



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JAN 26 2009

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


Dear Chairman Minthorn:

On December 11, 2008, we received the Amended and Restated Tribal-State Compact (Compact) for the Regulation of Class III Gaming between the Confederated Tribes of the Umatilla Indian Reservation (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.

Changes to the authorized games in the Exhibit 1 must be submitted to the Secretary for approval as an amendment to the Compact in accordance with 25 CFR Part 293.4. An amendment will not be effective until notice has been published in the *Federal Register*.

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

Sincerely,


George T. Skubine
Deputy Assistant Secretary
for Policy and Economic Development

Enclosure

**AMENDED AND RESTATED
TRIBAL-STATE COMPACT FOR REGULATION
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF
THE UMATILLA INDIAN RESERVATION M1D
THE STATE OF OREGON**

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

PREAMBLE.

This Amended and Restated Compact is made between the State of Oregon (hereinafter "State") and the Confederated Tribes of the Umatilla Indian Reservation (hereinafter the "Tribes") and pertains to Class III gaming to be conducted on lands within the Umatilla Indian Reservation pursuant to the Indian Gaming Regulatory Act of October 17, 1988 (Public Law 100-497), 25 U.S.C. 2701 et seq. ("IGRA"), and reflects the sovereign status and jurisdictional authority of the Tribes and addresses the legitimate concerns of the State. The terms of this Compact are unique to these Tribes and reflect the fact that the lands that are the subject of this Compact have been held in trust by the United States since the Umatilla Indian Reservation was established in 1855, and that these lands may be used for Class III gaming under IGRA.

SECTION 1. TITLE.

THIS Compact is entered into this ___ day of November, 2008, by and between The Confederated Tribes of the Umatilla Indian Reservation, a federally recognized Tribe of Indians, and the State of Oregon. Upon execution by the parties and by the Secretary of the Interior, this Amended and Restated Compact replaces the Compact entered into by the parties on December 6, 1999, and approved by the Secretary of the Interior on March 17, 2000, and Amendments I and II thereto.

SECTION 2. FINDINGS.

WHEREAS, the Tribes are a federally recognized Indian Tribe and are the beneficial owner of, and government for, the Umatilla Indian Reservation located within the State of Oregon;

AND WHEREAS, the State and the Tribes are separate sovereigns and each respects the laws of the other sovereign;

AND WHEREAS, the public policy of the State is reflected in the Constitution, statutes and administrative rules of the State, which, at the time of execution of this Compact, authorize a variety of games classified as Class III games under IGRA;

AND WHEREAS, the Tribal public policy, as reflected in the Tribal Constitution and Tribal codes, is "to exercise and protect all existing and future tribal rights arising from any source whether treaty, federal statute, state statute, common law or otherwise; to achieve a maximum degree of self-government in all tribal affairs; and to protect and promote the interests of the Indians of the Umatilla Indian Reservation";

AND WHEREAS, the United States Congress has enacted IGRA which declares federal policy and provides a statutory basis for operation of gaming by the Tribes as a means of promoting Tribal economic development, self-sufficiency, and strong Tribal government;

AND WHEREAS, the Tribes exercise governmental authority over all lands within the Umatilla Indian Reservation;

AND WHEREAS, IGRA is intended to provide a statutory basis for regulation of gaming by the Tribes adequate to shield them from organized crime and other corrupting influences, to ensure that the Tribes are the primary beneficiary of the gaming revenues, and to ensure that gaming is conducted fairly and honestly by both the operators and players;

AND WHEREAS, Congress has declared that it is a principal goal of federal Indian policy to promote Tribal economic development, Tribal self-sufficiency and strong Tribal government;

AND WHEREAS, IGRA provides for a system of joint regulation by Indian Tribes and the Federal government (to the exclusion of the State) of Class I and II gaming on Tribal lands as defined in IGRA;

AND WHEREAS, IGRA establishes a system of agreements between Indian Tribes and States for the regulation of Class III gaming as defined in that Act;

AND WHEREAS, IGRA provides that Class III gaming activities are lawful on Tribal lands only if such activities are (1) located in a state that permits such gaming for any purpose by any person, organization or entity, (2) authorized by Tribal code, and (3) conducted in accordance with a Tribal-State Compact;

AND WHEREAS, the Congressional intent in passing IGRA was to reaffirm a long and well-established principle of federal Indian law as expressed in the United States Constitution, reflected in federal statutes and articulated in decisions of the United States Supreme Court, that unless authorized by an act of Congress, the jurisdiction of State governments does not extend to Tribal lands;

AND WHEREAS, IGRA does not extend State jurisdiction or the application of State laws for any purpose other than jurisdiction and application of State laws to gaming conducted on Tribal land as set forth in this Compact;

AND WHEREAS, in IGRA, Congress recognized a role for State public policy and State law in the regulation of Class III Gaming;

AND WHEREAS, nothing in the Tribal-State Compact shall be construed to extend to any other activities or as an abrogation of other reserved rights of the Tribes or of the Tribes' sovereignty;

