



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

FEB - 8 2007

Honorable Sue M. Shaffer
Chairwomen, Cow Creek Band
of Umpqua Tribe of Indians
2371 NE Stephens Street Suite 100
Roseburg, Oregon 97470

Dear Chairwomen Shaffer:

On December 26, 2006, we received the Tribal-State Gaming Compact (Compact) for regulation of Class III gaming between the Cow Creek Band of Umpqua Tribe of Indians (Tribe) and the state of Oregon (State). We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligations of the United States to Indians. Therefore, pursuant to my delegated authority and Section 11 of IGRA, we approve the Compact. This Compact shall take effect when the notice of our approval pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the Federal Register.

We wish the Tribe and the State success in their economic venture.

Sincerely,

*Acting Deputy Assistant Secretary -
Policy & Economic Development*

Identical letter sent to Honorable Theodore R. Kulongoski, Governor, State of Oregon
Enclosure

**TRIBAL-STATE COMPACT
FOR REGULATION OF CLASS III GAMING
BETWEEN THE COW CREEK BAND OF UMPQUA
TRIBE OF INDIANS
AND THE STATE OF OREGON**

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**TRIBAL-STATE COMPACT
FOR REGULATION OF CLASS III GAMING
BETWEEN THE COW CREEK BAND OF UMPQUA
TRIBE OF INDIANS
AND THE STATE OF OREGON**

ARTICLE I -TITLE

This Compact is made by and between the Cow Creek Band of Umpqua Tribe of Indians, a federally-recognized Indian tribe (hereinafter “Tribe”), and the State of Oregon acting by and through the Governor (hereinafter “State”), and pertains to Class III gaming to be conducted on lands pursuant to the Indian Gaming Regulatory Act, 25 USC § 2701 *et seq.* (“IGRA”).

ARTICLE II – RECITALS

A. The Parties.

1. The Tribe is a federally-recognized Indian tribe and is the beneficial owner of, and government for, the trust lands of the Tribe located in the State of Oregon.
2. The State and the Tribe are separate sovereigns and each respects the laws of the other sovereign.
3. The State’s public policy concerning gaming is reflected in the Constitution, statutes and administrative rules of the State, which authorize a variety of games classified as Class III Gaming under IGRA.
4. The Tribe’s public policy, as reflected in its Constitution and laws, includes the powers of the Tribal Board of Directors to negotiate with state government, manage the economic affairs of the Tribe and protect the health, security and general welfare of the members of the Tribe.
5. The State of Oregon acts herein through the Governor of the State.
6. The Tribe acts herein by and through its Tribal Board of Directors.

B. IGRA.

1. The United States Congress enacted IGRA in 1988.
2. IGRA sets forth federal policy regarding Indian gaming and provides a statutory basis for the operation of Class III Gaming by the Tribe as a means of promoting tribal economic development, self-sufficiency, and strong tribal government.

3. IGRA creates a framework for agreements between Indian tribes and states regarding the regulation of Class III Gaming as defined in IGRA.
4. IGRA regulates Class III Indian gaming to shield it from organized crime and other corrupting influences, to ensure that the Tribe is the primary beneficiary of the gaming revenues, and to ensure that gaming is conducted fairly and honestly by both the operators and players.
5. The Tribe and the State have been parties to successful IGRA compacts since 1991.

C. Regulatory Roles.

1. The success of tribal gaming depends upon public confidence and trust that the Tribal Gaming Operation is conducted with fairness, integrity, security and honesty, and is free from criminal and corruptive influences.
2. Public confidence and trust can be maintained only if there is strict compliance with all laws and regulations related to Tribal Gaming Activities, by all persons involved in the Tribal Gaming Operation.
3. The relationship between the State and the Tribe rests on mutual trust and the recognition that each has a duty to protect the gaming public through separate, responsibilities set forth in this IGRA compact.
4. This Compact establishes regulatory, oversight and monitoring roles between the parties.
5. The division of regulatory, oversight and monitoring roles in this Compact reserves for the Tribe the primary responsibility for regulating Class III Gaming on tribal land; however, this Compact provides the State of Oregon, acting through the Oregon State Police, with important monitoring and oversight responsibilities to assure the fairness, integrity, security and honesty of the Class III Gaming.
6. The Tribe and the State agree that the state functions of monitoring and oversight of the Tribal Gaming Operation will be funded by the Tribe, as set forth in this Compact.

ARTICLE III – DEFINITIONS

Terms defined in singular form may also be used in plural form and vice versa. In addition to any terms that may be defined elsewhere in this Compact, the following terms apply to this Compact and have the following meanings:

- A. "Background Investigation" means a security and financial history check for a Tribal Gaming License, whether the applicant is a prospective High Security Employee, Low Security Employee, Primary Management Official or Class III Gaming Contractor.
- B. "Business Days" means Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific time, excluding State of Oregon holidays.
- C. "Certification" means the inspection process identified in the Minimum Internal Controls used by the State and the Tribe to approve Class III Gaming equipment for use in the Gaming Facility.
- D. "Class II Gaming" means "class II gaming" as defined in 25 USC § 2703(7).
- E. "Class III Gaming" or "Class III Games" means all forms of gaming that are not class I gaming or class II gaming as defined in 25 USC §§ 2703(6) and (7).
- F. "Class III Gaming Contract" means a contract that involves Major or Sensitive Procurements.
- G. "Class III Gaming Contractor" is any individual, business or other entity that applies for or is a party to a Class III Gaming Contract.
- H. "Consultant" means any person who provides advice or expertise to the Tribe concerning the operation, management or financing of the Tribal Gaming Activities for compensation, except attorneys and accountants performing those functions. "Consultant" may be either an employee of the Tribal Gaming Operation or a Class III Gaming Contractor. "Consultant" does not include a Class III Gaming Contractor engaged for the purpose of training or teaching employees of the Tribal Gaming Operation or the Tribal Gaming Commission if the contract for those services is no greater than ninety (90) consecutive days in duration.
- I. "Controlling Interest" means fifteen percent (15%) or more of the equity ownership of a company.
- J. "Counter Game" means keno and off-race course pari-mutuel wagering.
- K. "Fiscal Year" means the fiscal year of the Tribal Gaming Operation, which consists of a twelve-month period ending on each December 31st or such other twelve month period designated in writing by the Tribe to the State.
- L. "Gaming Area" means the area described in Exhibit 1 along with any adjacent additions to provide for additional Class III Gaming; any area of the Gaming Facility in which Class III Gaming is conducted, or areas where patrons' transactions related to Class III Gaming are conducted.

Gaming Area includes the cage and adjacent areas that are not separated from the gaming floor by a physical barrier such as a wall, unless otherwise agreed to in writing by the parties to this Compact.

M. “Gaming Facility” means any building, structure or grounds used by the Tribe on Cow Creek Tribal Trust Land for Class III Gaming purposes, (including any property used to store Class III Gaming equipment) and any other functionally-related ancillary facilities (such as lodging, restaurants, gift shops, meeting and entertainment venues, and facilities in which other related activities occur) that are also located on Cow Creek Tribal trust land and are within the area marked as Gaming Facility in Exhibit 1 hereto.

N. “Gaming Related Criminal Activity” means any conduct constituting a violation of ORS 167.167 (Cheating) and any other criminal activity involving any controlled item related to, or used in, the play of any Class III Gaming. For purposes of this definition, “controlled item” means any item used directly or indirectly in the play of a Class III Game that requires secure storage or restricted access, including but not limited to: Class III playing cards, dice, VLT paper, gaming chips, keno balls, credit/fill slips, hand pay slips, and keys.

O. “Governor” means the Governor of the State of Oregon.

P. “High Security Employee” means any natural person who is an employee of the Tribal Gaming Operation and who participates in the operation or management of the Tribal Gaming Operation. “High Security Employee” includes but is not limited to: Tribal Gaming Operation administrators, managers and assistant managers, Gaming Facility surveillance or security personnel, dealers, croupiers, shift supervisors, cage personnel (including cashiers and cashier supervisors), drop and count personnel, Consultants who are Tribal Gaming Operation employees and who are not Low Security Employees, Primary Management Officials who are Tribal Gaming Operation employees, VLT technicians, junket representatives, information technology staff with access to on-line accounting systems, and any other person whose employment duties require or authorize access to areas of the Gaming Facility related to Class III Gaming and which are not otherwise open to the public.

Q. “IGRA” means the Indian Gaming Regulatory Act, 25 USC § 2701, *et seq.*

R. “Key Employee” means any officer or any other person who may substantially affect the course of business, has authority to make decisions, or is in a sensitive position, such as a position that allows access to information or items that may affect the fairness, integrity, security or honesty of the Tribal Gaming Activities, in an organization or corporation that is a Class III Gaming Contractor or applicant for a Tribal Gaming License.

S. “Low Security Employee” means any employee of the Tribal Gaming Operation whose duties require the employee’s presence in the Gaming Area but who is not a High Security Employee and who is not involved in the operation of Class III Gaming. “Low Security Employee” includes but is not limited to employees who are Consultants who are Tribal Gaming Operation

employees and who otherwise fall within the definition of “Low Security Employee.” “Low Security Employee” does not include any employee of the Tribal Gaming Operation who is present in the Gaming Area for the sole purpose of conducting banking activities at the cage and whose duties do not require that employee to enter the cage.

T. “Major Procurement” means any procurement action, arrangement, transaction or contract between the Tribe, the Tribal Gaming Commission, or the Tribal Gaming Operation and a manufacturer, supplier, Consultant who is not an employee of the Tribal Gaming Operation, Primary Management Official who is not an employee of the Tribal Gaming Operation, or management contractor, for the purchase of goods, services, licenses or systems that may directly affect the fairness, integrity, security or honesty of the Tribal Gaming Operation and administration of the Tribal Gaming Activities but that are not specifically identified as a Sensitive Procurement. “Major Procurements” include but are not limited to, procurement actions, arrangements, transactions or contracts:

1. For any goods, services or systems involving the receiving or recording of number selections or bets in any Class III Gaming, including but not limited to on-line accounting systems, Keno systems, other random number generation systems and off-track betting systems;
2. For any goods, services, or systems used to determine winners in any Class III Gaming;
3. For purchase, installation, or maintenance of accounting or surveillance systems or other equipment used in monitoring Class III Gaming;
4. For licenses to use a patented Class III Game or Class III Game product;
5. For any goods, services or systems that are a part of or related to a computerized system responsible for receiving, processing or recording data from Tribal Gaming Activities or involved in printing or validating tickets; or
6. Involving or requiring commitments by either party to the procurement action, arrangement, transaction or contract such that there would be substantial financial consequences to one of the parties if the procurement action, arrangement, transaction or contract is terminated prematurely. All procurement actions, arrangements, transactions and contracts involving consideration or value of \$100,000 or more are deemed to result in substantial financial consequences to one of the parties if the procurement action, arrangement, transaction or contract is terminated prematurely.

U. “Minimum Internal Controls” means the Tribal/State “Minimum Standards for Internal Controls” attached as Exhibit 2 and as revised pursuant to Article VIII, Section A.

V. "OSP" means the Gaming Enforcement Division, or that administrative unit, of the Oregon Department of State Police (commonly referred to as the Oregon State Police) established under ORS 181.020, charged with gaming enforcement responsibilities, or its successor agency established by law.

W. "Owner" means any person or entity that owns five percent (5%) or more of the equity ownership of an entity, alone or in combination with another person who is a spouse, parent, child, or sibling of that person or who is a spouse, parent, child, or sibling of any officer or any person who can substantially affect the course of business, make decisions, or is in a sensitive position in that entity.

X. "Primary Management Official" means any person who:

1. Has executive level management responsibility for part or all of the Class III Gaming, whether as an employee or under a Class III Gaming Contract for management services;
2. Has authority -
 - a. to hire and fire Class III Gaming supervisory employees; or
 - b. to set or otherwise establish policy for the Tribal Gaming Operation; or
3. Is the chief financial officer or other person who has financial management responsibility for the Tribal Gaming Operation.

Y. "Sensitive Procurement" means any procurement action arrangement, transaction or contract between the Tribe, the Tribal Gaming Commission or the Tribal Gaming Operation and a manufacturer, supplier, Consultant who is not an employee of the Tribal Gaming Operation, a Primary Management Official who is not an employee of the Tribal Gaming Operation, or management contractor, for the purchase of goods, services or systems related to Tribal Gaming Activities of the kind or in the classes listed below. Sensitive Procurements include but are not limited to procurement actions, arrangements, transactions or contracts for the following goods, services and systems (some of which may otherwise fall within the definition of Major Procurement but are hereby excluded from Major Procurement):

1. Class III Gaming equipment such as cards, dice, keno balls, roulette wheels, roulette balls, chips, tokens, keno and VLT paper, replacement parts for VLT's, locks and key to Class III Gaming areas and equipment, Class III Gaming tables and table layouts.
2. Any other goods, services and systems, including goods, services and systems otherwise within the definition of Major Procurement, that OSP and the Tribal Gaming Commission agree are a Sensitive Procurement.

