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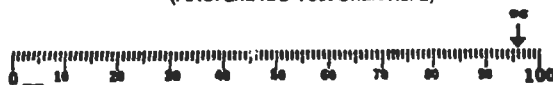
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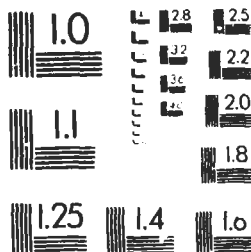
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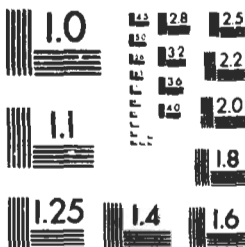
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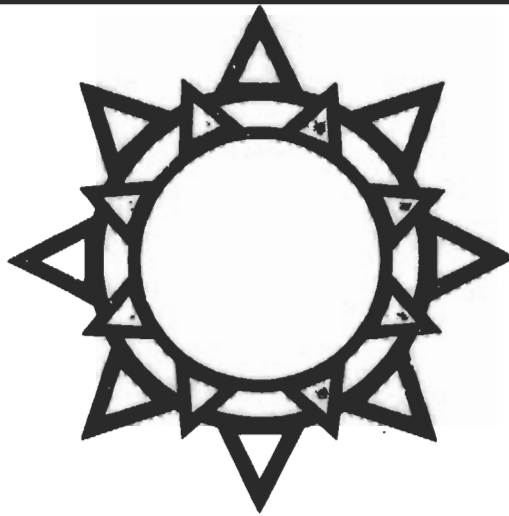
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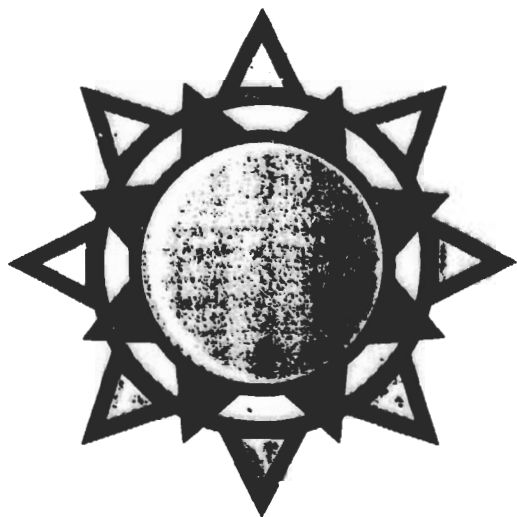
**Manitoba
First Nations
Casino Project**

**Request for
Proposals**

**Issued by
Manitoba First Nations Casino Project
Selection Committee**

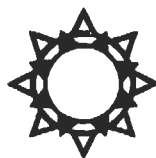
January 19, 2000





**Manitoba
First Nations
Casino Project**

**Request for
Proposals**



**Manitoba
First Nations
Casino
Participants**

100-06955/

First Nations Casino Project

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Part I

Purpose, Objectives, Business Terms and Conditions

1. Background

Within a solid framework, First Nations gaming can create opportunities for the host community and adjacent communities, for First Nations people and for the province as a whole. A sound and practical structure will ensure that benefits from gaming activities accrue to whole communities through the creation of local employment opportunities, the development of spin-off industries, enhanced tourism projects and the generation of revenues to support community development initiatives.

The purpose of this document is to seek proposals from Manitoba First Nations interested in translating this concept into building opportunities for First Nations people.

The decision to proceed with First Nations casino opportunities is the next step in an evolutionary process which began in Manitoba in early 1989. At that time representatives of Manitoba Justice, Manitoba Northern and Native Affairs and the Manitoba Lotteries Foundation, began to negotiate First Nations Gaming Commission Agreements under the direction and on behalf of the Provincial Government.

These Agreements, negotiated between First Nations and the Province of Manitoba, gave licensing authority for specified gaming activities to on-reserve commissions established by the Chief and Council. This approach has supported the concept of self-government while respecting the requirements of the Criminal Code of Canada and maintaining provincial authority over gaming.

At the same time, casino developments in Winnipeg, and neighbouring Canadian and U.S. jurisdictions, underscored the economic benefits generated by the gaming industry. Manitoba First Nations began to express interest in developing casino opportunities.

The Legal Framework

Casinos, like other forms of gaming activities in Canada, are carefully legislated and regulated. In Canada all gambling activity is governed by the Criminal Code of Canada. Under the Criminal Code, Section 206, all gambling is illegal unless expressly permitted – by Section 207. This Section allows for the creation and operation of lottery schemes within a province. Specifically Section 207(1)(b) gives the provinces the discretion to license lottery schemes which are conducted and managed by charitable or religious groups. The Manitoba Government has also used this section to establish the First Nations Gaming Commissions referred to earlier in this document.

Under Section 207(1)(a) of the Criminal Code, it is legal for a provincial government to establish, manage and conduct a "lottery scheme" involving casinos that include VLTs and slot machines. In accordance with the Criminal Code and Manitoba legislation, this "lottery scheme" must be conducted and managed by the Manitoba Lotteries Corporation (MLC). It should be noted that a regulation under the Manitoba Lotteries Corporation Act exclusively authorizes the MLC to conduct and manage all casinos in the province.

As well, Section 207(4)(c) of the Criminal Code requires the Province to conduct and manage electronic games. Therefore, ownership and management of VLTs and slot machines must be maintained by the Province. Certain table games (e.g., blackjack and roulette) must be maintained by the Province and are defined in regulations set in accordance with the Manitoba Lotteries Corporation Act.

