

THIS AGREEMENT MADE THIS 10th DAY OF NOVEMBER, 2004.

BETWEEN:

Her Majesty the Queen in right of the Province of Saskatchewan, as represented by the Minister responsible for the Liquor and Gaming Authority (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 (the "FSIN")

2004 AMENDING AGREEMENT
TO THE 2002 FRAMEWORK AGREEMENT

WHEREAS by an agreement dated June 17th, 1994 between the Government and the FSIN, arrangements were made for the proposed development of casinos in Regina and Saskatoon;

AND WHEREAS by an agreement dated February 10th, 1995, (the "1995 Framework Agreement") between the Government and the FSIN, an arrangement was agreed upon to permit the development and operation of First Nations casinos in Saskatchewan within the parameters of the *Criminal Code*;

AND WHEREAS by an Amending Agreement dated March 31st, 2000 between the Government and the FSIN, an arrangement was agreed upon to extend the operation of the 1995 Framework Agreement and also for the establishment and funding of certain Community Development Corporations and the allocation of net profits from the First Nations casinos between the Parties;

AND WHEREAS the Parties entered into a new agreement (the "2002 Framework Agreement") to replace the 1995 Framework Agreement, as amended, to provide for the long-term stability of First Nations casinos;

AND WHEREAS the Parties wish to amend the terms of the 2002 Framework Agreement to permit the development of a new casino on the reserve lands of the Whitecap Dakota First Nation;

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. Section 3.3 of the 2002 Framework Agreement is deleted, and the following substituted therefore:

“3.3 Subject to subsections 3.5(e), 3.6(d) and paragraph 3.6(c)(iv):

 - a) the maximum number of SIGA casinos in the province is five;
 - b) the maximum number of electronic gaming machines that can be located at any one time at all SIGA casinos and VLT sites operated pursuant to this Agreement is the greater of :
 - i) 1,120; or
 - ii) the total number of electronic gaming machines installed at all SGC casinos from time to time;

and,

 - c) upon the opening for business of the casino located on the reserve lands of the Whitecap Dakota First Nation, the maximum number of electronic gaming

machines that can be located at any one time at all SIGA casinos and VLT sites operated pursuant to this Agreement is the greater of :

- i) 1,670; or
- ii) the total number of electronic gaming machines installed at all SGC casinos from time to time.”

2. Subsection 3.4(b) is deleted, and the following substituted therefore:

“b) 125 machines when SIGA has achieved Compliance in accordance with the Casino Operating Agreement, but not sooner than August 15, 2005.”

3. Section 4.1(a) is deleted, and the following substituted therefore:

“(a) the sum of \$1,500,000 shall be allocated to FNARF, through the First Nations Trust, for funding of FNARF’s activities relating to problem gambling pursuant to Part 8. Commencing with the fiscal year in which the casino located on the reserve lands of the Whitecap Dakota First Nation opens for business, the allocation will increase to \$2,000,000. In the event the said casino operates for a portion of a fiscal year, the increase in the allocation will be prorated to that portion of the fiscal year.”

4. There shall be a new section 5.4, as follows:

“5.4 If SIGA has not achieved Compliance in accordance with the Casino Operating Agreement by the date of opening for business of the casino located on the reserve lands of the Whitecap Dakota First Nation, the net profits of such casino shall be granted from time to time to the First Nations Trust and a Community Development Corporation associated with such casino, in the manner provided in

section 5.2, except that such grant or grants shall be deposited by the Government into escrow, in accordance with the Escrow Agreement attached as Appendix 'A'."

5. There shall be a new section 13.5, as follows:

"13.5 The FSIN may raise for discussion and negotiation at any time, a proposed amendment to the maximum number of electronic gaming machines that can be located at any one time at all SIGA casinos and VLT sites operated pursuant to this Agreement. The FSIN shall raise such matter by providing the Government with reasonable notice in writing of its intention to do so, supported by appropriate documentation establishing a business case for additional machines within the Saskatchewan gaming market context. The Parties will use best efforts to conclude discussion and negotiation within 90 days of such notice."

6. The Parties acknowledge that Saskatchewan Indian Gaming Licensing Inc. ("SIGL") has changed its corporate name to Indigenous Gaming Regulators Inc. ("IGR").

7. For the purposes of Part 7 of the 2002 Framework Agreement, the Parties acknowledge that the Saskatoon Tribal Council is the host Tribal Council for the casino located on the reserve lands of the Whitecap Dakota First Nation and is entitled to incorporate a Community Development Corporation, located in or near the community of Saskatoon.

8. The Government shall, subject to the necessary appropriations being available, pay to the FSIN, within 30 days following execution of this 2004 Amending Agreement, the sum of \$150,000 for funding of the FSIN's negotiation and approval costs relating to this 2004 Amending Agreement. These funds shall be accounted against SIGA's net profits in determining the distributions for the fiscal year 2004/2005.