Z. “Table Game” means any individual Class III Game allowed under this Compact except VLTs, keno, off-race course pari-mutuel wagering, and race book.

AA. “Tribal Business Entity” means a business enterprise formed under the Tribe’s Federal Corporate Charter or Constitution, a corporation, a partnership, or any other entity formed under tribal, state or federal law, whereby the Tribe conducts business activities.

BB. “Tribal Board of Directors ” means the governing body of the Tribe as established in Article IV of the Tribe’s Constitution and Bylaws.

CC. “Tribal Gaming Activities” means the conduct and regulation of the Tribal Gaming Operation and all other tribal activities directly related to the operation of Class III Gaming.

DD. “Tribal Gaming Commission” or “Commission” means the entity established pursuant to tribal law with independent authority to regulate gaming activities on tribal lands.

EE. “Tribal Gaming License” means a license issued by the Tribal Gaming Commission to Primary Management Officials, High Security Employees and Low Security Employees in accordance with the requirements of this Compact.

FF. “Tribal Gaming Operation” means the Tribal Business Entity, whether or not separately incorporated, that is licensed by the Tribal Gaming Commission and that operates Class III Gaming under tribal authority, and generates revenues, issues prizes and pays expenses in connection with Class III Gaming authorized under this Compact.

GG. “Tribal Gaming Ordinance” means the ordinance adopted by the Tribe to govern the conduct of Class III Gaming, as required by IGRA, including subsequent amendments.

HH. “Tribal Internal Controls” means the internal controls and standards adopted by the Tribal Gaming Commission to regulate the security of the Tribal Gaming Operation and the play of Class III Gaming.

II. “Tribe” means and “Tribal” shall refer to the Cow Creek Band of Umpqua Tribe of Indians, a federally-recognized Tribe of Indians. As the context of this Compact may require, references to “Tribe” or “Tribal” includes the Tribal Gaming Operation, the Tribal Gaming Commission, or a Tribal Business Entity, whichever term gives the intended meaning to the specific provision in which “Tribe” is used.

JJ. “Video Lottery Terminal” or “VLT” means any electronic or other device, contrivance or machine where the game outcome decision-making portion of the overall assembly is microprocessor controlled wherein the ticket or game outcome is displayed on a video display screen, electronically controlled physical reels, or other electronic or electro-mechanical display mechanism and that is available for consumer play at the device upon payment of any consideration, with winners determined by the application of the element of chance and the amount won

determined by the possible prizes displayed on the device and which awards game credits. Such device also displays both win amounts and current credits available for play to the player.

KK. "Violation" means:

1. Failure to comply with any of the following: applicable federal, state or Tribal laws, including but not limited to National Indian Gaming Commission regulations, Compact provisions (including the Minimum Internal Controls), the Tribal Gaming Ordinance, and Tribal Internal Controls; or
2. A significant failure to comply with, or pattern of failures to comply with, the policies and procedures that implement and apply to the items listed under number 1, above.

ARTICLE IV – PRINCIPLES GOVERNING CLASS III GAMING

The Tribe and the State agree that maintaining the fairness, integrity, security and honesty of the Tribal Gaming Activities is essential both to the success of the enterprise and to satisfy the interests of the State and of the Tribe. The Tribe and the State agree that both have a responsibility to protect patrons of the Tribal Gaming Operation from any breach of security in Tribal Gaming Activities. Accordingly, all decisions by the Tribe, the Tribal Gaming Commission and the management of the Tribal Gaming Operation, concerning regulation and operation of the Tribal Gaming Operation, including those decisions expressly placed within the Tribe's discretion under the terms of this Compact, shall be consistent with each of the following principles:

- A. Any and all decisions concerning regulation and operation of the Tribal Gaming Activities, whether made by the Tribe, the Tribal Gaming Commission or the management of the Tribal Gaming Operation, shall reflect the particularly sensitive nature of Tribal Gaming Activities.
- B. In order to maintain the fairness, integrity, security and honesty of the Tribal Gaming Activities, the Tribe, the Tribal Gaming Commission and the management of the Tribal Gaming Operation shall work diligently and take all reasonably necessary affirmative steps to prevent cheating and theft, and to protect the Tribal Gaming Operation from the influence of or control by any form of criminal activity or organization.
- C. The fairness, integrity, security and honesty of the Tribal Gaming Activities shall be the paramount consideration in awarding contracts, licensing and hiring employees, and in making other business decisions concerning Tribal Gaming Activities. The Tribe, the Tribal Gaming Commission and the management of the Tribal Gaming Operation shall uphold the fairness, integrity, security or honesty of the Tribal Gaming Activities.
- D. Regulation and operation of the Tribal Gaming Activities shall be consistent with or better than generally-accepted industry standards and practices, in order to maintain the fairness, integrity, security and honesty of the Tribal Gaming Activities.

E. Both parties recognize that all representatives of both sovereign governments deserve to be treated with dignity and respect and commit their representatives to professional conduct in all contacts relating to this Compact.

ARTICLE V - AUTHORIZED CLASS III GAMING

A. Only Compact Between the Tribe and the State. This Compact shall be the only compact between the Tribe and State pursuant to IGRA for purposes of Tribal Gaming Activities at the Tribe's Gaming Facility, and any and all Class III Gaming conducted at the Gaming Facility shall be conducted pursuant to this Compact.

B. Authorized Games.

1. Subject to, and in compliance with the provisions of this Compact, the Tribe may engage in the following types of Class III Gaming:

- a. VLT games of chance which meet the specifications set forth in Exhibit 2,
- b. Keno,
- c. Blackjack and any side-bet variations of Blackjack that do not alter the course of play of the game,
- d. Spanish 21,
- e. Craps,
- f. Roulette,
- g. Pai-Gow Poker,
- h. Caribbean Stud Poker,
- i. Three-card Poker,
- j. Let-it-Ride,
- k. Mini-Baccarat,
- l. Big 6 Wheel,
- m. Off-track pari-mutuel wagering on animal racing, except that no wagers may be accepted by telephone other than to accomplish off-race course pari-mutuel wagering as permitted by Oregon law. Any off-track pari-mutuel wagering held at

race courses outside the State of Oregon shall be conducted in compliance with the applicable requirements of the Interstate Horseracing Act of 1978, as amended, 15 USC § 3001-07.

2. The Tribe may submit a written request to the State for authority to engage in any other Class III Gaming, any variations of Class III Gaming previously approved, or any side-bet activities related to Class III Gaming, that have been approved by the Nevada Gaming Control Board. The State shall notify the Tribe in writing of approval or denial of the request within sixty (60) calendar days following its receipt of the request, and the State shall not arbitrarily deny any such request. Any Class III Gaming approved under this Article V, Section B(2) is subject to, and must be in compliance with, the provisions of this Compact, including rules, procedures and internal controls at least as stringent as the Minimum Internal Controls.

3. The Tribe shall not offer any type of Class III Gaming other than those authorized pursuant to Article V, Sections B(1) and B(2).

4. This Article V shall be construed consistent with federal classification of gaming activities. Any gaming activity classified by federal regulation as Class II Gaming shall not be subject to the provisions of the Compact except as provided in Article V, Section C(4) and in Article IX, Section B(2).

5. The Tribe shall not permit or accept any wagers over the internet or by any telecommunications system or device, except to accomplish off-race course parimutuel wagering as permitted by state law.

6. The Tribe shall not offer sports bookmaking.

C. Gaming Location.

1. The Gaming Facility authorized by this Compact is located on Cow Creek Tribal Trust Lands. The Tribe shall conduct the Class III Gaming authorized under this Compact only in the Gaming Facility. (See Exhibit 1.)

2. Nothing in this Compact shall be deemed to affect the operation by the Tribe if any Class II gaming as defined in IGRA or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribe.

3. The State acknowledges that after the Compact comes into effect, the Tribe may seek to become an Oregon Lottery retailer. The parties agree that nothing in this Compact is intended to prevent the Tribe from applying to become an Oregon Lottery retailer to the extent authorized by state, Tribal and federal law. This Compact does not presently authorize the Tribe to become an Oregon Lottery retailer.

D. Number of Authorized VLTs.

1. The Tribe is authorized to operate up to but not in excess of two thousand (2000) VLTs at the Gaming Facility. Subject to other terms of this Compact, the Tribe may determine in its discretion the location and spacing of VLTs within the Gaming Facility.

2. The Tribe may acquire the rights to and operate some or all of the maximum number of VLT's another Oregon tribe is authorized to operate pursuant to a compact with the State, pursuant to and at such time as a VLT leasing plan is set forth in a Memorandum of Understanding ("MOU") executed by the Tribe and the State. The total number of VLT rights which may be acquired pursuant to such a leasing plan will be included in the terms of the MOU, in addition to any other terms either the Tribe or State deem appropriate. VLTs operated pursuant to the MOU shall not count towards the 2000 VLTs authorized under this Compact. The MOU can be amended by the parties without amending this Compact.

3. The Tribe may transfer its rights to some or all of the 2000 VLTs authorized under this Compact to another Oregon tribe, pursuant to and at such time as a VLT leasing plan is set forth in a MOU executed by the Tribe and the State, provided that the Tribe waives the right to operate that number of VLTs which it has so transferred during the time such rights are transferred. The MOU can be amended by the parties without amending this Compact.

4. Storage. The Tribe may maintain VLTs in storage on Tribal land so long as the total number of VLT's in operation and in storage does not exceed 110% of the authorized number of VLTs, and so long as the location and manner of storage is approved by OSP and OSP is provided access to the storage location.

5. For purposes of the calculation of the authorized number of VLTs as provided in this Article V, Section D, a VLT providing for play by multiple players shall count as one VLT, as long as the total number of such multiple-player VLTs does not exceed one percent (1%) of the total number of authorized VLTs. If the total number of VLTs providing for play by multiple players exceeds one percent (1%) of the total number of authorized Class III Gaming VLTs, then each gaming station at any multiple-player VLTs in excess of one percent (1%) of the total number of authorized VLTs shall be counted as one VLT.

E. Number of Authorized Table Games.

1. Subject to and in compliance with the provisions of this Compact, the Tribe is authorized to operate up to but not in excess of seventy (70) Table Games at the Gaming Facility.

F. Introduction of Authorized Games at Gaming Facility.

1. Unless the parties agree to a shorter period, at least sixty (60) calendar days before any Class III Gaming authorized under Article V, Section B(1) or Section B(2) is conducted at the Gaming Facility, the Tribal Gaming Commission shall:

- a. Ensure that the Tribal Gaming Operation develops rules and procedures for a system of internal controls for the new Class III Gaming that meets the Minimum Internal Controls.
- b. Require that the Tribal Gaming Operation provide appropriate training for all dealers, supervisors, surveillance personnel and any other employees involved in the conduct or regulation of the new Class III Gaming and for the Tribal Gaming Commission, such that those being trained have the knowledge and skills required under typical industry standards for the job function that employee performs, including but not limited to player money management and betting, card counting and detection of cheating methods. The Tribal Gaming Commission shall notify OSP prior to beginning this training and shall provide OSP an opportunity to participate.
- c. Ensure that the Tribal Gaming Operation establishes a security and surveillance plan for the new Class III Gaming that meets the Minimum Internal Controls.
- d. Adopt rules of operation for the new Class III Gaming that meet the Minimum Internal Controls, including rules of play and standards for equipment.
- e. Notify OSP that the Tribe proposes to offer the new Class III Games to the public and, at the same time, certify in writing that the requirements of Article V, Section F(1) above have been met, and provide to OSP for review all of the internal controls, regulations, plans, procedures and rules required under this Article V.

2. Pre-Introduction Demonstration.

- a. Unless the parties agree to a shorter period, at least sixty (60) calendar days before a Class III Game authorized under Article V, Section B(1) or Section B(2) is conducted at the Gaming Facility, the Tribe must demonstrate to OSP's reasonable satisfaction that the Tribe has adopted appropriate internal controls, surveillance plans, game rules and procedures, that meet gaming industry standards for the authorized Class III Game.
- b. OSP shall notify the Tribe in writing within five (5) Business Days following the conclusion of the demonstration whether or not OSP is reasonably satisfied that the Tribe has complied with the foregoing obligation. If OSP believes that the Tribe has not adopted appropriate internal controls, surveillance plans, game rules and procedures, that meet gaming industry standards for the authorized Class III Game, then OSP shall provide written notice to the Tribe detailing the perceived deficiencies, and OSP and the Tribe shall meet within 10 Business Days of the notice and mutually address OSP's concerns before a Class III Game authorized under Article V, Section B(1) or Section B(2) is conducted at the Gaming Facility.

c. Further, the Tribe and State must agree that the Tribal Gaming Commission and OSP are adequately prepared to regulate and monitor the new Class III Game, including agreement that the Tribal Gaming Operation has sufficient adequately-trained personnel to supervise the conduct of the new Class III Game, and that the Tribal Gaming Commission has sufficient adequately-trained personnel to monitor and regulate conduct of the new Class III Game.

