



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

FEB 12 2008

Honorable Antone C. Minthorn
Chairman, Confederated Tribes of the Umatilla
Indian Reservation
PO Box 638
Pendleton, Oregon 97801-0638

Dear Chairman Minthorn:

On February 1, 2008, we received the Amendment II to the Amended and Restated Class III Gaming Compact (Amendment) between the Confederated Tribes of the Umatilla Indian Reservation (Tribe) and the state of Oregon (State). We have completed our review of this Amendment 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 Amendment. This Amendment 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.

A similar letter is being sent to the Honorable Theodore R. Kulongoski, Governor, State of Oregon. We wish the Tribe and the State continued success in their economic venture.

Sincerely,

Acting Deputy Assistant Secretary -
Policy and Economic Development

Enclosure

**TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING
BETWEEN THE CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION AND THE STATE OF OREGON**

AMENDMENT II

This amendment is made to the Class III Gaming Compact between the Confederated Tribes of the Umatilla Indian Reservation of Oregon ("the Tribes") and the State of Oregon executed on December 27, 1999, approved by the Secretary of the Interior on March 17, 2000, effective April 3, 2000. The terms of this Amendment are in addition to and, except as specifically provide herein, do not supersede any of the provisions of the original Compact, or Amendment I hereto.

WHEREAS, the Tribes and the State entered Compact Amendment I on September 18, 2006, which amendment authorized the Tribes to provide community benefit grants through the Wildhorse Foundation to local governmental entities in the four county area on the same basis as charitable organizations and restored Compact language inadvertently omitted in the Compact submitted to and approved by the Secretary of Interior; and

WHEREAS, the Tribes wish to amend the Compact to revise the definition of "Video Lottery Terminal" and to modify the provisions regarding check cashing in Class III gaming areas; and

WHEREAS, the State wishes to amend the Compact to both revise the methodology for the Tribes' payment for Oregon State Police (OSP) activities authorized in the Compact and to remove the OSP payment provisions from the Compact and place them in a memorandum of understanding; and

NOW THEREFORE, the Tribes and the State hereby approve the following amendments to the Compact:

I. Section 3.W is revised as follows:

W. "Video Lottery Terminal" or "VLT" means an electrical or electromechanical device, component, or terminal that displays a ticket through the use of a video display screen, and that is available for consumer play 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, as more fully described in the Appendix to this Compact.

W. "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.”

II. Section 8.C is revised as follows:

- C. No credit extended. Except as otherwise provided in this subsection 8.C, all gaming conducted pursuant to this Compact shall be conducted on a cash basis. Except as provided herein, no person shall be extended credit for gaming nor shall the Tribes permit any person or organization to offer such credit for a fee. Cashing checks in the Class III gaming area constitutes extending credit under this subsection. The following shall not constitute an extension of credit:
1. This restriction shall not apply to Credits won by players who activate play on video games of chance after inserting coins or currency into the games;
 11. This section shall not restrict the right of the Tribes or any other person to Installing or and accepting bank card or credit card transactions in the same manner as is permitted at any retail business in the State;
 111. Cashing checks anywhere in the Gaming Facility using a system or program that verifies availability of funds, functions the same as a debit card, secures funds in the name of the Tribal Gaming Operation, or when the check has been issued by an entity of the Tribes.

III. Section 10.A is revised as follows:

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

1. The Tribes agree that the Oregon Gaming Tribes have the collective responsibility to pay for the cost of performance by OSP of its activities authorized pursuant to this Compact, including associated overhead. The Tribes agree to pay within 30 days of

billing their fair share of the Oregon State Police costs pursuant to the formula set forth in a memorandum of understanding (OSP Payment MOU) executed by the Tribes and the State this Section within 30 days of billing. The OSP Payment MOU can be amended by the parties without amending this Compact.