AND WHEREAS, IGRA is intended to expressly preempt the field in the governance of gaming activities on Tribal lands;

AND WHEREAS, the continued growth and success of tribal gaming depends upon public confidence and trust that the Tribal Gaming Operation is honest, fair and secure, and is free from criminal and corruptive influences;

AND WHEREAS, public confidence and trust can be maintained only if there is strict compliance with laws and regulations related to licensed gaming establishments, by all persons involved in the Tribal Gaming Operation;

AND WHEREAS, the Tribes and the State agree that the State functions of monitoring and oversight of tribal gaming operations will be funded by the tribal gaming industry;

AND WHEREAS, the relationship between the State and the Tribes rests on mutual trust and the recognition that each has a primary duty to protect the gaming public through separate, appropriate responsibilities during the life of current and future Compacts;

AND WHEREAS, the Tribes are authorized to act through Resolutions adopted by its Board of Trustees;

AND WHEREAS, the State of Oregon is authorized to act through the Governor of the State;

NOW THEREFORE, in consideration of the mutual undertakings and agreements herein set forth, the Tribes and the State enter into the following Compact:

SECTION 3. DEFINITIONS.

As used in this Compact, and in its Appendix and Exhibit:

- A. "Approved Class III Game" means an Authorized Class III Game that has been specifically approved by the Tribal Gaming Commission and OSP to be offered by the Tribal Gaming Operation pursuant to Section 4.D, including any game approved pursuant to Section 4.D after execution of this Compact. Approved Class III Games as of the date of execution of this Compact are those listed in Exhibit 1.
- B. "Authorized Class III Game" means a Class III Game that has been approved by OSP for play at a tribal gaming facility in Oregon pursuant to an Oregon Class III gaming compact, including any game approved after execution of this compact as provided in Section 4 of this Compact. Authorized Class III Games as of the date of execution of this Compact are those listed in Exhibit 2.

- C. "Background investigation" means the security and financial history checks of an employee, licensee or applicant for a Tribal gaming license to contract for the operation or sale of Class III games to the Tribes.
- D. "Class III Gaming Contract" means a contract that involves a Major or a Sensitive Procurement.
- E. "Class III Gaming Contractor" is any individual, business or other entity that proposes to consummate, or in fact consummates, a Class III Gaming Contract.
- F. "Consultant" means any person, other than an employee, who provides advice or expertise to the Tribal Gaming Operation concerning the operation or management of the Tribes' Class III gaming activities for compensation. "Consultant" does not include a person engaged for the purpose of training or teaching employees of the Tribal Gaming Operation if the contract for those services is no greater than 90 days in duration.
- G. "Controlling interest" means fifteen percent (15%) of the equity ownership of a company.
- H. "Gaming Facility" means the building constructed for gaming purposes by the Tribes, and associated grounds, on Tribal trust lands within the Umatilla Indian Reservation immediately north and east of exit 216 on Interstate 84, more specifically described in Exhibit 3 to this Compact, (which is hereby incorporated by reference), and any property used to store Class III gaming equipment. If the size of the Gaming Facility is expanded as otherwise provided in this Compact, the term "Gaming Facility" shall thereafter refer to the expanded facility.
- I. "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 the operation of gaming, or used in the course of play of any Class III game. For purposes of this definition "controlled item" means any item used 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.
- J. "High Security Employee" means any natural person who participates in the operation or management of the Class III Tribal Gaming Operation, whether employed by the Tribes or by a person or entity providing on-site or off-site gaming operation or management services to the Tribes, including but 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, Video Lottery Terminal technicians, junket representatives, information technology staff with access to Class III gaming systems, including online accounting systems; and any other person whose employment duties require or authorize uncontrolled access to areas of the

Gaming Facility related to Class III gaming and which are not otherwise open to the public. The Tribal Gaming Commission or its inspectors shall not be considered "High Security Employees."

- K. "Key Employee" means any officer or any person who can substantially affect the course of business, make decisions, or is in a sensitive position in an organization or corporation that is a Class III Gaming Contractor or an applicant for a Class III Tribal gaming license.
- L. "Low Security Employee" means any employee of the Tribal Gaming Operation whose duties require the employee's presence in any area of the Gaming Facility where Class III gaming activities take place, but who is not a High Security Employee and who is not involved in the operation of Class III gaming.
- M. "Major Procurement" means any procurement action or contract for the following products, systems or services used in Class III gaming:
 - 1. The printing of tickets;
 - 2. Any goods or services 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 generating systems, and off-track betting systems;
 - 3. Any goods, services or products used for security or to determine outcomes;
 - 4. Video devices or other equipment, except equipment specifically included in the definition of Sensitive Procurement;
 - 5. A contract or license to use a patented game or game product; and
 - 6. Accounting systems or surveillance systems.
- N. "Minimum Internal Control Standards" or "MICS" means the Tribal/State "Minimum Standards for Internal Controls" attached as the Appendix to this Compact, including revisions that may be agreed upon by the Tribal Gaming Commission and the Oregon State Police from time to time.
- O. "Oregon State Police" or "OSP" refers to the Tribal Gaming Section within the Gaming Enforcement Division, or that administrative unit charged with gaming enforcement regulatory responsibilities of the Department of State Police established under Oregon Revised Statutes Section 181.020, or its successor agency established by law.
- P. "Owner" means any person or entity that owns 5% or more of the equity ownership of a company alone or in combination with another person who is a spouse, parent, child, or sibling.