3. The Tribe shall establish wager limits for all Class III Gaming. The Tribe shall establish a maximum wager of five hundred dollars (\$500) per hand, including side bets, for each Table Game and Counter Game for the initial ninety (90) day period that the particular type of Table Game or Counter Game is available for play.

4. After the initial ninety (90) day period described in Article V, Section F(3), the Tribe may make written request that OSP authorize a maximum wager of up to one thousand dollars (\$1,000) per hand, including side bets, for any particular type of Table Game or Counter Game. If OSP concludes that the Tribe is conducting the particular type of Table Game or Counter Game under the conditions described in Article V, Section F(4)a. through e., then OSP shall authorize in writing the requested increase in wager limit for that particular type of Table Game or Counter Game. The Tribe may make written request to OSP for authorization to increase the wager limits during the initial ninety (90) day period, and OSP may in its discretion authorize or deny the requested increase. The following conditions apply to this Article V, Section (F)(4) for purposes of wager limit increase authorization:

a. All of the rules, procedures and plans required under Article V, Section F(1) must have been adopted and approved by the Tribal Gaming Commission;

b. All of the rules, procedures and plans required under Article V, Section F(1) must have been acknowledged by OSP as meeting the Minimum Internal Control Standards, and have been implemented by the Tribal Gaming Commission;

c. All training required by the Minimum Internal Controls and the regulations of the Tribal Gaming Commission must be up to date;

d. The Tribal Gaming Commission must have adopted policies and procedures that set forth appropriate sanctions for Violations by any employee of the Tribal Gaming Operation, and those procedures must provide for the Tribal Gaming Operation's investigation of possible Violations by any employee of the Tribal Gaming Operation, and the Tribal Gaming Operation management must have committed in writing to train employees regarding Violations and their consequences and impose the sanctions for Violations against any employee of the Tribal Gaming Operation as required by the Tribal Gaming Commission's policies and procedures;

e. The Tribal Gaming Commission must have adopted and implemented procedures for employees to directly report Violations to the Tribal Gaming Operation; and

f. The Tribal Gaming Commission must maintain records of investigations of all reports of Violations by any employee of the Tribal Gaming Operation and promptly report the Violations to OSP, including description of the action taken by the Tribal Gaming Commission or Tribal Gaming Operation management to correct the Violation, and the discipline or sanctions imposed.

ARTICLE VI – JURISDICTION

A. In General.

1. The State shall have criminal jurisdiction over offenses committed by or against Indians and non-Indians within the Gaming Facility. State criminal laws shall have the same force and effect within the Gaming Facility as they have on non-Tribal lands within the State.

2. The Tribe and the State shall have concurrent criminal jurisdiction over offenses committed by Indians within the Gaming Facility. Once a Tribal police force or a Tribal criminal court is in operation on Tribal lands, the enforcement of criminal laws at the Gaming Facility shall be further clarified by a Memorandum of Understanding to be executed by the Tribe and the State.

3. The Tribe and the State agree that local law enforcement officials may provide the first response for law enforcement matters not related to the operation of gaming or that occur other than in the course of the play of games. As between the OSP and local law enforcement officials, the OSP shall have exclusive authority to investigate Gaming Related Criminal Activity.

4. Notwithstanding any Tribal investigation of criminal law violations on Tribal lands, the Tribe agrees that the OSP may continue to investigate possible violations of this Compact. The Tribe and the State further agree to cooperate in any investigation that involves or potentially involves both criminal and regulatory violations.

5. The Tribe and the State agree to cooperate on the investigation and prosecution of any Gaming Related Criminal Activity committed at the Gaming Facility. The Tribe and the State agree to cooperate in establishing a state-wide system to identify and monitor persons excluded from any tribal gaming facility in the State.

B. Access. Except as provided in a Memorandum of Understanding executed in accordance with Article IX, Section B(1), officers of the OSP, or other State officers designated by the State in writing, as provided in Article IX, Sections A(3) and B(1) of this Compact, shall have unrestricted access anywhere within the Gaming Facility and on Tribal trust land used for or in relation to Class III Gaming for the purpose of maintaining public order and public safety, conducting investigations related to possible criminal activity and enforcing applicable laws of the State. The Tribe, or authorized individuals acting on its behalf, shall provide officers of the OSP, or other State officers

designated as provided in Article IX, Section B(1), access to locked and secure areas of the Gaming Facility in accordance with the regulations for the operation and management of the Tribal Gaming Operation.

C. Civil/Criminal Jurisdiction. Nothing in this agreement shall be construed to affect any civil or criminal jurisdiction of the Tribe or of the State under Public Law 83-280. The Tribe and the State agree that the criminal laws of Oregon that proscribe gambling activities shall apply to any person who engages in the proscribed activities if those activities are not conducted under the authority of the Tribe as provided in this Compact and under IGRA.

ARTICLE VII – LICENSING

A. Licensing of Gaming Employees.

1. All High Security Employees and Low Security Employees employed by the Tribal Gaming Operation shall be licensed by the Tribal Gaming Commission in accordance with the provisions of this Compact.

2. All prospective employees -- whether High Security Employees or Low Security Employees -- shall provide to the Tribal Gaming Commission any required application fees and full and complete information, on forms jointly developed and approved by the Tribal Gaming Commission and OSP, including but not limited to:

- a. Full name, including any aliases by which the applicant has been known;
- b. Social Security number;
- c. Date and place of birth;
- d. Residential addresses for the past five years;
- e. Employment history for the past five years;
- f. Driver's license number or state-issued or tribal-issued identification card;
- g. All licenses issued and disciplinary actions taken by any State agency or local or federal agency or Tribal gaming agency;
- h. All criminal proceedings, except for minor traffic offenses, to which the applicant has been a party;
 1. A current photograph; and
 - j. Any other information required by the Tribal Gaming Commission or OSP.

3. In addition to the requirements of Article VII, Section A above, prospective High Security Employees and Primary Management Officials shall provide two sets of fingerprints.

4. a. The Tribal Gaming Commission shall forward the applicant information for each prospective High Security Employee and Primary Management Official to the OSP. The OSP shall conduct a background investigation and provide a written report to the Tribal Gaming Commission within a reasonable time, but in no event shall such background checks exceed thirty (30) days without notice to and consent by the Tribe.

b. The Tribe may request the OSP to perform a background investigation on any prospective Low Security Employee. Upon such request, the OSP shall conduct a background check as provided in subparagraph a of this paragraph 4.

5. a. Except as provided in Article VII, Section A(6), the Tribal Gaming Commission shall deny a gaming license to any High Security Employee and Primary Management Official who:

(1) has, within a ten (10) year period preceding the date of license application, committed a felony other than a traffic offense, whether or not conviction of such a felony has been expunged, under the law of the Federal, State or Tribal jurisdiction, or is the subject of a civil judgment under the law of the Federal, State or Tribal jurisdiction that is based on facts that constitute the elements of a felony other than a traffic offense, in that jurisdiction;

(2) has committed a crime involving unlawful gambling under the law of any Federal, State or Tribal jurisdiction, whether or not conviction of such a crime has been expunged, or is the subject of a civil judgment under the law of any Federal, State or Tribal jurisdiction that is based on facts that constitute the elements of a crime involving unlawful gambling in that jurisdiction;

(3) has associated in a direct business relationship, whether as a partner, joint venturer or employer, with any other person who has committed a felony other than a traffic offense, or a crime involving unlawful gambling, under the law of any Federal, State or Tribal jurisdiction; or

(4) was employed by any other person who has committed a felony other than a traffic offense, or a crime involving unlawful gambling, under the law of any Federal, State or Tribal jurisdiction, if the prospective employee or official was in any way involved in the criminal activity as it occurred; or

(5) has been subject to convictions or judicial finding of offenses, other than traffic offenses, that demonstrates a pattern of disregard for the law, or if the Tribal Gaming Commission or OSP determines, based on reasonably

reliable information, that the applicant has engaged in conduct that demonstrates a pattern of disregard for the law, such that the conduct could be proved by a preponderance of the evidence.

(6) For purposes of this section, “reasonably reliable information” shall mean information which would be admissible in a civil court proceeding over an objection under the Federal or Oregon Rules of Evidence.

b. The Tribal Gaming Commission shall deny a gaming license to any prospective High Security Employee and Primary Management Official if:

(1) The applicant fails to disclose any material fact to the Tribal Gaming Commission or the OSP or their authorized agents during a background or security investigation; or

(2) The applicant misstates or falsifies a material fact to the Tribal Gaming Commission or the OSP during a background or security investigation.

c. The Tribal Gaming Commission may deny a gaming license to any prospective High Security Employee and Primary Management Official for any reason the Tribal Gaming Commission deems sufficient. Such decisions to grant or deny a gaming license shall be consistent with the principles set forth in Article IV of this Compact. In determining whether to deny a gaming license to any prospective High Security Employee and Primary Management Official, the factors to be considered by the Tribal Gaming Commission shall include, but need not be limited to the following:

(1) The applicant has been convicted of any crime (other than a crime listed in subparagraph a. of this paragraph) in any jurisdiction; or

(2) The applicant has associated with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affect the general credibility, honesty, integrity, security, fairness or reputation of the Tribe’s Class III Gaming Activities; or

(3) There is any aspect of the applicant’s past conduct that the Tribal Gaming Commission determines would adversely affect the honesty, integrity, security or fairness of the Tribe’s Class III Gaming Activities.

d. After this Compact becomes effective, the Tribal Gaming Commission shall deny a gaming license to any prospective Low Security Employee who has committed a crime described in Article VII, Section A(5)a., sub-subparagraphs (1) or (2). The Tribal Gaming Commission may deny a gaming license to any Low

Security Employee applicant who does not meet the criteria established in the remainder of this Article VII, Section A(5). Decisions to grant or deny a gaming license shall be consistent with the principles set forth in Article VII of this Compact.

e. The Tribal Gaming Commission may reject an application if the applicant has not provided all of the information requested in the application.

f. Denial of a gaming license by the Tribal Gaming Commission is final.

g. No High Security Employee or Primary Management Official may be permanently licensed by the Tribal Gaming Commission until all background checks required under this Article VII, Section A(5) are completed.

6. Waiver of Disqualifying Criteria.

a. Notwithstanding the requirements of Article VII, Section A(5) above, if a prospective High Security Employee and Primary Management Official or Low Security Employee is disqualified for licensing under the provisions of Article VII, Section A(5) above, and the Tribal Gaming Commission believes that there are mitigating circumstances that justify waiver of the disqualifying factor, the Tribal Gaming Commission may give written notice to the OSP asking to meet and confer concerning waiver of the disqualification. The Tribal Gaming Commission and the OSP shall meet within 15 days after written notice is given.

b. In order to waive disqualification of licensing of any prospective Primary Management Official, High Security Employee or Low Security Employee, both the Tribal Gaming Commission and the OSP must agree on the waiver.

c. Waiver of disqualification of licensing may be based on one or more of the following circumstances:

- (1) Passage of time since conviction of a crime;
- (2) The applicant's age at the time of conviction;
- (3) The severity of the offense committed;
- (4) The overall criminal record of the applicant;
- (5) The applicant's present reputation and standing in the community;
- (6) The nature of the position for which the application is made; or
- (7) The nature of the misstatement or omission made in the application.

- d. OSP may agree to a waiver subject to conditions imposed by the Tribal Gaming Commission, such as a limited term of licensure, restriction on duties, or specific kinds of supervision.

7. Background Investigation During Employment. The Tribal Gaming Commission or the OSP may conduct additional background investigations of any gaming employee at any time during the term of employment. If, after investigation, the OSP determines there is cause for the revocation or suspension of an employee's gaming license under the criteria established in Article VII, Section A(5) above, it shall promptly so report to the Tribal Gaming Commission and furnish the Tribal Gaming Commission with copies of all relevant information pertaining to such determination. The Tribal Gaming Commission shall review the OSP report and supporting materials and, if it concludes that good cause for revocation or suspension of an employee's gaming license exists under the criteria established in this Article VII, Section A(7), the subject employee shall have his gaming license suspended or revoked according to the procedures set forth in the Tribe's Gaming Ordinance.

8. Temporary Licensing of Employees.

a. The Tribal Gaming Commission may issue a temporary license to High Security Employee fifteen (15) days after submission of the application to the OSP, or upon completion of a review of the employee's application and completion of a computerized criminal history check and credit check by the Tribal Gaming Commission, if the applicant would not be disqualified on the basis of the results of the application review and preliminary checks. The temporary license shall expire and become void upon completion of the full background check by the OSP and submission of the results to the Tribal Gaming Commission. If the employee does not qualify for a permanent license, the Tribal Gaming Commission shall immediately revoke the temporary license.

b. The Tribal Gaming Commission may issue a temporary license to a Low Security Employee upon submission of the application to the OSP, or upon completion of a review of the employee's application and completion of a computerized criminal history check and credit check by the Tribal Gaming Commission, if the applicant would not be disqualified on the basis of the results of the application review and preliminary checks. If the OSP or the Tribal Gaming Commission determines that the employee does not meet the criteria for a waiver established in Article VII, Section A, the Tribal Gaming Commission shall immediately revoke the temporary license.