The First Nations Gaming Policy Review (The Bostrom Report)

In October 1997, the First Nations Gaming Policy Review (Bostrom Report) was presented to the Provincial Government. This review was charged with providing advice and recommendations to government aimed at determining the future of First Nations gaming in Manitoba. The recommendations of the Bostrom Report are the foundation of the guiding principles of the Government of Manitoba's decision to proceed with the First Nations Casino Project.

This report provides a summary of recommendations including selection process, scope of casino project, management and conduct of gaming activities and regulatory framework.

The Bostrom Report also underscored that gaming activities are a provincial matter and must be governed in accordance with the Criminal Code of Canada and associated provincial legislation. Furthermore, the Report maintained that First Nations communities participating in the casino or VLT program must have all gaming regulated and be in compliance with Acts, regulations and policies relating to gaming.

2. Purpose of the Request for Proposals (RFP)

The Government of Manitoba has announced that it intends to select up to five First Nations destination gaming facilities in the province. To this end, a Selection Committee has been established and, with the issuance of this RFP, is now soliciting proposals for the development and operation of these new gaming facilities.

3. Objectives

The First Nations Casino Project Selection Committee may select up to five Proponents that are of the highest quality and clearly demonstrate in the proposal(s) the ability to fulfill the objectives of the First Nations Casino Project.

The Proponent must be one or more Manitoba First Nation Governments. It is understood that Proponents may form partnerships, consortiums, joint ventures or other business arrangements that may include non-First Nations entities.

The objectives are:

- to ensure that the Project provides sustainable economic benefits and opportunities to the First Nations people of Manitoba;
- to act as a catalyst for economic development for the host community and surrounding area and communities;
- to provide revenues to all First Nations in Manitoba;
- to promote tourism and hospitality industries;
- to create jobs; and
- to provide substantiation of mitigating measures to address social impacts which may occur.

In fulfilling these objectives, the project must be socially responsible and protective of the public interest. Only proposals that have the demonstrated support of the First Nations host community and adjacent local government should be presented.

Given the objectives of this Project, this RFP is excluded from the application of Chapter Five of the Agreement on Internal Trade.

4. Competitive Environment

MLC has the exclusive right to conduct and manage electronic gaming (e.g., VLTs, slot machines) and casino gaming activities in Manitoba. At present, two commercial casinos are located in Winnipeg, Manitoba; as well, there are approximately 5,000 VLTs operating via a network throughout the province. A number of substantial First Nation casinos exist in bordering provinces and bordering states.

Within the context of this environment, the project should therefore expect to operate in a very competitive market environment.

5. Project Site(s)

The Bostrom Report envisaged destination casinos being operated only on reserve land. It is the position of the Government of Manitoba that to restrict projects to on-reserve sites may place undue restrictions on market opportunities. While it is mandatory that casino facilities be located on reserve land before they are authorized to operate, the Selection Committee is prepared to entertain proposals for facilities located on land being negotiated under Treaty Land Entitlement. It is recognized that this process requires comprehensive approvals at local, municipal, provincial and federal levels, depending on land selected.

The Selection Committee will accept these proposals without prejudice subject to the site being set aside as reserve land.

For on-reserve projects, the proposal must demonstrate support by the Proponent First Nations Government and community. In addition, casino proposals must demonstrate that material issues and the concerns of adjacent local governments have been satisfactorily addressed.

6. Scope of First Nations Casino Project

It is expected that proposals will include feasibility studies identifying the proposed casinos' viability based on a credible market analysis. The Bostrom Report recommended that each First Nations casino should be allowed up to 30 table games and up to 300 slot machines. These levels were viewed as sufficiently high to act as a catalyst for the development of the multi-function destination facilities envisioned in the Bostrom Report. Proposals should be supported by business plans and feasibility studies prepared in keeping with this recommendation.

7. Constructing and Financing the First Nations Casino Project

The Proponent will be solely responsible for the financing and construction of the project. The Proponent will be required to provide the Selection Committee with evidence of satisfactory guarantees, indemnities and/or security to ensure the payment and performance in full of all construction obligations, including overruns.

In addition, all sources of financing must be disclosed fully and the financing parties must agree to background investigations by the regulatory body (Manitoba Gaming Control Commission (MGCC)). This will be considered as part of the financial disclosure requirements set out in Part III.

8. Manitoba Lotteries Corporation to Conduct and Manage

Pursuant to Section 207(4)(c) of the Criminal Code of Canada, only a provincial government may conduct and manage "a lottery scheme" that is operated on or through a computer, video device or slot machine. The Government of Manitoba has designated the MLC as its agent to conduct and manage all electronic gaming in the province including those games operating in the First Nations destination casinos.

Proponents should assume that the MLC will set appropriate fees to cover its costs associated with owning and managing the electronic games. This recovery could be based on a flat fee or on 11% of slot machine win, to cover the costs of purchase, installation, maintenance and associated business expenditures per the negotiated operating agreement.

The successful Proponent will be required to enter into a formal operating agreement with the MLC which will set out the parties' respective obligations in a manner consistent with the provisions in the Criminal Code and all other applicable federal and provincial laws, including The Gaming Control Act and The Manitoba Lotteries Corporation Act.

9. Operating the First Nations Casino Project

While the successful Proponents will operate substantially all the business in the First Nations casino, the MLC must remain the operating mind, with all decision-making power and discretion with respect to any decisions and activities that impact the lottery schemes.