2. To give the Oregon Gaming Tribes an opportunity for review and comment on its biennium budget, the Oregon State Police agrees to meet and discuss the proposed budget with the Tribes 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 Section portion of the budget, to the Oregon Gaming Tribes p Prior to submission of the budget to either the Governor or the Legislature, OSP agrees to meet with the Tribe. The Oregon State Police shall give full consideration to the Oregon Gaming Tribes' comments on the Tribal Gaming Section budget. Notwithstanding the right of the Oregon Gaming Tribes to comment on the Tribal Gaming Section budget, each the Tribes retains the right to participate in any public review by either the Governor or the Legislature on the Oregon State Police budget as well as before the Emergency Board for any increase in the Oregon State Police budget.
3. Because of the government-to-government relationship between the Tribes and the State, the parties recognize that the obligation of the Tribes to pay for the Oregon State Police costs as provided by this Compact is unique. Nothing in this Compact is intended to, nor shall be construed as, creating a responsibility for the Tribes to pay for any other governmental services rendered by or received from the State.
4. The Tribes' (as in the "Confederated Tribes of the Umatilla Indian Reservation") monthly payment to the Oregon State Police shall be computed as follows:
 - a. The biennium budget for the Tribal Gaming Section shall be divided by 24 to determine the total monthly payment that must be made by the Oregon Gaming Tribes to the Oregon State Police for Compact related activities. This payment shall be referred to as the "OSP Monthly Payment."
 - b. Amounts received by the Oregon State Police from Class III Gaming Contractor license applicants, or any other gaming vendor license applicant, and from the payment for the assignment of Tribal Gaming Section officers to non tribal gaming duties, shall reduce the OSP Monthly Payment owed by the Oregon Gaming Tribes, which

reduced amount shall be referred to as the "Adjusted OSP Monthly Payment." The reduction in the OSP Monthly Payment owed by the Oregon Gaming Tribes shall occur in the month the Oregon State Police receives such payments from third party sources.

- e. The Tribes' (as in the "Confederated Tribes of the Umatilla Indian Reservation") monthly payment to the Oregon State Police shall be computed as follows:

No. of direct Service Hours _____		
Billed to CTUIR Tribal _____	Adjusted OSP	Tribes' Share of
Gaming Operations _____ X _____	Monthly	OSP Monthly
	Payment	Payment
Total No of Direct Service Hours		
Billed to All Oregon Tribal Gaming		
Operation		

- d. Every six months, or biennium quarter, the Oregon State Police shall reconcile the total payments received from the Oregon Gaming Tribes and third party sources during the six month period. The total of these payments should equal one fourth of the Oregon State Police/Tribal Gaming Section biennium budget. Any underpayment or overpayment shall adjust the amount owed by the Oregon Gaming Tribes the month following the reconciliation.

5. As used in this section

- a. "Oregon Gaming Tribes" means any federally recognized Indian Tribes in Oregon engaged in Class III gaming pursuant to a Tribal State Compact.
- b. "Direct Service Hours" means the actual time spent by Oregon State Police personnel in performing employee background checks, performing background checks on Class III Gaming Contractors or other gaming vendors (unless paid by the Class III Gaming Contractor or other gaming vendor), performing Compact monitoring functions (including the annual comprehensive compact compliance review), conducting an investigation, and traveling to and from the Gaming Facility or the site of a Class III Gaming Contractor background investigation, for a particular Tribal Gaming Operation. This definition is in no way intended to limit OSP's activities authorized pursuant to this Compact. The Oregon State Police shall keep direct service hour billing records setting forth the date work is performed, a brief description of the work performed and the amount of time spent.

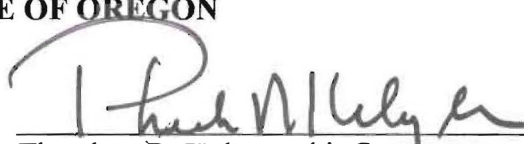
- 6 4. The methodology for the payment of Oregon State Police costs as set forth in the OSP Payment MOU shall begin on the effective date of the OSP Payment MOU referenced in Section 10.A.1. Until the date the OSP Payment MOU becomes effective, the current methodology remains in effect. January 1, 1999.

Executed as of the date and year below.

STATE OF OREGON

Dated:

12/05/07




Theodore R. Kulongoski, Governor

CONFEDERATED TRIBES OF THE UMATILLA INDIAN RESERVATION

Dated:

NOVEMBER 6, 2007



Antone C. Minthorn, Chairman, Board of Trustees

APPROVED FOR LEGAL SUFFICIENCY



Stephanie L. Striffler

Special Counsel to the Attorney General

Dated:

Nov. 28 2007

Approved by the Acting Deputy Assistant Secretary – Policy and Economic Development

By:



Dated:

FEB 12 2008