9. Duration of License and Renewal. Any employee license shall be effective for not more than three (3) years from the date of issue except that a licensed employee who has applied for renewal may continue to be employed under the expired license until final action is taken on the renewal application in accordance with the provisions of this Article VII. Applicants for renewal shall provide the Tribal Gaming Commission with updated information on a form provided and approved by the OSP but will not be required to resubmit historical data already provided. The OSP may perform a new background

investigation for any employee whose license is renewed.

10. Revocation of License. The Tribal Gaming Commission may revoke the license of any employee pursuant to policies set forth in the Tribe's Gaming Ordinance. The Tribal Gaming Commission shall revoke the license of any employee upon determination that the employee does not meet the criteria described in this Article VII.

11. The Tribe shall maintain a procedural manual for employees of the Tribal Gaming Operation that includes rules and regulations of conduct and disciplinary standards for breach of procedures.

12. The Tribal Gaming Commission agrees to provide to the OSP on a monthly basis a list of all current employees of the Tribal Gaming Operation which indicates the position held and whether each employee listed is licensed as a High Security Employee or Low Security Employee, if applicable. This list shall include information about termination of any employee, and any suspension, revocation or renewal of an employee's Tribal Gaming License.

B. Contracts with Manufacturers and Suppliers.

Major Procurements.

a. The Tribe agrees not to execute or consummate any contract for a Major Procurement until a background investigation has been completed by the OSP on the proposed Class III Gaming Contractor.

b. The Tribal Gaming Commission shall submit any proposed Major Procurement to the State for review, comment and a background investigation of the proposed Class III Gaming Contractor.

c. Except as provided in paragraph 3 below, the OSP shall conduct a background investigation and provide a written report to the Tribal Gaming Commission with a reasonable period of time, but in no event shall the time for completion of such background investigation exceed sixty (60) days after the OSP receives from the proposed Class III Gaming Contractor both the OSP's fee for the background investigation under Article VII, Section C below, and full disclosure of all information requested by the Tribal Gaming Commission and the OSP under Article VII, Section B(4), without written notice to and consent by the Tribe.

d. If the Tribe requests, the OSP agrees to make its best efforts to complete a background investigation within less than sixty days. The Tribal Gaming Commission and the OSP may also agree that if business necessity or the protection of the honesty, integrity, fairness and security require it, the State may perform an abbreviated review to enable the Tribe to execute a temporary contract while a complete background investigation is being performed. Any temporary contract executed under authority of this subparagraph, shall be rescinded immediately if the

complete background investigation discloses that the Class III Gaming Contractor does not meet the criteria described in this Article VII.

2. Sensitive Procurements.

a. After a proposed Class III Gaming Contractor has submitted a full disclosure of all information requested by the Tribal Gaming Commission and the OSP under Article VII, Section B(4) below, and any necessary fee required by the OSP, the Tribe may execute or consummate a contract for a Sensitive Procurement before a background investigation has been completed by the OSP on the proposed Class III Gaming Contractor.

b. The Tribal Gaming Commission shall submit a proposed contract for a Sensitive Procurement, or if there is no contract, a letter of intent to do business with the proposed Class III Gaming Contractor to the OSP for a background investigation of the proposed Class III Gaming Contractor before execution of the contract.

c. The OSP shall conduct a background investigation, if the OSP considers it necessary, and provide a written report to the Tribal Gaming Commission. If the Class III Gaming Contractor does not meet the criteria described in this Article VII, for approval of a contract, the contract shall be terminated and the Tribe agrees to discontinue doing business with the contractor for so long as the contractor fails to meet their criteria for approval.

3. The OSP agrees to maintain a list of Class III Gaming Contractors that have been previously approved to do business in Oregon with any tribal gaming operation. If a Class III Gaming Contractor has been included in the list the Tribe may execute or consummate a contract with the Class III Gaming Contractor for a Sensitive Procurement upon giving notice of the contract to the OSP. If a Class III Gaming Contractor has been included in the list for Major Procurements, the OSP shall complete any necessary background investigation required under Article VII, Section B(1) within thirty (30) days after the fees and full disclosure have been submitted to the OSP by the contractor.

4. Class III Gaming Contractors, and any Owner or Key Employee of a Class III Gaming Contractor, shall provide all personal and business information required by the OSP to conduct its background investigation, before executing a contract or beginning to do business with the Tribe.

5. The Tribe shall not consummate any Class III Gaming Contract with a Class III Gaming Contractor that does not grant both the OSP and the Tribe access to such Class III Gaming Contractor's business and financial records upon request.

6. Criteria for Contract Denial or Termination.

a. The Tribe shall not consummate any Major Procurement, and a contract for a Sensitive Procurement shall be immediately terminated, if the following conditions

are either disclosed in the application materials or reported by the OSP relative to a particular Class III Gaming Contractor:

- (1) A conviction of the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor for any felony other than a traffic offense, in any jurisdiction within the ten (10) year period preceding the date of the proposed Class III Gaming Contract;
- (2) A conviction of the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor for any gambling offense in any jurisdiction;
- (3) A civil judgment against the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor, based in whole or in part upon conduct that would constitute a gambling offense, or a civil judgment entered within the ten (10) year period preceding the date of the proposed Class III Gaming Contract against the Class III Gaming Contractor or any Owner or Key Employee of the Class III Gaming Contractor, based in whole or in part upon conduct that would constitute a felony other than a traffic offense;
- (4) A failure by the Class III Gaming Contractor to disclose any material fact to the OSP or the Tribe or their authorized agents during initial and subsequent background or security investigations unless OSP determines that the failure to disclose was unintentional;
- (5) A misstatement or untrue statement of material fact made by the Class III Gaming Contractor to the OSP or the Tribe or their authorized agents during initial or subsequent background or security investigations as determined by the Tribe or the OSP;
- (6) An association of the Class III Gaming Contractor with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affect the general credibility, security, integrity, honesty, fairness or reputation of the Tribal Gaming Operation;
- (7) Any aspect of the Class III Gaming Contractor's past conduct that the Tribal Gaming Commission or the OSP determines would adversely affect the integrity, security, honesty or fairness of the Tribal Gaming Operation;
- (8) The Class III Gaming Contractor has engaged in a business transaction with a tribe that involved providing gaming devices for Class III gaming conducted by such tribe without a state-tribal Class III gaming compact in violation of IGRA; or

(9) A prospective Class III Gaming Contractor fails to provide any information requested by the Tribal Gaming Commission or the OSP for the purpose of making any determination required by this Article VII.

b. The Tribe may choose not to consummate any Class III Gaming Contract for any reason the Tribe deems sufficient.

c. Other criteria the Tribal Gaming Commission may use to decide not to consummate any Class III Contract include, but are not limited to, the Tribal Gaming Commission's determination that:

(1) A person who is otherwise qualified to be a Class III Gaming Contractor owns, is an agent of or has any other interest in any person or business that is unqualified or disqualified to be a Class III Gaming Contractor, regardless of the qualifications of the person seeking to consummate the Class III Gaming Contract;

(2) A prospective Class III Gaming Contractor demonstrates inadequate financing for the business anticipated under the proposed Class III Gaming Contract. In determining whether financing is adequate, the Tribal Gaming Commission shall consider whether financing is from a source that meets the qualifications of this Article VII and whether that financing is in an amount to ensure the likelihood of success in the performance of the contractor's duties and responsibilities; or

(3) A prospective class III Gaming Contractor or its employees fail to demonstrate business ability and experience to establish, operate and maintain the business of the type of Class III Gaming Contract proposed.

d. No Class III Gaming Contractor shall own, manufacture, possess, operate, own an interest in, or gain income or reimbursement in any manner from gaming activities or gaming devices in any jurisdiction unless the activities or devices are approved and certified by another state lottery, gambling or gaming control agency, or the National Indian Gaming Commission, and such ownership, manufacture, possession, operation or income is disclosed to and approved by the Tribal Gaming Commission and the OSP.

e. Notwithstanding subparagraph a. of this subparagraph 6, if a prospective Class III Gaming Contract may not be consummated because of the requirements of this Article VII because a person previously associated with the Class III Gaming Contractor or an employee of the Class III Gaming Contractor has been convicted of a crime or had a civil judgment entered against the Class III Gaming Contractor or its employee within the ten (10) year period preceding the date of the proposed Class III Gaming Contract, based in whole or in part upon conduct that allegedly constitutes a felony other than a traffic offense, the Tribe may enter into the proposed Class III Gaming Contract if the Class III Gaming Contractor has severed its

relationship with the convicted or liable person or employee. Before the Tribe may enter into a Class III Gaming Contract under this subparagraph, the OSP and the Tribal Gaming Commission must agree that the relationship between the Class III Gaming Contractor and the convicted or liable person or employee has been severed. For purposes of this subparagraph, a relationship is severed if the convicted or liable person or employee has no continuing connection with the direction or control of any aspect of the business of the Class III Gaming Contractor, and the convicted or liable person or employee is no longer employed by the Class III Gaming Contractor in any capacity. The burden of showing to the satisfaction of the Tribal Gaming Commission and the OSP that a relationship has been severed is on the Class III Gaming Contractor.

7. Rescission or Termination of Class III Gaming Contracts.

- a. The Tribe may rescind or terminate any Class III Gaming Contract pursuant to policies and procedures determined by the Tribe.
- b. Class III Gaming Contracts shall be subject to rescission or termination for cause consistent with the criteria established by Article VII, Section B(6). Class III Gaming Contractors consent to rescission or termination of any Class III Gaming Contract for cause consistent with the criteria established by Article VII, Section A(5) of this section by virtue of entering into a Class III Gaming Contract.
- c. The Tribe shall notify each Class III Contractor, in writing, that it will be removed from the list of approved Class III Gaming Contractors if Contractor's actions cause Contractor to be disqualified from doing business with the Tribe or otherwise causes the Tribe to be out of compliance with this Compact.

8. Contractor Reporting Requirements.

- a. All Class III Gaming Contractors shall submit to the Tribal Gaming Commission and the OSP any financial and operating data requested by the Tribal Gaming Commission or the OSP.
- b. The Tribal Gaming Commission shall specify the frequency and a uniform format for the submission of such data on a case by case basis.
- c. The Tribal Gaming Commission, the OSP, or their agents reserve the right to examine Class III Gaming Contractor tax reports and filings and all records from which such tax reports and filings are compiled.
- d. All Class III Gaming Contractors shall notify both the Tribal Gaming Commission and the OSP of the transfer of a Controlling Interest in the ownership of the Class III Gaming Contractor.

9. Termination of Contract.

a. No Class III Gaming Contract shall have a term longer than seven (7) years.

b. A Class III Gaming Contract shall terminate immediately upon the occurrence of any of the following:

(1) The Class III Gaming Contractor is discovered to have made any statements, representation, warranty or certification in connection with the Class III Gaming Contract that is materially false, deceptive, incorrect or incomplete;

(2) The Class III Gaming Contractor fails to perform any material requirements of the Class III Gaming Contract or is in violation of any material provision thereof, and fails to cure the same within ten (10) days's written notice of such failure;

(3) The Class III Gaming Contractor, or any Owner, officer or Key Employee of the Class III Gaming Contractor is convicted of a felony or a gambling related offense that reflects on the Class III Gaming Contractor's ability to perform honestly in carrying out the Class III Gaming Contract; or

(4) A Class III Gaming Contractor jeopardizes the integrity, security, honesty or fairness of the Gaming Facility.

c. A Class III Gaming Contract shall terminate if the Tribe determines satisfactory performance of the Class III Gaming Contract is substantially endangered or can reasonably anticipate such occurrence or default.

10. Annual Update. OSP may at its sole discretion conduct an annual update background investigation of each Class III Gaming Contractor, the expense of which will be assessed to the Class III Gaming Contractor. The Tribe shall notify each Class III Contractor, in writing, at the time of issuance of the Contractor's initial Class III license (or at the time of issuance of the Contractor's renewal Class III license in the event the Contractor is already licensed as of the effective date of this Compact), of the Contractor's ongoing obligation under this Section.

C. Fees for Background Investigations.

1. The OSP shall be reimbursed for its costs of performing background investigations made pursuant to this Compact as provided in Article VII, Section C(2) below.

2. The OSP will assess the cost of a background investigation of a Class III Gaming Contractor to such Class III Gaming Contractor. Class III Gaming Contractors are required

to pay the investigation fee in full in advance. If the Class III Gaming Contractor refuses to prepay the investigation fee, the OSP shall notify the Tribe and the Tribe may pay the investigation cost or withdraw its request for the investigation.

D. Access to Contracts.

1. If a Primary Management Official is a corporation or other form of organization, such Primary Management Official shall provide the OSP at all times with a current copy of any management agreement with the Tribe that allows it to conduct Class III Gaming on Tribal trust land.

2. If a Primary Management Official is a corporation or other form or organization, such Primary Management Official shall furnish to the OSP complete information pertaining to any transfer of any Controlling Interest in such corporation or organization at least thirty (30) days before such transfer; or, if the Primary Management Official is not a party to the transfer of the Controlling Interest, immediately upon acquiring knowledge of such change or any contemplated change.