The successful Proponents will enter into an operating agreement with the MLC, as the representative of the Government of Manitoba, to reflect this legal requirement. Such an agreement will be for a period of four years with a mechanism built into the agreement for review by all parties after two years.

The Proponent will equip (with the exception of slot machines and video lottery terminals) and furnish the casino and ensure such equipment and furnishings are maintained in top condition. The Proponent will be the employer of all personnel required for the operation of the casinos, and all such personnel shall be employees of the Proponent who must satisfy the registration requirements of the MGCC. The Selection Committee recommends that casino Proponents explore any additional role the MLC can play with respect to start-up, training, management and the on-going operation of the casino project.

10. Allocation of Revenues

In accordance with the Bostrom Report, the Government of Manitoba has declared that the destination Casino Project revenue (net of prizes and operating costs) will accrue to the First Nations People of Manitoba and be distributed to First Nations by an agent designated by the Government of Manitoba. The Assembly of Manitoba Chiefs will finalize a revenue distribution formula that benefits all Manitoba First Nations.

The Proponent is requested to provide short and long-term details on how casino profits will be distributed to benefit First Nations communities in areas including, but not exclusive to, community development initiatives and additions treatment plans and programs.

The Proponent must be prepared to provide the Government of Manitoba, on a timely basis, once a year, with an unqualified audit of operating costs, profits and distribution, and expenditure of profits. Actual timing of the audit will be a subject of negotiation within the operating agreement with the MLC.

11. Regulatory and Operational Framework

As stated in the Bostrom Report, "it is critically important to regulate and control gaming activity with the aim of ensuring that activity is conducted honestly, with integrity and in the public interest. By having First Nations casinos and VLT operations regulated by the MGCC, locals and visitors alike are assured that the same high standards for gaming control are applicable wherever they gamble in the Province."

The Government of Manitoba and the Assembly of Manitoba Chiefs concur with the foregoing. The Selection Committee therefore requires that the regulatory and operational structure be as follows:

- a) MLC conducting and managing gaming activities and providing for their operations; and
- b) MGCC regulating gaming in the province including employee and supplier registration, game integrity and machine registration and specifications.

Details of the regulatory regime are outlined in The Gaming Control Act and Regulations.

As the operating mind under the conduct and manage imperative, the MLC will set the management and operational policies with respect to gaming activities. Current operational policies at the two MLC casinos should be assumed for the purpose of this proposal.

12. Additional Terms and Conditions

The Proponent must clearly understand and does hereby, in submitting its proposal, agree that its proposal and any part of its proposal is subject to the following conditions, in addition to any other terms and conditions set out in this RFP.

- The submission of a proposal, the receipt of a proposal by the Selection Committee and the opening of a proposal, or any one of these, is not acceptance in any way whatsoever of a proposal.
- The proposal shall not be deemed in any way to be a unilateral contract. It is an offer by the Proponent to the Government of Manitoba to carry out the provisions of, or provide the services requested in, the RFP in the manner set out in the Proponent's proposal.
- The Selection Committee, in its sole discretion, may select only part of any proposal where a single proposal is made in respect of more than one First Nations Casino destination, may reject all or any part of a Proponent's proposal, or may select or reject all of the proposals submitted under this RFP, and neither the Selection Committee nor the Government of Manitoba is under any obligation whatsoever to select the lowest cost or any proposal.
- The acceptance by the Government of Manitoba of all or any part of a proposal will only be communicated to a Proponent in writing.
- If the Government of Manitoba accepts all or any part of a proposal by written notice delivered to a Proponent, the acceptance in and of itself does not create a legal or binding obligation but merely gives the Proponent a right to enter into negotiations for a contract resulting from this RFP. The Government of Manitoba retains the right to terminate contract negotiations with a Proponent, with no liability, and to commence negotiations with a different Proponent. Costs incurred by the Proponent during negotiations in such instance will be borne by the Proponent.
- Any contract entered into after negotiations with a Proponent may have terms that are different from those contemplated in this RFP.
- All costs and expenses incurred by the Proponents relating to their proposal will be borne by the Proponents. The Selection Committee is not liable to pay such costs and expenses or to reimburse or compensate Proponents under any circumstances including the rejection of any or all proposals.
- Proponents are responsible for obtaining their own independent financial, legal, accounting engineering and technical advice and services.
- Design, development, construction and financing of the casino proposal must comply with the legislation, regulations, by-laws and codes of all levels of government. This includes compliance with the regulatory and approval requirements for the Government of Canada, the Province of Manitoba, the host First Nations Government and municipal governments (if applicable).

- Proponents, Participants, members and their officers and directors will be subject to a security and background investigation. A prescribed Consent and Authorization form (Appendix "A") must be completed by all such officers and directors to facilitate this process as a precondition to being selected. This form must be completed and attached to the proposal. Investigative costs are industry standard and will be borne by the Proponents.
- Individuals or other persons associated with the Proponents or Participants may be required to undergo security and background investigations. In such an event, they will be required to submit a completed Consent and Authorization form (Appendix "A").
- The Selection Committee reserves the right to request additional information regarding the Proponent and any individual or other persons associated with the proposal.
- The Selection Committee reserves the right to obtain performance references from any person for whom the Proponent or Participant has developed properties or projects.
- Any written information received by the Selection Committee pursuant to a request from the Selection Committee, shall be considered an integral part of the proposal.
- Proponents must commit to negotiate in good faith with the MLC.
- The proposal and any information received by the Selection Committee relating to a proposal, gained through the RFP process or otherwise, shall be treated in strict confidence. However, the Selection Committee reserves the right, at any time, to publicize the names of the Proponents.
- Proponents shall not issue news releases or other public announcements pertaining to details of their proposal or the selection process without the prior written approval of the Selection Committee.
- All proposals become the property of the Selection Committee and shall not be returned.