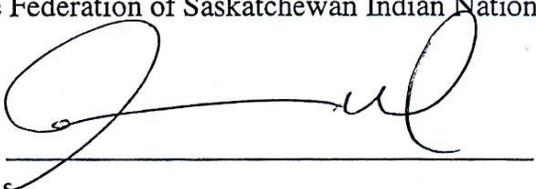
9. This 2004 Amending Agreement shall be read together with the 2002 Framework Agreement, and the provisions of the 2002 Framework Agreement shall continue except as specifically amended or added to by this 2004 Amending Agreement.

IN WITNESS WHEREOF the Parties have duly executed this 2004 Amending Agreement as of the date first above written.

Her Majesty the Queen in right of the Province of
Saskatchewan

By: 

The Federation of Saskatchewan Indian Nations

By: 

APPENDIX A

ESCROW AGREEMENT

THIS AGREEMENT made this 10th day of November, 2004.

AMONG:

**HER MAJESTY THE QUEEN
IN 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 the "FSIN")

AND:

BALFOUR MOSS
(hereinafter referred to as the "Escrow Agent")

WHEREAS pursuant to an agreement dated June 11th, 2002, a copy of which is attached hereto as Schedule "A", (the "2002 Framework Agreement"), the Government and the FSIN agreed to a distribution of a portion of the net profits from SIGA casinos to the First Nations Trust and to certain Community Development Corporations;

AND WHEREAS pursuant to an agreement dated November 10, 2004, a copy of which is attached hereto as Schedule "B" (the "2004 Amending Agreement"), the Government and FSIN agreed that certain funds representing a portion of the net profits of the casino located on the reserve lands of the Whitecap Dakota First Nation (the "Net Profits") may be held in escrow;

AND WHEREAS the parties have agreed to enter into this Escrow Agreement whereby the Net Profits are to be held in escrow on the terms and conditions set forth herein;

AND WHEREAS the Escrow Agent has agreed to undertake and perform its duties according to the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained and the sum of One (\$1.00) Dollar now paid by the parties hereto each to the other (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

1. The Government shall place and deposit in escrow with the Escrow Agent the Net Profits to be held in escrow in accordance with the 2004 Amending Agreement.
2. The Net Profits shall be placed and deposited in escrow with the Escrow Agent, separately allocated as to the grants made pursuant to section 5.4 of the 2002 Framework Agreement, as amended, which would, but for the deposit in escrow, be paid to the First Nations Trust and a Community Development Corporation associated with the casino located on the reserve lands of the Whitecap Dakota First Nation (the "CDC").
3. The Government and the FSIN hereby agree that the Net Profits or any interest in them shall not be sold, assigned, hypothecated, alienated, encumbered, released from escrow, transferred within escrow, or otherwise in any manner dealt with, except in accordance with the terms of this Escrow Agreement.
4. The Government and FSIN hereby direct the Escrow Agent to retain the Net Profits and not to do or cause anything to be done to release the same from escrow or to allow any transfer, hypothecation, alienation, sale, assignment, encumbrancing or release thereof except in accordance with the terms of this Escrow Agreement.

5. The Escrow Agent shall place and deposit the Net Profits to the credit of the First Nations Trust and the CDC in separate escrow accounts as allocated under section 2. The Escrow Agent shall ensure that such deposits are made at a Canadian chartered bank at a location or branch in Saskatchewan.

6. The Government and the FSIN authorize the Escrow Agent to invest the Net Profits in the following authorized investments, and no others:
 - a) Debt instruments issued or guaranteed by the Government of Canada or a Province of Canada;

 - b) Debt instruments issued or guaranteed by any of the following Canadian chartered banks including bankers' acceptances:
 - Bank of Montreal
 - Royal Bank of Canada
 - Canadian Imperial Bank of Commerce
 - TD Canada Trust
 - National Bank of Canada
 - Bank of Nova Scotia
 - First Nations Bank of Canada

 - c) Other investments which are guaranteed by the Government of Canada, a Province of Canada, or any of the institutions listed in (b) above.

7. The Escrow Agent shall pay any interest earned on the escrow accounts to the First Nations Trust and the CDC, as the case may be, on or before December 31st of each year.