3. In order to assure the honesty, integrity, fairness and security of the Tribe's Class III Gaming Activities, the Tribe agrees to provide to the OSP, upon request, a list of all non-gaming contractors, suppliers and vendors doing business with the Tribal Gaming Operation, and to give the OSP access to copies of all non-gaming contracts, provided, however, that the OSP shall make a written request for such information.

ARTICLE VIII - ADDITIONAL REGULATIONS REGARDING CLASS III GAMING

A. Gaming Regulations. Conduct of all Class III Gaming authorized under this Compact shall be in accordance with the requirements of applicable federal, state and Tribal laws, including but not limited to National Indian Gaming Commission regulations, Compact provisions (including the Minimum Internal Controls), the Tribal Gaming Ordinance, and Tribal Internal Controls, policies and procedures that are applicable to the Tribal Gaming Activities. The Tribe and the State agree that the Minimum Internal Controls may be modified or supplemented in writing by mutual agreement of the Tribal Gaming Commission and OSP. The Tribe and the State understand that such modifications or supplements do not require formal amendment of this Compact.

B. Identification Badges. The Tribal Gaming Commission shall require all employees of the Tribal Gaming Operation employed at the Gaming Facility to wear, in plain view, identification badges issued by the Tribal Gaming Commission that include photo and name. Employees assigned to covert compliance duties shall only be required to have on their person an identification badge. OSP employees shall not be required to wear identification badges.

1. Except as otherwise provided in Article VIII, Section C(2), all Class III Gaming shall be conducted on a cash basis. Except as provided herein, no person shall be extended credit for Class III Gaming nor shall the Tribe permit any person or organization to offer such

credit for a fee. Cashing checks for purposes of Class III Gaming constitutes extending credit under this Article VIII, Section C(1). The following shall not constitute an extension of credit:

- a) Credits won by players on VLTs;
- b) Cashing checks anywhere in the Gaming Facility using a system or program that verifies availability of funds, secures funds in the name of the Tribal Gaming Operation, or when the check has been issued by a Cow Creek Band of Umpqua Tribe of Indians Tribal entity;
- c) Installing or accepting bank card or credit card transactions in the same manner as is permitted at any retail business in the State.

2. The Tribe may request that the State negotiate a memorandum of understanding with the Tribe regarding the terms and conditions under which the Tribal Gaming Operation may extend credit to certain patrons of the Gaming Facility. The State agrees to negotiate in good faith regarding such a memorandum of understanding. The memorandum of understanding must address the amounts of credit that may be extended, the qualifications for credit, procedures and policies for the extension of credit that are consistent with gaming industry standards, safeguards to ensure that any social or public safety problems that may result from gaming are not increased by the extension of credit, and any other topics that either party reasonably believes are necessary.

D. Prohibition on Attendance and Play of Minors. No person under the age of twenty-one (21) shall participate in, or be employed in any position directly related to, any Class III Gaming authorized by this Compact. If any person under the age of twenty-one (21) plays and otherwise qualifies to win any Class III Gaming prize or compensation, the prize or compensation shall not be paid. Employees under age twenty-one (21) whose non-gaming duties require their presence in the Gaming Area may be present in the Gaming Area, but only to the extent required by the employee's non-gaming duties.

E. Prohibition of Firearms.

1. Except as provided in paragraphs 2 and 3 below, no person shall possess firearms within the Gaming Facility.
2. Federal, State and Douglas County law enforcement agents or officers may possess firearms within the Gaming Facility.
3. Pursuant to a memorandum of understanding between the Oregon State Police and the Tribe, security supervisors at the Gaming Facility employed by the Tribe may possess firearms within the Gaming Facility. The memorandum of understanding provides for the policies, standards and training controls that will apply to armed security supervisors.

F. Service of Alcohol. No alcohol shall be served in the Gaming Facility unless authorized by the Tribe as permitted by Federal law and pursuant to a Memorandum of Understanding with the Oregon Liquor Control Commission which establishes which State laws and Oregon Liquor Control Commission licensing regulations shall be applied to the sale or service of alcoholic beverages at the Gaming Facility. Nothing in this Article VIII, Section F shall permit the State to impose taxes on the sale of alcoholic beverages by the Tribe. If alcohol is served in the Gaming Facility, no alcoholic beverages may be served free or at a reduced price to any patron of the Gaming Facility as an inducement to participate in any gaming.

G. Liability for Damage to Persons and Property. During the term of this Compact, the Tribe shall obtain and maintain commercial general liability insurance consistent with industry standards for non-tribal casinos in the United States, underwritten by an insurer or insurers with a rating of "A" or above by A. M. Best, with limits of not less than \$250,000 for one person and \$2,000,000 for any one occurrence for any bodily injury, personal injury, or property damage. The Tribe's insurance policy shall have an endorsement providing that the insurer may not invoke Tribal sovereign immunity up to the limits of the policy in state, federal or Tribal court, including when the Tribe or an entity of the Tribe is the named defendant. The policy shall provide that the State, OSP, their divisions, officers and employees are additional insureds, but only with respect to the Tribe's activities under this Compact, provided that the Tribe shall not be liable for any claim or cause of action for injury or damages caused by the errors or omissions of the State, OSP, or their divisions, officers and employees.

H. INDEMNIFICATION. THE TRIBE SHALL INDEMNIFY AND HOLD HARMLESS THE STATE, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY CLAIMS, DAMAGES, LOSSES OR EXPENSES ARISING OUT OF OR RELATING TO THE ACTIVITIES OF THE TRIBE UNDER THIS COMPACT, WITHIN THE COVERAGE OF THE INSURANCE DESCRIBED IN ARTICLE VIII, SECTION G, UP TO THE POLICY LIMITS OF SUCH INSURANCE WHETHER OR NOT TRIBE HAS COMPLIED WITH THE REQUIREMENTS OF ARTICLE VIII, SECTION G, EXCEPT AS MAY BE THE RESULT OF THE NEGLIGENCE OF THE STATE, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, OR ANY OF THEM.

ARTICLE IX – ENFORCEMENT OF GAMING REGULATIONS

A. Tribal Gaming Commission.

1. The Tribe agrees to maintain a Tribal Gaming Commission that has the exclusive authority to regulate gaming activities on the Cow Creek Trust Land, that has sufficient numbers of adequately-trained personnel to monitor and regulate the conduct of Class III Gaming, and that has the resources to perform its duties under Tribal law and this Compact. The Commission or individuals designated to perform Commission duties shall not participate in any way in the management of the Tribal Gaming Operation. Commission members may be removed only for cause by the Tribal Board of Directors. Commission members must satisfy the Background Investigation requirements that are applicable to High Security Employee and Primary Management Officials outlined in Article VII.

2. The Tribal Gaming Commission shall have primary responsibility for the on-site regulation, control and security of the Tribal Gaming Operation authorized by this Compact, and for the enforcement of this Compact on behalf of the Tribe. The Tribal Gaming Commission's role shall include the promulgation and enforcement of rules and regulations that:

a. Ensure compliance with all applicable federal, state and Tribal laws, including but not limited to National Indian Gaming Commission regulations, Compact provisions (including the Minimum Internal Controls), the Tribal Gaming Ordinance, and Tribal Internal Controls, policies and procedures that are applicable to the Tribal Gaming Operation and Class III Gaming;

b. Ensure the physical safety of patrons in, and of personnel employed by, the establishment;

c. Safeguard the assets transported to and from, and within, the Gaming Facility;

d. Protect Gaming Facility patrons and property from illegal activity;

e. Provide that, whenever Gaming Related Criminal Activity is observed or suspected, best efforts will be made to gather as much identifying information regarding the suspect as possible, such as drivers' license number, photograph, description of the suspect's vehicle and vehicle license information and to then notify OSP and other appropriate law enforcement agencies;

f. Provide for the notification of OSP within seventy-two (72) hours of all other suspected crimes occurring anywhere at the Gaming Facility.

g. Require, regardless of any other logs or records that may be maintained, the Tribal Gaming Commission to record any and all Violations within the Gaming Facility on computer printouts or in indelible ink in a bound notebook from which pages cannot be removed, and each side of each page of which is sequentially numbered, with the following information:

i. The assigned sequential number of the incident;

ii. The date;

iii. The time;

iv. The nature of the incident;

v. The person involved in the incident;

- vi. The employee assigned to conduct the investigation, if any; and
 - vii. The outcome and action taken, if any.
- h. Require maintenance of logs relating to surveillance, security, cashier's cage, credit, VLTs (showing when machines are opened), and VLT location;
 - i. Establish and maintain an updated list of persons barred or excluded for any length of time over forty-eight (48) hours from the Gaming Facility for any reason (other than the person's status as a former employee), including but not limited to the person's criminal history or the person's association with career offenders or career offender organizations, and furnish that list to OSP;
 - j. Require an annual audit of the Tribal Gaming Operation by a certified public accountant;
 - k. Ensure that a closed circuit television system is maintained in the cash room of the Gaming Facility and that copies of the floor plan and TV system are available for inspection by OSP;
 - l. Ensure that a cashier's cage is maintained in accordance with industry standards for security;
 - m. Ensure that pari-mutual clerks are sufficiently trained;
 - n. Ensure that sufficient security personnel are employed and trained;
 - o. Subject to agreement with the State, establish a method for resolving disputes with players and providing notice to players of such a method;
 - p. Ensure that surveillance equipment and personnel are managed and controlled independently of management of the Tribal Gaming Operation; and
 - q. Ensure that all contractors supplying VLTs to the Gaming Facility obtain proper shipping authorization from OSP prior to the VLTs being transported.
3. Tribal Gaming Inspections.
- a. The Tribal Gaming Commission or its agents shall be on duty within the Gaming Facility during all hours of operation. The Commission and its agents shall have immediate access to any and all areas of the Gaming Facility for the purpose of ensuring compliance with applicable federal, state and Tribal laws, including but not limited to National Indian Gaming Commission regulations, Compact provisions (including the Minimum Internal Controls), the Tribal Gaming Ordinance, and Tribal Internal Controls, policies and procedures that are applicable to the Tribal Gaming Operation and Class III Gaming. Personnel designated as surveillance operators

shall not fulfill this function on behalf of the Tribal Gaming Commission. Any Violation by the Tribal Gaming Operation, a gaming employee, or any person on the premises whether or not associated with the Tribal Gaming Operation, shall be reported immediately to the Tribal Gaming Commission, and the Tribal Gaming Commission shall report such Violations to OSP within seventy-two (72) hours of the earlier of the time the Violation was reported to the Tribal Gaming Commission or to the management of the Tribal Gaming Operation.

b. The Tribal Gaming Commission may designate any individual or individuals to perform the inspection duties outlined in this Article IX, Section A(3), so long as those individuals perform those duties independently of the management of the Tribal Gaming Operation, and are supervised and evaluated by the Tribal Gaming Commission as to the performance of those duties.

c. Inspections by the Tribal Gaming Commission under this Article IX, Section A(3) shall include monitoring compliance with all applicable federal, state and Tribal laws, including but not limited to National Indian Gaming Commission regulations, Compact provisions (including the Minimum Internal Controls), the Tribal Gaming Ordinance, Tribal Internal Controls, and policies and procedures that are applicable to the Tribal Gaming Operation and Class III Gaming. These inspection duties of the Tribal Gaming Commission include but are not limited to:

i. Observation of the following (at least monthly or more frequently as determined by the Tribal Gaming Commission):

(a) Sensitive gaming inventories;

(b) VLT or Table Game drop;

(c) Soft count;

(d) Security and surveillance logs;

(e) Movement of cash within, into and out of the Gaming Facility;

(f) Surveillance procedures;

(g) Security procedures;

(h) Games controls; and

(i) Integrity of VLT microprocessor or E-PROM, CD ROM, hard disk or other electronic decision-making technologies.

ii. Appropriate investigation of any potential Violations.

iii. Investigation of any cash variance of five hundred dollars (\$500) or greater in a specific variance report or that the Tribal Gaming Commission determines is a threat to the fairness, integrity, security or honesty of the Tribal Gaming Operation, followed by a report of the findings to the Tribal Gaming Commission and OSP.

iv. At the player's request, review and investigate all player gaming disputes not resolved by the Tribal Gaming Operation.

v. At the player's request, review and investigate all player gaming disputes five hundred dollars (\$500) or greater.

vi. Reporting to OSP any criminal or regulatory issues that may affect the fairness, integrity, security or honesty of the Tribal Gaming Activities.

4. Investigations and Sanctions. The Tribal Gaming Commission shall conduct an appropriate investigation of any reported Violation and shall require the Tribal Gaming Operation to correct the Violation upon such terms and conditions as the Tribal Gaming Commission determines to be necessary. The Tribal Gaming Commission shall be empowered by the Tribal Gaming Ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against the Tribal Gaming Operation, a gaming employee, or any other person directly or indirectly involved in, or benefiting from, the Tribal Gaming Operation.