Part II

Selection Process

1. Selection Criteria

The Selection Process will be conducted within an evaluation framework to ensure that only those proposals of the highest quality and providing the greatest overall benefit to First Nations people and the Province of Manitoba are considered. The Selection Process will be guided by the following principles taken from page 17 of the Bostrom Report.

The (First Nations Gaming Review Policy) Committee recommends that an evaluation framework should be applied to all proposals. Proponents should have the flexibility to develop and define the most appropriate project proposal within the regulatory and operational framework set out in this report. Each proposal should be assessed individually, as well as comparatively, with the others. The evaluation process should recognize the potential for widely varying responses from the Proponents, depending on their individual strengths, creativity, corporate vision, past experience and capabilities. Proponents should be made aware that both the quantitative and qualitative aspects of a proposal are important.

The selection process will be guided by the following criteria:

- Operating costs for casino operations should not exceed the industry standard given the facility and the mix of games.

- The Proponent and any Participants must be in compliance with all gaming laws and regulations, including the *Criminal Code of Canada*, *The Gaming Control Act* and *The Manitoba Lotteries Corporation Act* in order to be considered for selection under this RFP.
- Proposals should detail relevant corporate development experience and expertise, including the Proponent's own expertise and experience, as well as set out the track record of the Proponent's other properties and/or projects. Each corporation, joint venturer, consortium member or individual with a greater than 5% beneficial or registered interest in the Proponent (the "Participants") and each director and officer of such entity shall be identified and their qualifications shall be included in the proposal as required in Part III.
- Strategic and operational business plans, including plans for the development of the project, as well as operations, marketing activities and human resource management should be included in the proposal.
- Proponents should demonstrate financial strength and capacity by detailing financial arrangements for the project, the financial strength of the Proponent and all entities with a greater than 5% beneficial or registered interest in the Proponent, and financial projections for the project.
- The Proponent and key executives assigned to the project by the Proponent should demonstrate knowledge of relevant Manitoba markets.
- Proposals should include a market assessment identifying existing gaming facilities and operations (including charitable gaming events, existing VLT operations, pari-mutuel events and retail lottery ticket operations) within the same market area, expected competitive impacts and any plans for inclusion into the proposed casino development.
- This Project is expected to satisfy economic development objectives, outlined earlier in this RFP. Proposals should identify expected economic development benefits including job creation and regional economic development. They should include an assessment of the direct and indirect benefits and jobs related to the construction and operation of the casino complex. The impact of ancillary developments, including hotels, convention facilities, recreation facilities and tourist attractions, should also be detailed.
- The proposal should identify the degree to which the project will generate casino profits as well as detail how those profits will benefit First Nations people (e.g., community development initiatives).
- All gaming activities and operations in the Province of Manitoba must operate within the regulatory standards set out by The Gaming Control Act. Proposals should demonstrate capability for compliance with regulatory standards and registration with the MGCC.
- All proposals must contain complete responses to the requirements set out in this RFP as detailed in Part III, Proposal Contents and Evaluation Process. A proposal which fails to comply with or respond to any part of the RFP may result in rejection or disqualification.

2. Selection Committee

The Selection Committee has been established to direct the RFP and to provide its decisions to the Government of Manitoba and the Assembly of Manitoba Chiefs on the selection of up to five proposals for First Nations destination gaming facilities in the Province of Manitoba

The Selection Committee consists of one member proposed and approved by the Government of Manitoba and one member proposed and approved by the Assembly of Manitoba Chiefs. The Selection Committee may be assisted by expert advisors in specific areas of economic and social development, gaming, casino management and the law, as the Committee deems appropriate to fulfill its mandate.

The Selection Committee will provide an independent review of the proposals and will ensure integrity in the bidding and selection process.

3. Additional Information

The Selection Committee reserves the right to develop a shortlist from the proposals received and may require those on the shortlist to meet with the Committee to:

- elaborate and expand on their proposals and to answer questions;
- respond to any issues which may arise from their proposals; and
- submit supplementary material if required.

4. Grounds for Disqualification

Any attempt on the part of Proponents, Participants or any of their employees, agents, contractors or representatives to contact any of the following persons, with respect to this RFP or with respect to their proposal, may lead to disqualification:

- any member of the Selection Committee;
- any advisors assisting the Selection Committee;
- any Minister of the Government of Manitoba or their staff;
- any board members of the MLC or MGCC.

5. Requests for Information or Clarification

All requests for information or clarification of the RFP must be submitted in writing and delivered by February 21, 2000 to:

First Nations Casino Project
1508 - 155 Carlton Street
Winnipeg, Manitoba R3C 3H8

Attention:
Selection Committee -
c/o Elizabeth Stephenson

A copy of the Proponent's request and the response will be forwarded to all Proponents who have indicated their interest to the Selection Committee by February 21, 2000. Clarification or answers to questions will be provided up to fourteen (14) days (March 17, 2000) before the proposal submission deadline (March 31, 2000).