8. The Escrow Agent will provide the Government and FSIN with quarterly written reports on the administration of the Net Profits.
9. Upon SIGA achieving Compliance in accordance with the Casino Operating Agreement between the Saskatchewan Liquor and Gaming Authority and SIGA, the Government and FSIN shall provide joint written authorization, substantially in the form attached as Schedule “A”, to the Escrow Agent. The Escrow Agent shall, within 7 business days of receipt of such authorization, release from escrow the Net Profits and any interest earned thereon; forward the same to the First Nations Trust or the CDC, as the case may be; and this Escrow Agreement shall terminate.
10. In the event the Casino Operating Agreement is terminated prior to SIGA achieving Compliance:
 - (a) the Government and the FSIN shall agree on a recipient of the Net Profits, which shall be an organization, or organizations, which has as its primary function activities which benefit First Nations or First Nations people in Saskatchewan;
 - (b) if the Government and the FSIN cannot agree upon a recipient, either may refer the matter to binding arbitration to be conducted in accordance with The Arbitration Act of Saskatchewan;
 - (c) neither the Government nor the FSIN shall be a recipient;
 - (d) upon agreement or decision of the arbitrator as to a recipient, the Government and FSIN shall provide joint written authorization, substantially in the form attached as Schedule “A”, to the Escrow Agent. The Escrow Agent shall, within 7 business days of receipt of such authorization, release from escrow the Net Profits, and any interest earned thereon; forward the same to the recipient or

recipients; and this Escrow Agreement shall terminate.

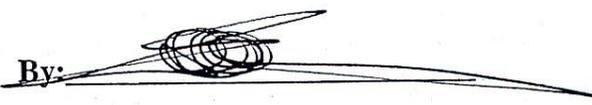
11. The Escrow Agent hereby accepts the responsibilities placed on it hereby and agrees to perform the same in accordance with the terms hereof.
12. The Escrow Agent shall not have any duties or responsibilities except those set forth in this Escrow Agreement and shall not incur any liability in acting on any signature, notice, request, waiver, consent, receipt or other paper or documents believed by the Escrow Agent to be genuine, and the Escrow Agent may assume that any person purporting to give it any notice on behalf of any party in accordance with the provisions of this Agreement has been duly authorized to do so.
13. The Escrow Agent may act or refrain from acting in respect of any matter referred to in this Escrow Agreement in full reliance on and by and with the advice of counsel which may be selected by it (including any member of its firm) and shall be fully protected in so acting or refraining from acting on the advice of counsel.
14. The costs of the Escrow Agent in receiving and administering the funds received by the Escrow Agent shall be paid out of the Net Profits, prorated between the escrow accounts, in accordance with the schedule of fees outlined in Schedule "B".
15. The Government and FSIN do hereby jointly and severally covenant and agree to keep harmless and fully indemnify the Escrow Agent from and against all loss, costs, suits, demands, claims, damages and expenses, including legal fees on a solicitor and own client basis, which the Escrow Agent may at any time or times hereunder suffer by reason of or arising out of any act, deed, or thing done or omitted to be done by it in the course of carrying out its duties under the terms of this Escrow Agreement, but excluding those which arise from the gross negligence or wilful misconduct of the Escrow Agent.

c) Escrow Agent Balfour Moss
600, 123 - 2nd Avenue South
Saskatoon, Saskatchewan
S7K 7E6

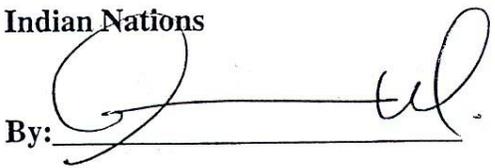
21. This agreement shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and the parties hereby attorn to the jurisdiction of the courts of the Province of Saskatchewan.

IN WITNESS WHEREOF the Parties have duly executed this agreement as of the date first above written.

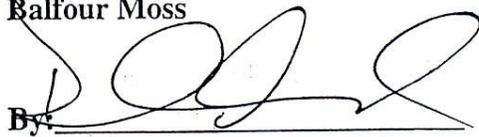
**Her Majesty the Queen in right of the
Province of Saskatchewan**

By: 

**The Federation of Saskatchewan
Indian Nations**

By: 

Balfour Moss

By: 

SCHEDULE "A"

To: Balfour Moss
600, 123 - 2nd Avenue South
Saskatoon, Saskatchewan S7K 3L7

Re: Her Majesty the Queen in right of the Province of Saskatchewan (the "Government")
The Federation of Saskatchewan Indian Nations (the "FSIN")

The Escrow Agent is hereby authorized and instructed, by the Government and the FSIN, to disburse all funds held in Escrow to the credit of the First Nations Trust and the _____ Community Development Corporation to:

Name:

Account Number:

Bank Name:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF SASKATCHEWAN
as represented by the Minister responsible for Liquor and Gaming

Per: _____

THE FEDERATION OF SASKATCHEWAN INDIAN NATIONS

Per: _____

SCHEDULE "B"

Schedule of Fees for Services Rendered by the Escrow Agent in Receiving and Administering the Net Profits:

1. The Escrow Agent shall be entitled to payment at the rate of \$250 per hour, plus all disbursements and applicable taxes for services rendered in receiving and administering the Net Profits.