5. Reporting to OSP. The Tribal Gaming Commission shall provide copies of all completed investigation reports as described in Article IX, Section A(3) and final dispositions to the State if and as requested by the State. If requested by the Tribal Gaming Commission, the State shall assist in any investigation initiated by the Tribal Gaming Commission, and provide other requested services to assist in enforcement of the provisions of this Compact, Tribal ordinances, regulations or applicable laws of the State. In cases where an investigation lasts longer than forty- five (45) calendar days, the Tribal Gaming Commission shall notify OSP at the expiration of the forty- five (45) calendar days and every thirty (30) calendar days thereafter in writing as to the status of the investigation, why the matter is taking longer than forty-five (45) calendar days, and the anticipated completion date of the investigation.

B. State Enforcement of Compact Provisions.

1. Monitoring. OSP is authorized to monitor the Tribal Gaming Activities in the manner the State considers necessary to verify that the Tribal Gaming Operation is conducted in compliance with the provisions of this Compact and to verify that the Tribal Gaming Commission is fulfilling the Tribe's obligations under this Compact. OSP shall have free and unrestricted access to all areas of the Gaming Facility during normal operating hours without giving prior notice to the Tribal Gaming Commission except for those areas that are mutually agreed to in writing by OSP and the Tribal Gaming Commission as being excluded. At the Tribe's option, it may designate a Tribal Gaming Agent or other Tribal law

enforcement official to accompany the OSP official monitoring the Tribal Gaming Activities. Such designation by the Tribe shall not delay, inhibit, or deprive OSP of such access. The Tribe agrees that OSP's monitoring function includes, at a minimum, the activities identified in this Compact and any amendments and memoranda of understanding entered into pursuant to this Compact, and that the actual, reasonable and necessary cost of monitoring activities shall be assessed to the Tribe as provided in Article IX, Section C. In addition to OSP's regular monitoring functions, the Tribe agrees that OSP may conduct the following activities, the cost of which shall also be assessed to the Tribe as provided in Article IX, Section C:

- a. An annual comprehensive Compact compliance review, which shall be planned and conducted jointly with the Tribal Gaming Commission, of the Tribal Gaming Activities or any other Tribal activities subject to this Compact to verify compliance with all provisions of this Compact (including Minimum Internal Controls) and with all applicable federal, state and Tribal laws, including but not limited to National Indian Gaming Commission regulations, the Tribal Gaming Ordinance, and Tribal Internal Controls, policies and procedures that are applicable to the Tribal Gaming Operation and Class III Gaming. This review shall include, at a minimum, a review in the following areas: administrative controls (Tribal Internal Controls), gaming operations controls, drop boxes, station inventories, surveillance department controls, cashier cage controls, count room controls (security and surveillance), accounting department controls (security), general controls (Compact regulatory requirements), blackjack controls, VLT controls, Class III accounts payable, employee identification, gaming chip inventory for gaming floor and cage, physical examination of all class III gaming cards, chips, eproms, paper stock, printers, keno balls, fill slips, video gaming devices, keno controls, off-track betting and security department controls;
- b. Periodic review of any part of the Tribal Gaming Activities or any other Tribal activities subject to this Compact in order to verify compliance with all provisions of this Compact (including Minimum Internal Controls) and with all applicable federal, state and Tribal laws, including but not limited to National Indian Gaming Commission regulations, the Tribal Gaming Ordinance, and Tribal Internal Controls, policies and procedures that are applicable to the Tribal Gaming Operation and Class III Gaming;
- c. Investigation of possible Violations and other gaming regulatory matters, whether discovered during the action, review, or inspection by OSP during its monitoring activities, or otherwise;
- d. Investigation of possible criminal law violations that involve the Tribal Gaming Activities, whether discovered during the action, review, or inspection by OSP during its monitoring activities, or otherwise;

e. Periodic review of any contracts between the Tribe and suppliers, vendors or contractors that provide non-gaming goods or services to the Tribal Gaming Operation for the Gaming Facility as provided in Article VII.

2. The parties agree that if any Class III Gaming activities are conducted or intermingled within the Tribe's Gaming Facility in such a way that they are inseparable from Class II Gaming activities, such as surveillance of both Class II and Class III Gaming operations by a single surveillance department or use of the same equipment in both operations, and the intermingling prevents the State from fulfilling its responsibilities under this Compact without reviewing the Class II Gaming activities, OSP shall have full access to both for purposes of carrying out the duties of OSP with respect to Class III Gaming under this Compact.

3. OSP shall ensure that all personnel assigned to carry out the terms of the Compact shall be provided with adequate training for this purpose. The Tribe may request removal of a state law enforcement officer or auditor on the basis of conduct disrespectful of the Tribe or its culture. Effective performance of the officers' or monitor's duties shall not be the basis for disapproval. If the Tribe makes such a request, it shall meet with OSP to discuss the reason for the request, and OSP shall consider the request.

4. Access to Records. The State is authorized to review and copy, during normal business hours, and upon reasonable notice, any and all Tribal records pertaining to the Tribal Gaming Activities, including all Class III Gaming-related contracts, whether those records are prepared or maintained by the Tribe, the Tribal Gaming Commission or the Tribal Gaming Operation. The Tribe agrees to require applicants for a Tribal Gaming License to consent to disclosure to the State of Tribal records relevant to the determination of eligibility for licensing. The Tribe and the State agree that the Tribe shall include information obtained solely from Tribal records in a separate section of the application that is submitted to the OSP, clearly identified as coming from Tribal records by the heading: **"CONFIDENTIAL TRIBAL INFORMATION-DO NOT COPY"**. After review of such information, the OSP shall not retain and shall return promptly that section of the application to the Tribal Gaming Commission, as agreed upon by the Tribal Gaming Commission and OSP. Information contained in other sections of the application may be retained by OSP, even if containing information from Tribal records. OSP shall return to the Tribe copies of Tribal documents related to background investigations within 60 calendar days of obtaining the copies. OSP shall be entitled to retain copies of the following: the Tribal Gaming Commission investigative report, a photograph of the applicant, and information release forms.

a. The Tribe acknowledges that any records created by or maintained by the State, including any records created or maintained in connection with the performance of the State's duties and functions under this Compact, belong to the State and are fully subject to the State of Oregon Public Records Law, ORS 192.410 to 192.505. Any information concerning the Tribal Gaming Activities that is contained in the State's records may be subject to disclosure under ORS 192.410 to 192.505, unless the State would be permitted to withhold that information from

disclosure under ORS 192.410 to 192.505. Examples of the kind of information that may be withheld from disclosure by the State under appropriate circumstances include:

1. “Trade secrets” as defined in ORS 192.501(2);
 - ii. Investigatory information compiled for criminal law purposes as described in ORS 192.501(3);
 - iii. Information submitted in confidence, as provided in ORS 192.502(4), which could include, for example, information contained in state records which would reveal information about the operation of any Class III Game, about the Tribe’s finances, or about the workings of the Tribal Gaming Operation that could reasonably assist a person in the conduct of activity that could adversely affect the fairness, integrity, security or honesty of the Class III Gaming activities; or
 - iv. Any information the disclosure of which is specifically prohibited by state or federal law.
- b. Applications submitted to and retained by OSP for Tribal Gaming Licenses are State of Oregon records and may be subject to disclosure under ORS 192.410 to 192.505 unless the State would be permitted to withhold that information from disclosure under ORS 192.410 to 192.505.
- c. Information about the Tribal Gaming Activities, whether obtained from the Tribe or from any other source, that is included in a document prepared, owned, used or retained by the State in connection with its duties and functions under this Compact may be subject to disclosure under ORS 192.410 to 192.505 unless the State would be permitted to withhold that information from disclosure under ORS 192.410 to 192.505 or as otherwise provided by this Compact.
- d. The Tribe has agreed to allow OSP access to sensitive financial, security and surveillance information that the Tribe considers confidential. The State acknowledges that the Tribe has voluntarily given the State access to this information and that the Tribe would not otherwise be required by law to do so. The State acknowledges that this information should reasonably be considered confidential. To the extent such information is included in any State records that are subject to disclosure, the State hereby obliges itself not to disclose this information when the public interest, including the public interest in maintaining the honesty, integrity, fairness and security of the Tribe’s Class III Gaming activities, would suffer by such disclosure.
- e. The State agrees to notify the Tribe promptly of any request for disclosure of documents containing information about the Tribal Gaming Activities. If the State decides to release any documents that contain information about the Tribal

Gaming Activities, the State will notify the Tribe at least five (5) Business Days before any disclosure is made.

f. Any dispute as to the disclosure of documents under Article IX, Section B(4) shall be brought in the Oregon state courts.

g. Nothing in Article IX, Section B(4) precludes the State or the Tribe from disclosing information pursuant to state, Tribal or federal rules of civil procedure or evidence in connection with litigation, a prosecution or criminal investigation, subject to any defenses either party may assert. The parties agree to assert available defenses to disclosure unless in that party's determination, to do so would jeopardize the party's position in litigation.

5. Investigative Reports. After completion of any investigative report, OSP shall provide a copy of the report to the Tribal Gaming Commission. In cases where an investigation lasts longer than forty- five (45) calendar days, OSP shall notify the Tribal Gaming Commission at the expiration of the forty- five (45) calendar days and every thirty (30) calendar days thereafter in writing as to the status of the investigation, why the matter is taking longer than forty- five (45) calendar days, and the anticipated completion date of the investigation.

C. Assessment for State Monitoring, Oversight and Law Enforcement Costs.

1. The Tribe agrees that it has a responsibility to pay for the costs of performance by OSP of its activities authorized pursuant to this Compact, including associated overhead. The Tribe agrees to pay within thirty (30) days of billing its costs of performance by OSP pursuant to the formula set forth in a Memorandum of Understanding executed by the Tribe and the State. The Memorandum of Understanding can be amended by the parties without amending this Compact.

2. Because of the government to government relationship between the Tribe and the State, the parties recognize that the obligation of the Tribe to pay for OSP costs as provided by this Compact is unique. Nothing in this Compact is intended to, nor shall it be construed as creating a responsibility for the Tribe to pay for any other governmental services rendered by or received from the State.

3. To give the Tribe an opportunity for review and comment on its biennium budget, the OSP agrees to meet and discuss the proposed budget with the Tribe no later than thirty (30) days before the proposed budget is submitted to the Governor. OSP shall distribute, during the development of its biennium budget, a draft to the Tribe of the Tribal Gaming portion of the budget. Prior to submission of the proposed budget to either the Governor or the Legislature, OSP agrees to meet with the Tribe. OSP shall give full consideration to the Tribe's comments on the Tribal Gaming Section budget. Notwithstanding the right of the Tribe to comment on the Tribal Gaming Section budget, the Tribe retains the right to participate in any public review by either the Governor or the Legislature on the OSP budget as well as before the Emergency Board for any increase in the OSP budget.

4. If the Tribe disputes the amount of costs billed pursuant to the formula set forth in a Memorandum of Understanding executed by the Tribe and the State, the Tribe shall timely pay the undisputed amount and within thirty (30) days of billing and shall notify OSP, in writing, of the specific nature of the dispute. If the parties have not resolved the dispute within fifteen (15) days, the Tribe shall pay the disputed amount into an off-reservation escrow mutually agreeable to the parties, with escrow instructions providing that the funds are to be released only upon authorization by both the Tribe and OSP. The parties shall share the reasonable costs of the escrow. The dispute shall then be resolved pursuant to the provisions set forth in Article XII, Section B hereof.

If the Tribe fails to timely pay the disputed amount into escrow or timely pay the undisputed amount, OSP may suspend any background checks that are in process or withhold authorization for the shipment of equipment, and/or pursue other remedies for Compact violations available under this Compact or IGRA.

ARTICLE X – TRIBAL REGULATORY STANDARDS

A. Health, Safety and Environmental Standards.

1. The Tribe agrees to adopt and enforce ordinances and regulations governing health, safety and environmental standards applicable to the Gaming Facility that are at least as rigorous as comparable standards imposed by the laws and regulations of the State, unless superseded by applicable federal law. The Tribe and State agree to work together, along with any local agency generally responsible for enforcement of such health, safety and environmental standards outside Tribal trust lands, in order to assure compliance with such standards within the Gaming Facility. However, the Tribe shall have exclusive regulatory jurisdiction over the enforcement of health, safety and environmental standards applicable to the Gaming Facility. The Tribe shall use its regulatory jurisdiction to assure that health, safety and environmental standards are met. Tribal ordinances and regulations governing water discharges from the Gaming Facility shall be at least as rigorous as standards generally imposed by the laws and regulations of the State relating to public facilities; provided, however, that to the extent that federal water discharge standards specifically applicable to the Tribal lands would preempt such State standards, then such federal standards shall govern.

2. If the State asserts that the Tribe is in breach of this section, and that the breach creates an immediate and substantial threat to the health or safety of the patrons or employees of the Gaming Facility, the Tribe agrees to take such steps as are necessary to protect the public or employees until the breach is remedied.

3. After the State has notified the Tribal Gaming Commission under Article IX, Section B, the State may have state inspectors verify the Tribe's compliance under Article IX, Section B(1)b., in cooperation with the Tribal Gaming Commission.