6. Timetable

The timetable for this RFP is as follows:

- Release RFP
January 19, 2000
- Requests for information or clarification
February 21, 2000
- Date for responses to questions
March 17, 2000
- Proposal Submission Deadline
March 31, 2000
- Completion of Review and Recommendations
May 31, 2000

Proponents shall submit ten (10) copies of their sealed proposals bearing the title "Response to a Request for Proposal for the First Nations Casino Project". The proposal submission deadline is 2:00 p.m. local time (Central Standard Time), on March 31, 2000.

Proposals must be addressed and delivered to:

First Nations Casino Project
1508 - 155 Carlton Street
Winnipeg, Manitoba R3C 3H8

Attention:
Selection Committee -
c/o Elizabeth Stephenson

Each Proponent assumes full responsibility for delivery and deposit of the complete proposal and supporting documentation by the proposal submission deadline. Any proposals received after the proposal submission deadline will be returned unopened.

7. Recommendations of Selection Committee

The Selection Committee will provide the Government of Manitoba and the Assembly of Manitoba Chiefs with their recommendations on the selection of up to five proposals for First Nations destination gaming facilities in Manitoba. The Government of Manitoba will receive the recommendations and will, in its sole discretion after consulting with the Assembly of Manitoba Chiefs, determine whether to proceed with all, some, or none of the recommendations.



Part III

Proposal Contents and Evaluation Process

A. Proposal Contents Requirements

This section outlines the major components that must be addressed in a proposal. A response to the RFP must contain the following components or the proposal will not be considered complete. Please organize your proposal in the order in which the requirements are set out below and number your proposal subsections to correspond with the numbers assigned to the requirements.

1. Identification and Qualification of Proponents

The Proponent must provide the following information. If the Proponent is newly incorporated, made up of several individual or corporate entities, or is a joint venture, partnership, consortium or a subsidiary of another entity or entities, the information provided under this section must be provided for each individual, entity, joint venturer, partner, consortium member and parent company (the "Participants") where appropriate.

- The full name, address, telephone and facsimile number of the Proponent.
- Whether the Proponent intends to form a partnership, consortium, joint venture or other, and the name of the Participant(s).
- The date the Participant(s) was incorporated or created and the province, state or other jurisdiction of incorporation or creation.
- All names under which the Proponent or Participant(s) is carrying on business in any jurisdiction. (See definition of Proponent, Part I)

- A description of the businesses carried on by the Proponent or Participant(s):
 - Where the Proponent is a First Nation, describing the business carried on by the First Nation relating to the gaming industry; and
 - Where the Participant(s) is not a First Nation describing all businesses carried on by the Participant(s), directly or indirectly, in any jurisdiction.
- The names and the respective positions of individuals who are authorized to represent the Proponent, along with their address, telephone and facsimile numbers if different from that of the Proponent.
- A summary of the legal agreements that describe the relationships between the Proponent and any Participants.
- An ownership chart indicating the ownership structure of the project. The chart must indicate the names of the persons who have direct or indirect ownership interests in the project. If the Proponent is publicly-owned, it is only necessary to indicate the individuals or other persons who beneficially own or control 5% or more of the shares of any class of shares.
- A full description of the Proponent's and Participant's experience as it pertains to all aspects of the proposal. For example, provide information on corporations, partnerships, joint ventures, consortiums and other corporate/ownership structures, project locations, concept and expectations, size, construction time and costs, project values, role of the Proponent and Participant(s) after construction, consultants employed, current relationship to project, co-operative work with local government and regional interests. Include reasonable illustrative material where relevant.
- A description of the method proposed by the Proponent to be used to obtain experienced personnel to participate in the operation of the project.
- The name, address, and a brief description of each gaming establishment owned and/or operated by the Proponent or Participant(s) or with which the Proponent or Participant(s) are otherwise involved. [Note: If the Proponent is an entity newly-created for the purpose of responding to this proposal call, then the above information should be provided for each of the Participants.]
- Proponents and Participants based in any Canadian jurisdiction must provide the following financial information for up to the last five years:
 - Where the Proponent is a First Nation:
 - any information that may demonstrate the financial ability of the Proponent to carry out the proposal; and
 - audited or formal financial statements of any corporations, partnerships, consortiums, joint ventures or other businesses that are participating with the First Nation as Participants.
 - Where a Participant is not a First Nation:
 - annual audited financial statements;
 - year-end income statements, balance sheets, and cash flow statements; and
 - if applicable, copies of any filing as required under the relevant securities legislation (including information circulars, prospectus, etc.) of the Participant(s).

- Participants based in the United States must provide the following information for up to the last five years:
 - annual report and annual audited financial statements;
 - year-end income statements, balance sheets, and cash flow statements; and
 - Securities and Exchange Commission 10-K filings, if applicable.
- If a Participant(s) is not a reporting issuer in any Canadian jurisdiction and is not required to file a 10-K with the Securities and Exchange Commission, a Participant(s) must include a copy of their audited financial statements for the last five years, including year-end income statements, balance sheets, cash flow statements and notes thereto, and the report of the Proponent's auditors thereon.
- If the Proponent or Participant(s) has been formed to respond to the RFP, provide a pro-forma opening balance sheet for the Proponent or Participant(s).
- If the Proponent or Participant(s) is currently engaged in or proposing to construct a new project or to materially expand an existing project, indicate for each:
 - a brief description (location, concept, size);
 - the estimated cost of the project;
 - the scheduled dates of construction and completion of each phase;
 - the current status of the project development, including completion date;
 - the financing arrangements of the project and the financing commitments made;
 - the role of Proponent, identification of Participant(s) and their roles; and
 - how the existing or proposed development(s) might benefit or affect the proposed gaming project.
- Current detailed financial statements for each gaming establishment currently owned or operated by the Proponent or Participant(s). Provide revenues and operating income for the gaming, food and beverage and other departments. Also provide gaming device mix (e.g., casino: tables, slots, paper bingo), square footage information, development schedule, capital investment, financing details and other relevant data for each establishment.
- The organizational characteristics, objectives and management approach seen as appropriate or relevant to the gaming facility(ies) being proposed. In addition, discuss how the proposed gaming facility(ies) will be operated in relation to the Proponent's or Participant's other gaming and/or non-gaming facilities.

