriate disciplines?
- ___ ___ Are drop boxes unlocked independently upon arrival of security for transport?
- ___ ___ Does the supervisor check under tables and open chipper champ to check for loose or lost cards and chips?
- ___ ___ Is chip inventory left in tray and visible and is copy plunged into drop box?

COMMENTS/ISSUES:

Print Name: _____

Signature: _____

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Security

Table Games Inspection Checklist

Casino: _____

Inspector: _____

Date of Inspection: _____

Yes No
SECURITY

____ ____ Does security conduct alarm checks, table fills, drops, credits, and monitor table security, and card and chip movements in the pit?

____ ____ Are flawed and damaged cards and chips removed from the table?

____ ____ When new cards are introduced are used cards properly removed from the table and accounted for?

____ ____ Are "banned" individuals, known or suspected cheats identified?

____ ____ Are underage and intoxicated persons removed or denied access to the table games area?

____ ____ Are electronic or mechanical devices that could affect the game banned from the table area?

____ ____ Are all ATM's located away from the table games area?

____ ____ Are incidents (e.g. cheating at play) and complaints respecting table games, recorded and dealt with appropriately; and are records available for review by IGR?

COMMENTS/ISSUES:

Print Name: _____

Signature: _____

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