4. The Tribe shall take all steps reasonable and necessary to ensure ongoing availability of sufficient and qualified fire suppression services to the Tribal Gaming Facility.

5. Upon request of the State, the Tribe agrees to provide evidence satisfactory to the State that any new construction, renovation or alteration of the Tribal Gaming Facility satisfies applicable health, safety and environmental standards of the Tribe. Satisfactory evidence includes a certificate or other evidence of compliance from the appropriate Tribal official responsible for enforcement of Tribal standards or from the appropriate state or local official responsible for enforcement of comparable state standards.

6. As used in this Article X, Section A, “health, safety and environmental standards” include but are not limited to structural standards, fire and life safety standards, water quality and discharge standards, food handling standards, and any other standards that are generally applicable under state or federal law to a non-tribal facility that is open to the public for purposes of protecting the public within the facility. “Health, safety and environmental standards” do not include land use regulations or zoning laws.

B. Access. The Tribe shall provide and maintain access from its Gaming Facility and its ancillary uses within the Gaming Facility area onto the public road known as ‘Old Highway 99’ that is adequate to meet standards of the Oregon Department of Transportation (“ODOT”) or shall enter into agreements with ODOT for the provision of such access by the State, including provisions for compensation by the Tribe for some portion of the costs incurred by the State in constructing and maintaining such improvements to the public highway, including traffic control signals, as may be necessary. For purposes of this Section B, “ancillary uses” include, but are not limited to, hotel(s) and other lodging facilities, restaurants, taverns, gas station(s), convenience store(s), recreational vehicle overnight facilities, convention center facilities, golf course(s) or other sporting facilities, and entertainment facilities.

C. Unemployment Insurance. The Tribe agrees to provide unemployment insurance for the benefit of employees of the Tribal Gaming Operation through participation in the State’s unemployment insurance system or substantially similar system pursuant to applicable State, Federal and Tribal law.

D. Public Safety Off Tribal Land. If local public officials believe that an off-Indian land public safety problem has been created by the existence of the Gaming Facility, the Tribe, or its designated representative, shall meet with the mayor or county commission of the affected government to develop mutually agreeable measures to alleviate the problem. The State may, at the request of either party, participate in such meetings. The burden shall be on the local government officials to demonstrate that the public safety problem is directly attributable to the existence of the Gaming Facility. If an off-Indian land public safety problem has in fact been created by the existence of the Gaming Facility, the Tribe shall undertake to perform any reasonable and mutually agreeable measures to alleviate the problem. If the Tribe and local government officials are unable to agree on measures to alleviate the problem, the State may initiate the dispute resolution process established in Article XII of the Compact.

E. Occupational Safety and Health. The Tribe agrees that its activities at the Gaming Facility will comply with applicable provisions of the federal Occupational Safety and Health Act of 1970, 29 USC § 651 *et seq.*, as amended.

F. Tax Withholding. The Tribe shall report to the Oregon Department of Revenue gambling winnings paid to any person subject to Oregon personal income tax on those winnings whenever the Tribe would be required to report those winnings to the Internal Revenue Service. The Tribe shall make these reports to the State by submitting a copy of the reporting form the Tribe provides to the Internal Revenue Service or other form mutually agreeable to the Tribe and the State. The Tribe agrees that the management of the Tribal Gaming Operation will withhold and remit personal income taxes from employee wages to the Oregon Department of Revenue in the manner prescribed by the Department of Revenue. Withholding shall not be required where the earnings are exempt from personal income tax. The Tribe and the Oregon Department of Revenue shall agree on a procedure for prorating where the earnings are partially exempt.

ARTICLE XI – COMMUNITY BENEFIT FUND

A. Creation and Maintenance of Community Benefit Fund.

1. Establishment of Fund. The Tribe has established the Cow Creek Umpqua Indian Foundation (the “Fund”) and the Tribe will continue to contribute to the Fund, from the proceeds of the Tribal Gaming Operation, an amount calculated as provided in Article XI, Section D. The Tribe, in its discretion, may choose to make its contributions quarterly or annually.

B. Fund Administration.

1. The assets of the Fund shall be expended for the benefit of the public within Douglas, Jackson, Klamath, Coos, Josephine, Lane and Deschutes counties. Grants from the Fund may be made to charitable organizations in the above counties, to the Tribe, or to local government bodies within the county within whose boundaries the Cow Creek Reservation is located (Douglas) for any of the following purposes: education, health, public safety, gambling addiction prevention, education and treatment, the arts, the environment, cultural activities, historic preservation and such other charitable purposes as may be provided in the by-laws of the Fund.

2. The Fund will be administered by a board of eight trustees. Each trustee shall have an equal vote on actions of the board.

3. The trustees of the Fund shall establish by-laws governing the conduct and discharge of their responsibilities not inconsistent with the terms of this Article XI.

4. Proposals for grants from the Fund shall be submitted to the trustees who shall make the final determination of the proposals to be funded in accordance with the by-laws. Grants shall be made on the basis of merit. The trustees may reserve a portion of the Fund in a single year to fund a multi-year grant or grants.

5. A portion of the Fund may be used for reasonable overhead costs, including the retention of accountants and other professionals as necessary, as long as such costs do not exceed the average percentage of overhead costs of charitable entities in the State of Oregon.

Members of the board of trustees shall serve without salary or other compensation, but may receive per diem or reimbursement for reasonable out of pocket expenses incurred in performing duties as a trustee. Grants made to the Tribe must provide some benefit to the general public and shall not exclusively benefit members of the Tribe.

6. Annual Fund Report. The Tribe shall provide a report to the Governor and OSP detailing the amount contributed to the Fund for the calendar year, the grantees of the Fund and the amounts of the grants. The Tribe shall provide the report within 180 days after completion or the end of the calendar year. The State may, at its discretion and expense, perform an audit of the calculation of the Contribution to the Fund.

C. Qualifications, Term and Selection of Trustees.

1. The membership of the board of trustees shall be:
 - a. Three members of the Tribal Board of Directors of the Cow Creek Band of Umpqua Tribe of Indians, appointed by the Tribe;
 - b. One representative of the Tribal Gaming Operation (or its successor), appointed by the Tribe;
 - c. Three trustees appointed by the Tribe from a list of candidates nominated by the Tribal Board of Directors in consultation with the Governor of the State;
 - d. One member of the public at large, appointed by the Governor of the State.
2. Except for the trustees who are members of the Tribal Board of Directors, each trustee must reside in Douglas County.
3. Except for the initial board, trustees shall serve two-year terms and may be removed before the end of their terms only for cause by the appointing authority. The initial board shall serve as follows: The three members of the Tribal Board of Directors and the representative of the Gaming Facility shall serve for two years; the remaining members of the initial board shall serve for one year. Trustees may be reappointed. Vacancies on the board of trustees shall be filled within thirty days by the appropriate appointing authority. Any trustee whose term has expired shall continue to serve until a successor has been appointed.

D. Calculation of Fund Contribution.

1. The Tribe's annual contribution to the Fund shall be based upon the Tribal Gaming Operation's net income from Class III Gaming as shown in the audited financial statement of the Tribal Gaming Operation for the Fiscal Year ending before the contribution is made. The contribution shall be calculated as follows:

- a. Deduct from the Tribal Gaming Operation's net income from Class III Gaming before Tribal taxes, and excluding any payment for OSP assessments, for the prior calendar year, the amount paid by the Tribe for OSP Part A assessments for the State's Fiscal Year ending the preceding June 30.
 - b. Multiply the result in subparagraph a. of this paragraph by six per cent (6%). The product shall be the Tribe's base community benefit contribution.
 - c. Deduct from the base community benefit contribution the amount paid by the Tribe for OSP Part B assessments for the State's fiscal year ending the preceding June 30. An amount equal to the difference is the amount of the annual contribution to the Fund.
2. For purposes of this Article XI, Section D(2):
- a. OSP assessment Part A includes the cost of all employee background investigations, all criminal and regulatory investigations, and any consulting or gaming related services requested by the Tribe that are not required by this Compact or by a memorandum of understanding under this Compact.
 - b. OSP assessment Part B includes the cost of routine monitoring activities and all comprehensive compact compliance reviews.
3. For purposes of determining the Tribal Gaming Operation's net income from Class III Gaming, the Tribal Gaming Operation shall obtain an unqualified audit opinion that the financial statement fairly reflects the Gaming Facility's financial position from an independent public accounting firm mutually acceptable to the State and the Tribe and engaged by the Tribe for that purpose. The determination of the net income of the Gaming Facility is subject to review by the State at its own expense. For purposes of this paragraph the State may act through the OSP or through an official designated as provided in this Compact.

E. Termination or Modification of Fund Contributions. The Tribe's contributions to the community benefit fund established as described in Article XI, Section A may be discontinued if the Oregon Constitution is amended to remove the prohibition of casinos in the State. The Tribe and the State agree that if the Tribe is prohibited for any reason from offering blackjack or any of the Class III games listed in Article V, Section B of this Compact, the parties shall enter into negotiations as to how the community benefit fund contribution provided for in this Article XI, Section D shall be adjusted to reflect the impact of the discontinuation of those games on the net income of the Gaming Facility.

ARTICLE XII – DISPUTE RESOLUTION

A. Notice. If either party to this Compact concludes that the other party has violated a term of this Compact, that party shall give written notice to the other party. The written notice shall describe the factual basis for the concern.

B. Standard Dispute Resolution Process.

1. The parties shall meet and confer within twenty (20) calendar days after receipt of the notice.
2. If the issue is not resolved informally to the satisfaction of both parties, either party may initiate mediation or non-binding arbitration. To be qualified, an arbitrator must have some background and familiarity with federal Indian law.
3. If either party initiates arbitration, an arbitrator shall be selected in the following manner:
 - a. The parties shall obtain a list of qualified arbitrators from U.S. Arbitration and Mediation of Oregon, or any other arbitration panel agreed to by the parties.
 - b. Each party, in turn, shall strike one name from the list, until one name remains. The parties shall draw lots to determine which party makes the first strike.
5. Upon agreement by both parties, the arbitration proceeding may be converted from non-binding to binding.
6. The parties shall divide the cost of the mediation or arbitration proceeding equally between them.
7. Upon conclusion of the mediation or arbitration proceeding, if the parties have not selected to be bound by that result, either party may initiate an action in court as provided in Article XII, Section E.
8. Nothing in this Article XII, Section B shall be construed to waive, limit or restrict the remedy that is otherwise available to either party to enforce the provisions of this Compact or limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution.
9. With respect to gaming not authorized by this Compact, nothing in this Compact shall be construed to limit any applicable authority of the State, the Tribe or the Federal government to take immediate action to enforce or prosecute applicable gambling laws.

C. Expedited Dispute Resolution Process.

1. The Expedited Dispute Resolution Process provided herein is intended to be applied only in situations where the State reasonably concludes that a material Compact violation may result in immediate and serious harm if corrective action is not taken and the Standard Dispute Resolution Process set out in Article XII, Section B would be untimely and inadequate. The State may invoke these expedited procedures if it concludes that a Compact violation:

- a. poses an immediate and serious threat to the fairness, integrity, security or honesty of the Tribal Gaming Activities; or
- b. poses an immediate and serious threat to public safety; or
- c. is part of a willful and continuous pattern of Compact violations of which the Tribal Gaming Commission has been repeatedly formally advised in writing and as to which the State has provided ten (10) Business Day prior written notice of intent to invoke this Expedited Dispute Resolution provision.

2. The State shall immediately give written notice to the Tribal Gaming Operation and the Tribal Gaming Commission of its invocation of this Expedited Dispute Resolution process. The written notice shall describe the basis for the State's concern. The parties shall confer as soon as possible, but in no event later than three (3) Business Days after the Tribal Gaming Commission receives the notice in an effort to resolve the issue. If, after conferring the issue is not resolved informally to the satisfaction of both parties, or if the parties have not conferred within three (3) Business Days, or if an immediate and serious threat to public safety makes conferring impossible or impracticable, then the State shall provide a second written notice to the Tribal Gaming Operation and the Tribal Gaming Commission which describes the specific action(s) the State believes to be reasonably necessary to immediately remedy the State's concerns. Either party may then initiate the Standard Dispute Resolution Process in Article XII, Section B.

3. Upon receiving the second written notice provided to the Tribe pursuant to Article XII, Section C(2), the Tribe agrees that the Tribe, Tribal Gaming Commission or Tribal Gaming Operation, or any combination of those entities (as appropriate), shall take immediate action to implement the State's recommendation or otherwise take mutually acceptable action to address the State's concerns pending a final resolution of the dispute. If the Tribe successfully pursues legal action pursuant to Article XII, Section E to enjoin imposition of remedies under this Article XII, Section C(4), the Tribe shall not be required to implement the State's recommendation. Article XII, Section C(3) shall apply pending the outcome of the Standard Dispute Resolution Process under Article XII, Section B.