2. Evidence of Host First Nation Government Support

Prior to a proposal being considered for evaluation, a proposal must demonstrate community support (resolution of Council) from the First Nation in which the proposed gaming facility is to be located (the host First Nation Government). If a proposal does not contain the necessary community approval documentation, it will not be considered for evaluation.

3. Response to Adjacent Local Government Input

In addition, proposals must demonstrate that all reasonable and material concerns of adjacent local governments have been dealt with. Where some degree of impact may still occur, the proposal must also indicate efforts to be undertaken to minimize these potential impacts.

4. *Location/Description of Gaming and Other Related Facilities*

Proponents must provide a detailed description of the proposed project in narrative and graphic description, including the following details where appropriate:

- A description of the proposed site. The description must include, at a minimum, the following information:
 - municipal address and postal code;
 - zoning approvals, including size of property;
 - functional uses for venue;
 - floor plans (including space allocation and major functions, e.g., gaming floor and back-of-house, circulation, accessibility to adjacent components);
 - copies of all lease agreements, options, or agreements of purchase and sale;
 - parking plan; and
 - distance from existing gaming facilities.
- Recognizing that the casinos will be required to be located on reserve and before they will be authorized to operate, identification of whether the proposed site is located on an existing First Nation reserve.
- If the site is not located on an existing First Nation reserve, the process identified to have the site set apart as reserve land, including:
 - the steps taken to date to have the land set apart as reserve;
 - identification of any third party interests on the land and the process identified to resolve those third party interests to the satisfaction of the third party; and

- identification of the legal basis on which the land is proposed to be set apart as reserve, including whether the land may be set apart as part of a lawful obligation of the Government of Canada (e.g., Northern Flood Agreement, Treaty Land Entitlement) or is otherwise eligible to be set apart as reserve under the Additions to Reserves/New Reserves Policy of the Government of Canada;

- the method of paying the costs of setting the land apart as reserve;
- the estimated time frame for the land to be set apart as reserve;
- any information from the Government of Canada indicating whether the Government of Canada is prepared to set the land apart as reserve and the estimated time frame.

- A detailed project budget as to the costs for financing, design, construction, furnishing and equipping of the gaming facility(ies). Include any costs related to necessary infrastructure improvements required to accommodate the proposed development. Explain fully all material assumptions on which the projected budget is based. Proponents should assume that the MLC will set appropriate fees to recover its costs associated with owning and managing the electronic games. This cost recovery could be based on a flat fee basis or as the formula used in British Columbia - a contribution of 11% of slot machine win to cover the costs of purchase, installation, maintenance and associated business expenditures. Proponents should outline those expenses which they believe are not their responsibility.
- An outline of how the design of each gaming facility will incorporate the features necessary to ensure barrier-free access for persons with disabilities.

- A description of each of the proposed facility components included in the gaming facility(ies), its mix of games, etc., and other supportive facilities such as restaurants, lounges and other related food and beverage and entertainment venues. The selection committee will favour those proposed developments that will provide a catalyst for economic development (jobs and other additional benefits). Destination gaming facilities should address the following criteria:

Facility Standards

- up-market positioning;
- theming;
- customer comforts;
- needs of defined market;
- community standards;
- appropriate zoning and space requirements.

Siting

- conforms with host local government by-laws and development requirements; and
- complements and supports a new or existing destination:
 - hotel;
 - marina;
 - recreational facilities;
 - convention or conference facilities;
 - cruise.

Ancillary Amenities within Destination Casino Complex

- restaurant(s);
- lounge(s);
- theatre/cabaret;
- other entertainment venue(s).

Ancillary Development Projects

- hotel;
- recreation facilities;
- convention or conference facilities;
- tourist attractions.

- The proposed investment in each facility (new construction or renovations) showing both hard costs (e.g., construction and site improvement) and soft costs (e.g., legal and architectural fees).

- Disclosure as to whether the Proponent or Participants, or any persons interested in them, has direct or indirect financial interests in the premises from which the Proponent or Participants will be operating each and every gaming facility.

- A development timetable including all ancillary components. The timetable should include:

a list of any assumptions made/criteria used in preparing the development schedule;

the assurances that will be made for timely completion; and

plans, if any, for the use of a temporary facility during development and construction of the project.

5. Business Plan

Proponents must provide the following information in the business plan:

a) Operations

- A description of the key management staff required to operate each department of each proposed gaming facility and their main areas of responsibility.
- Detailed narratives regarding the backgrounds of executives to be assigned to develop and operate the proposed gaming facility(ies).