4. If, following the conference with the State provided for under Article XII, Section C(2), the Tribe, Tribal Gaming Commission or the Tribal Gaming Operation, or any combination of those entities (as appropriate), do not take immediate action to implement the State's recommendation or otherwise take mutually-acceptable action to address the State's concerns, pending a final resolution of the dispute, the State may impose one or more of the following remedies:

- a. withhold authorization for shipment of VLTs or other Class III Gaming supplies or devices;
- b. suspend authorization for the operation of all Table Games or Counter Games or any portion thereof;

- c. suspend authorization for the operation of any number of VLTs; or
 - d. where the State believes the Compact violation poses an immediate and serious threat to public safety, as described in Article XII, Section C(1)b., require the closure of the Gaming Facility or a portion of the Gaming Facility to the public.
5. If the Tribe fails to comply with the remedy imposed by the State pursuant to Article XII, Section C(4), the State may initiate an action in court as provided in Article XII, Section E for a court order to compel the action.
6. Notwithstanding the foregoing provisions of this Article XII, Section C(6), if the State invokes the Expedited Dispute Resolution Procedures of this Article XII, then the Tribe may at anytime initiate an action in court as provided in Article XII, Section E for declaratory relief. The Tribe may initiate such an action if the Tribe believes that the State's actions or threatened actions are inconsistent with this Compact (e.g., because no Compact violation has occurred, because the State's remedy is inappropriate, or because the State was not entitled to invoke the Expedited Dispute Resolution provisions of the Compact).
7. For purposes of Article XII, Section C(1)(a), "immediate and serious threat to the fairness, integrity, security and honesty of the Tribal Gaming Activities" includes, but is not limited to, the following examples:
- a. The Tribe, Tribal Gaming Commission or Tribal Gaming Operation consummates, or fails to terminate, a Class III Gaming Contract not properly authorized pursuant to Article VII, Section B.
 - b. After notice from the State alleging a Compact violation, the Tribal Gaming Commission licenses or continues to license or the Tribal Gaming Operation employs or continues to employ a High Security Employee who does not qualify for licensure under Article VII.
 - c. A malfunction of gaming equipment hardware or software causes patrons of the Gaming Facility to lose money, and that loss is directly related to the equipment malfunction.
 - d. The security of Class III Gaming equipment has been impaired by theft or tampering.
 - e. The Tribal Gaming Operation operates or the Tribal Gaming Commission authorizes operation of any VLT or type of Class III Gaming not authorized by Article V or without following the procedures in Article V, Section F.
8. For purposes of Article XII, Section C(1)b., "immediate and serious threat to public safety" includes, but is not limited to, the following examples:
- a. Violations of applicable fire and life safety standards.

b. Violation of applicable standards intended to protect health.

9. For purposes of Article XII, Section C(1)c., “willful and continuous pattern of Compact violations of which the Tribal Gaming Commission has been repeatedly advised” include but is not limited to, the following examples:

a. A willful and continuous pattern of Tribal Gaming Commission failures to notify OSP regarding Gaming Related Criminal Activity as provided in Article IX, Section A(2), or failures to cooperate in the investigation of Gaming Related Criminal Activity as provided in Article VI, Section A(4) and Article IX, Section A(2), of which the Tribal Gaming Commission has been repeatedly advised.

b. A willful and continuous pattern of failure by the Tribe, the Tribal Gaming Commission or management of the Tribal Gaming Operation to enforce compliance with the provisions of this Compact, or the regulations and internal controls governing the Tribal Gaming Activities, of which the Tribal Gaming Commission has been repeatedly advised.

c. A willful and continuous pattern of Tribal Gaming Operation or Tribal Gaming Commission failures to provide OSP with access to the Gaming Facility as provided in Article VI, Section B or access to records as provided in Article IX, Section B(4), of which the Tribal Gaming Commission has been repeatedly advised.

d. A willful and continuous pattern of actions by the Tribe, the Tribal Gaming Commission or management of the Tribal Gaming Operation which intentionally impedes or otherwise prevents OSP from fulfilling its monitoring function pursuant to this Compact, of which the Tribal Gaming Commission has been repeatedly advised.

D. Community Benefit Fund Disputes. The parties agree that disputes regarding the payment to the Community Benefit Fund are to be resolved using the Standard Dispute Resolution Process and not the Expedited Dispute Resolution Process.

E. Court Actions.

1. Either party may initiate an action against the other party in the United States District Court for the District of Oregon pursuant to this Article XII to interpret or enforce the provisions of this Compact.

2. However, in the event that the Federal court declines jurisdiction, an action can be filed in a court of competent jurisdiction to interpret or enforce the provisions of this Compact.

3. Sovereign Immunity.

a. State Waiver of Sovereign Immunity. The Oregon legislature has waived the State's sovereign immunity to suit in state court pursuant to ORS 30.320.

b. Tribal Waiver of Sovereign Immunity. The Tribe hereby waives its immunity to suit in courts of competent jurisdiction for the limited purpose of enforcing this Compact. This waiver of sovereign immunity shall be strictly construed and limited to its specific terms.

F. Compact Construction. This Compact shall be governed and construed in accordance with the applicable laws of the State of Oregon without regard to principles of conflicts of law.

ARTICLE XIII – EFFECTIVE DATE; EXHIBITS; TERMINATION; AMENDMENTS

A. Effective Date. This Compact shall become effective upon approval by the Secretary of the Interior pursuant to IGRA.

B. Termination. This Compact shall remain in effect until such time as:

1. This Compact is terminated by written agreement of both parties;

2. The State amends its Constitution or laws to prohibit criminally within the State conduct of all Class III Gaming, whether for profit or not for profit;

3. A court of competent jurisdiction makes a final determination that all of the types of Class III Gaming authorized by this Compact are criminally prohibited under the law of the State, and the determination has become final and enforceable;

4. The United States Congress amends or repeals IGRA so that a Compact is no longer required for the Tribe to offer Class III Games;

5. A party to this Compact gives written notice of termination to the other party following a final determination by a court of competent jurisdiction or arbitrator that a party is in material breach of this Compact and such material breach continues for 30 calendar days following the date of such determination (a "final determination" is one that is no longer appealable); or

6. Either party revokes its waiver of sovereign immunity described in Article XII, Section E(3), and the other party thereafter gives written notice of termination to the revoking party.

C. Automatic Amendment.

1. If a Federal court decides that a type of Class III Gaming authorized under this Compact is criminally prohibited, then, during the effective period of such decision, this Compact shall no longer authorize the Tribe to engage in that type of Class III Gaming, and any provisions in this Compact authorizing such Class III Gaming shall be void and of no effect.

2. If a type of Class III Gaming authorized under this Compact is prohibited as provided under Article XIII, Section C(1), the Tribe shall cease operating that form of Class III Gaming only if and under the same circumstances and conditions as the State or any other affected person must cease operating the corresponding Class III Gaming.

3. If a type of Class III Gaming authorized by this Compact becomes criminally prohibited as provided in Article XIII, Section C(1), but is later reauthorized by law, then the Tribe may provide 30 calendar days prior written notice to the State of its intent to recommence such Class III Gaming. During the 30 day notice period, the Tribe and OSP shall work together to assure that adequate procedures and regulations are in place to assure that such Class III Gaming is conducted in a manner that safeguards the fairness, integrity, security and honesty of the Class III Games and is consistent with this Compact.

D. Amendments. This Compact may be amended by the parties. All amendments must be in writing. No amendment to this Compact is effective until the amendment has been signed by all parties and approved by the Secretary of the Interior.

E. Renegotiations. The State or the Tribe may, by appropriate and lawful means, request negotiations to amend, replace or repeal this Compact. In the event of a request for renegotiation or the negotiation of a new agreement, this Compact shall remain in effect until renegotiated or replaced, unless sooner terminated pursuant to the term of this Compact. Such request to renegotiate shall be in writing and shall be sent by certified mail to the Governor of the State or the Chair of the Tribe at the appropriate office identified at Article XVI below. If a request is made by either party, both parties agree to negotiate in good faith.

ARTICLE XIV – DISCLAIMERS AND WAIVERS

A. Gaming at Another Location or Facility. The Tribe hereby waives any right it may have under IGRA to negotiate a Compact for Class III Gaming at any different or additional location or facility, unless another Tribe that is operating a gaming facility in this State signs a Compact that authorizes that Tribe to operate more than one Class III Gaming Facility simultaneously, or is otherwise authorized to operate more than one Class III Gaming Facility simultaneously.

B. Prohibition on Taxation by the State. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe or Tribal Gaming Operation, except as expressly authorized in accordance with this Compact.

C. Preservation of Tribal Self-Government. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, including the Tribal Gaming Commission, or to interfere in any manner with the Tribe's selection of its governmental officers, including members of the Tribal Gaming Commission. No licensing or registration requirement contemplated by this Compact shall be applicable to such officers with respect to their capacity as officers of the Tribe.

D. State Authority Re Non-Indian Lands. Nothing in this Compact diminishes or eliminates the State's regulatory authority with respect to lands that are not Indian trust lands.

E. Compact Exclusivity. This Compact is exclusively for the benefit of and governs only the respective authorities of and the relations between the Tribe and the State. The State and the Tribe are the only parties to this Compact and are the only parties entitled to enforce the terms of this Compact. Nothing in this Compact gives, is intended to give, or shall be construed to give or provide, any benefit or right not held by or made generally available to the public, whether directly, indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Compact.

F. Future Requests to Negotiate. Nothing contained in the provisions of this Compact shall be deemed binding precedent on the State regarding any future request to negotiate a Class III Gaming compact or concur in the taking of land into trust for gaming purposes.

G. Relationship of the Parties. The relationship between the parties to this Compact shall be that of independent sovereign governmental entities. Nothing in this Compact shall be construed to constitute the parties as principal and agent, employer and employee, franchiser and franchisee, partners, joint venturers, co-owners, or otherwise as participants in a joint undertaking.

H. Headings. The headings used for the sections herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Compact.

ARTICLE XV – SEVERABILITY

In the event that any section or provision of this Compact is held invalid, or its application to any particular activity is held invalid, it is the intent of the parties that the remaining sections of the Compact and the remaining applications of such section or provision shall continue in full force and effect.

ARTICLE XVI – NOTICE

A. Notice and Receipt of Notice. Except as otherwise expressly provided in this Compact or agreed in writing by the parties, any communications between the parties or notices to be given under this Compact shall be given in writing and delivered by facsimile, personal delivery, or mailing the same, postage prepaid, to Tribe or State at the address, number set forth in this Article XVI, or to such other addresses or numbers as either party may indicate pursuant this Article XVI. Any communication or notice so addressed and mailed shall be deemed received three (3) Business

Days after the date of mailing. Any communication or notice delivered by facsimile shall be deemed received on the date the transmitting machine generates a notice of the successful transmission, if transmission was during normal business hours, or on the next Business Day, if transmission was outside the Business Day. Any communication or notice delivered by personal delivery shall be deemed received when actually delivered. The parties may agree in writing to a process for sending and determining receipt of notices by electronic mail or by any other means.

B. Notice Addresses and Numbers.

1. All notices required or authorized to be delivered to OSP under this Compact shall be delivered to the following:

Captain
Oregon State Police
Gaming Enforcement Division
400 Public Service Building
Salem, OR 97310
FAX: 503-378-8282

2. All notices required or authorized to be delivered to the Tribal Gaming Commission under this Compact shall be delivered to the individual, address and fax number provided to the State in writing by the Tribe.

3. All other notices required or authorized to be delivered under this Compact, and all notices to the Tribal Gaming Commission for which the State does not have the information required under Article XVI, Section 2, shall be delivered to the following:

Legal Counsel to the Governor
254 State Capitol
Salem, OR 97301
FAX: 503-378-4863


Cow Creek Band of Umpqua Tribe of Indians
Attn: Chairman, Board of Directors
2371 NE Stephens Street Suite 100
Roseburg, OR 97470
FAX: 541-673-0432

ARTICLE XVII – INTEGRATION

This Compact and all memoranda of understanding between the parties that are required or referenced under this Compact and in effect on the effective date of this Compact, constitute the entire agreement between the parties on the subject matter hereof. There are no other

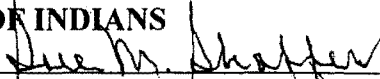
understandings, agreements, or representations, oral or written, not specified or referenced herein regarding this Compact or the subject matter hereof.

STATE OF OREGON


Theodore R. Kulongoski, Governor

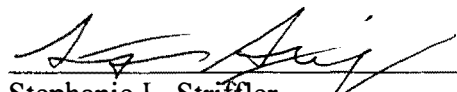
Date: Nov. 21, 2006

COW CREEK BAND OF UMPQUA TRIBE
OF INDIANS

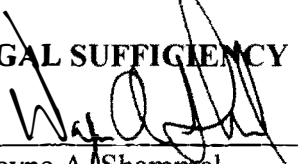

Sue M. Shaffer, Chairwoman
Tribal Board of Directors

Date: _____

APPROVED FOR LEGAL SUFFICIENCY



Stephanie L. Striffler
Special Counsel to Attorney General

Date: _____


Wayne A. Shamnel
General Counsel to Tribe

Date: _____

APPROVED BY


Acting Deputy Assistant Secretary - Policy & Economic Development

Date: 2-7-07