- For each department, indicate the number of non-management staff required, broken down by the full-time and part-time positions (identify full-time, part-time and full-time equivalents), general classifications, estimated wage/salary rates per job classification, and the estimated total annual salaries and benefits.
- An outline of the Proponent's principles with respect to staff training and development and staff relations, including local hiring and training. If the Proponent has gaming operations in other jurisdictions, specifics of staff development and training programs implemented in those jurisdictions should be included in the proposal.
- An outline of the proposed number and type of public education and problem gambling prevention strategies, including prevention and education strategies for employees, that would be implemented as part of the operation of the gaming facilities. If the Proponent or Participant(s) has gaming operations in other jurisdictions, specifics of the programs implemented in those jurisdictions should be included in the proposal. The Proponent must outline intervention and treatment strategies and programming that will be made available to problem gamblers.
- An outline as to how the Proponent plans to ensure that persons under the age of 18 years will be identified and prohibited from gambling. If the Proponent or Participant(s) has gaming operations in other jurisdictions, specifics of programs implemented in those jurisdictions should be included in this proposal.
- An outline of the Proponent's proposed operating policies, programs and procedures for dealing with security inside and surrounding the facility, including the proposed surveillance and alarm systems to be installed. Explain any assumptions regarding building layout and floor plans.
- A description of the Proponent's proposed internal control and standard operating procedures relating to the handling, movement, counting and recording of money and money equivalents. Provide an outline on the proposed internal control procedures and standards.

b) Marketing

- A detailed description of the proposed theme and market positioning of the gaming facility(ies).
- An analysis of the mix and number of table games and slot machines proposed for each casino and the number of paper seats proposed for each bingo component. Provide a narrative explaining the assumptions on which the proposed gaming device mix is based.
- A description of the proposed operating and marketing plans for each gaming facility including: the amounts, kinds and types of general promotion and advertising campaigns to be undertaken within the regulatory and operational framework; the market to be reached; and any strategies to respond to the unique nature of various Manitoba markets. Assumptions in respect to target markets and implementation should be clearly stated.
- An analysis of the benefits or advantages, if any, projected to be derived from the Proponent's existing business activities.

- A detailed market assessment highlighting the total market potential of the proposed facility and the potential impact on any existing gaming facility, charitable gaming or VLT operations within the same market.

c) Projections

- All projections must be in Canadian dollars.
- Provide a detailed projected budget as to costs for the financing, design, construction, furnishing and equipping of the project. Include costs of projected infrastructure improvements. Explain all material assumptions on which the projected budget is based, including assumptions of market size and competition.
- Projected balance sheets, income statements (detailed on a departmental basis) and cash flow statements for the first five years of the operation of the gaming facility(ies) using Canadian generally-accepted accounting principles. The financial statements for the first and second fiscal years should be prepared on a monthly basis.
- A detailed description of all material assumptions used in the preparation of the financial projections, including detailed assumptions regarding operating performance (i.e., dates of opening of the gaming facility(ies), slot and table win, number and type of table games and slot machines, number of employees per department, visitation, win per person, seasonality, etc.).

d) Financing

- A summary of the anticipated sources of financing for the project. Provide evidence of availability of financing and pertinent details (i.e., terms, rates, security, covenants,

lenders, guarantors, investors, line of credit, etc.). Note: MLC will own and manage all slot machines and electronic gaming equipment.

- Information regarding the Proponent's financing commitments in other projects and the terms of these actual and contingent commitments.
- Acknowledgement that the Manitoba Government and/or the MLC and/or the MGCC will not be responsible for funding losses associated with the proposed gaming facility(ies) and that those bodies will not be providing any forms of assistance to enable the Proponents to support or secure financing.

6. *Assessment of Impact on Existing Gaming Facilities*

A proposal must include a detailed market assessment highlighting total market potential of the proposed facility and the potential impact on any existing gaming facility, charitable gaming or VLT operations within the same market.

7. *Economic Benefits*

Proponents must provide details of how the proposed project satisfies the objectives stated in the proposal call, including regional economic benefits. Proponent responses should include, to the extent that they can be defined, the resultant direct and indirect benefits and jobs related to the construction and operation of the gaming complex and any other ancillary development (restaurants, hotels, recreational and entertainment facilities, etc.). Additional details should address how the gaming component of the total project will provide an economic catalyst for other developments, as well as how the total project will provide an economic catalyst for the region in which the total project is located.

B. Evaluation of Proposals

The Selection Committee will be responsible for evaluating all of the proposals received from Proponents against the Evaluation Criteria set out in this Part. Based on the evaluation, the Selection Committee will provide to the Government of Manitoba and the Assembly of Manitoba Chiefs a decision on the selection of up to five proposals for First Nations destination gaming facilities in the Province of Manitoba.

1. *Evaluation Criteria – Destination Gaming Facilities*

Proposals will be evaluated using the following criteria, which are not necessarily listed in any particular order of importance or priority:

Relevant corporate development experience/expertise (includes expertise and experience of the Proponent and Participant(s), and the track record of the Proponent's and Participant's other properties/projects).

Relevant executive development experience/expertise (includes expertise and experience of individuals assigned by the Proponent to the project).

Strategic and operational business plans (includes plans for the development of the project, operating, marketing and human resource management plans).

Financial strength and capacity (includes financial arrangements for the project, financial strength of the Proponent, and financial projections for the project).

Knowledge of relevant Manitoba markets (includes relevant experience of the Proponent and key executives assigned by the Proponent to the project).

- Market assessment and the potential negative impact on any existing gaming facilities within the same market.
- The degree to which the proposal satisfies the economic benefit objectives of the Casino Project to create jobs and act as a catalyst for regional economic development. This will include an assessment of the direct and indirect benefits and jobs related to the construction and operation of the gaming complex and other ancillary developments (restaurants, hotels, convention facilities, recreation facilities and tourist attractions).
- The degree to which the project generates casino profits including how and to what extent those profits will benefit First Nations peoples.
- The commitment of the Proponent First Nation Government(s) and Participant(s) to comply with the provisions of the Criminal Code respecting gaming.

The proposals must contain responses to the requirements set out in Section "A" of Part III. The failure to comply with or respond to any part of this Request for Proposals may result in the rejection of the proposal.

2. *Mandatory Requirements*

The Selection Committee will require that all proposals comply with the following:

- the Proponent must be one or more Manitoba First Nations Governments;
- the Casino facilities must be located on reserve land before they will be authorized to operate; and
- the Proponent and Participant(s) must comply with the Regulatory Framework and meet the eligibility requirement set out in Part I of this Request for Proposals.

3. Other Evaluation Issues

The Selection Committee may request any or all of the Proponents to meet with the Selection Committee to do the following:

- answer questions about the proposal;
- elaborate and expand on the proposal;
- submit supplementary material as required; and
- do anything else that the Selection committee considers appropriate.



Appendix A

Consent and Authorization

A Request for Proposals entitled "Building Opportunity - First Nations Casino Project" (the "RFP") has been issued by the First Nations Casino Project Selection Committee on behalf of the Manitoba Government. As part of its review of the proposals submitted in response to the RFP, a Selection Committee appointed by the Manitoba Government and the Assembly of Manitoba Chiefs will evaluate the personal, financial, and business integrity and professional capabilities of the Proponent, any Participants and individuals associated with or employed by the Proponent or any Participant.

The Manitoba Gaming Control Commission ("MGCC") will assist the Selection Committee in undertaking investigations and inquiries and in interpreting the results. The MGCC may also conduct investigations and inquiries on an on-going basis with respect to the successful Proponent, any Participants and individuals associated with or employed by the Proponent or any Participant.

This Consent and Authorization permits the Selection Committee or the MGCC to request and receive information from:

- a) federal, provincial, municipal or state governments, bodies or agencies;
- b) police and law enforcement agencies;
- c) financial institutions;
- d) credit bureaus;
- e) industry or professional associations;
- f) individuals currently or formerly associated with or employed by the Proponent or any Participant;

- g) current and former employers of any individual associated with or employed by the Proponent or any Participant.

The Selection Committee and the MGCC are required under The Freedom of Information and Protection of Privacy Act to protect the confidentiality of information in their possession and to use the information only for the purposes for which it was collected.

Information requested and received pursuant to this Consent and Authorization will be used as follows:

- 1 By the Selection Committee and the MGCC, to evaluate the personal, financial and business integrity of the Proponent, any Participants and any individuals associated with or employed by the Proponent or any Participant.
- 2 By the Selection Committee and the MGCC, to evaluate the personal, financial, business and criminal history of the Proponent, any Participants and any individuals associated with or employed by the Proponent or any Participant.

- 3 By the Selection Committee and the MGCC, to evaluate the professional qualifications and capabilities and past performance of the Proponent, any Participants and any individuals associated with or employed by the Proponent or any Participant.

- 4 By the MGCC and any other body regulating gaming in the province of Manitoba, in monitoring whether gaming in Manitoba is conducted honestly, with integrity and in the public interest and in the determination of any regulatory matter.

The Selection Committee and the MGCC may disclose information collected hereunder:

- a) to advisors assisting the Selection Committee in evaluating the proposals;
- b) to officials of the Manitoba Government;
- c) to gaming authorities in other jurisdictions;
- d) to police and law enforcement agencies for gaming related investigations or clearances.

Consent and Authorization

I, _____, am the _____ of
(name) (position)

(name of Proponent or Participant)

I authorize the Selection Committee and the Manitoba Gaming Control Commission to conduct investigations and make inquiries as described herein about me or about the Proponent or Participant with which I am associated or by which I am employed. I authorize any individual or entity to provide the information requested to the Selection Committee or the Manitoba Gaming Control Commission.

I consent to the use and disclosure of the information collected hereunder as described herein.

Date

Signature

*(The Consent and Authorization may
be duplicated for submission purposes.)*



**Manitoba
First Nations
Casino Project**



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Addendum to

Manitoba First Nations Casino Project Request for Proposals

Issued on January 19, 2000

The First Nations Casino Project Selection Committee has been advised by the Assembly of Manitoba Chiefs and the Government of Manitoba that they have agreed to certain revisions to the Request for Proposals and that they have requested that the Selection Committee acknowledge the revisions and issue an Addendum to the Request for Proposals.

Accordingly, the Selection Committee hereby acknowledges the revisions, and issues this Addendum to the Request for Proposals:

The Request for Proposals is hereby amended by removing therefrom the second paragraph of Part 1, Section 9, and by substituting therefor the following:

"The successful Proponents will enter into an operating agreement with the MLC, as the representative of the Government of Manitoba, to reflect this legal requirement. Such an agreement will be for a period of seven years with a mechanism built into the agreement for review by all parties after two years. The two-year review is intended to provide the parties to the operating agreement with a formal opportunity to raise and address operational, regulatory and management matters. This review is not to be construed as a reopening or re-negotiation of the operating agreement, nor is it intended in any way to limit the seven year term of the agreement."

Issued February 22, 2000

The Selection Committee:

Martin Freedman, Q.C.

Ron Nadeau