- Q. "Primary Management Official" means any person, whether employed by the Tribes or the Tribal Gaming Operation, who:
1. Has administrative or high-level management responsibility for part or all of the Class III Tribal Gaming Operation, whether as an employee or under a management contract;
 2. Has authority --
 - a. to hire and fire supervisory employees of the Tribal Gaming Operation; or
 - b. to set or otherwise establish working 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.
- R. "Sensitive Procurement" means any procurement action or contract that is not a "Major Procurement," for Class III gaming equipment (such as cards, dice, keno balls, roulette wheels, roulette balls, chips, tokens, VLT or keno paper, gaming tables, table layouts or the like), or any other products that are not used directly in the conduct of Class III gaming but that directly affect the integrity, security, honesty, and fairness of the operation and administration of the Tribes' Class III gaming activities such as replacement parts for Video Lottery Terminals (such as bill acceptors, or printers), locks and keys for secure storage areas or gaming devices, or individual surveillance cameras.
- S. "Table Game" means any Class III game allowed under this Compact except VLTs, keno, and off-track pari-mutuel wagering.
- T. "Tribal Gaming Operation" means the entity, whether or not separately incorporated, that operates Class III gaming under tribal authority, and receives revenues, issues prizes and pays expenses in connection with Class III games authorized under this Compact.
- U. "Tribal Gaming Code" means the code adopted by the Tribes to govern the conduct of Class III gaming, as well as non-Class III gaming activities, as required by IGRA. The Tribal Gaming Code was initially approved by the Tribes' Board of Trustees by Resolution 94-13 on February 22, 1994. Any reference to the Tribal Gaming Code shall also refer to any subsequent amendments to the Code.
- V. "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.

SECTION 4. AUTHORIZED CLASS III GAMING.

- A. This Compact shall be the only Compact pursuant to IGRA between the Tribes and State and any and all Class III gaming conducted in the Gaming Facility shall be pursuant to this Compact. To the extent that elements of this Compact need to be altered to incorporate changes to the agreements between the parties -- including to permit additional Class III gaming -- the parties shall provide such changes in accordance with Section 12.D of this Compact.
- B. Authorized games.
1. Subject to the provisions of this Compact, the Tribes may engage in the Approved Class III Games listed on Exhibit 1. The Tribes may also engage in additional Authorized Class III Games pursuant to Section 4.D of this Compact. OSP will provide an updated list of Authorized Class III Games to the Tribes upon request or will regularly post updated lists in a publicly available medium such as OSP's website and will provide an updated list of Approved Class III Games upon request.
 2. Subject to, and in compliance with, the provisions of this Compact, the Tribes may, subject to the provisions of Section 4.D, request authorization and approval of any other Class III gaming activity that has been approved by the Nevada Gaming Commission or by an Indian tribe with an approved Class III Compact in the state in which the tribe conducts a gaming operation, provided, that for an Indian approved game, certification from the state where such tribe conducts gaming that such game is permissible under IGRA shall be provided, and Oregon State Police review and approval shall be required.
 3. Internet gaming
 - a) The Tribe shall not permit or accept any wagers, including over the internet or by any telecommunications system or device, or any future technology that simulates internet services, except as may be authorized in Section 4.B.3.c of this Compact.
 - b) Nothing in this Section 4 is intended to, nor shall be construed to, prohibit the use of telecommunications systems, including the

internet, or successor technology, to conduct off-track pari-mutuel wagering and progressive VLT games as are being operated by the Tribes at the time of the execution of this Compact.

- c) This Compact is not intended to preclude the Tribes from seeking negotiation, consistent with the policies of IGRA and this Compact, to offer internet gaming in the event of a final federal judicial decision binding in Oregon final State of Oregon judicial decision, or congressional legislative action permitting internet gaming. If the State disputes whether internet gaming may be offered consistent with this subsection and federal and/or state law, including IGRA, such dispute shall be resolved pursuant to Section 16 of this Compact. Compact negotiation as set forth in this Section 4.B.3 shall be initiated pursuant to Section 12.D of this Compact. No such gaming shall be offered until dispute resolution concludes and all legal appeals are final.
4. The Tribes may not offer sports bookmaking, except as may be agreed to under Section 12.D.1.a of this Compact.
5. This Section shall be construed consistent with federal classification of gaming activities under IGRA.

C. Number of Video Lottery Terminals.

1. The number of Class III VLTs authorized by this Compact shall not exceed 2,000. Subject to other terms of this Compact, the Tribes may determine in their discretion the location and spacing of Video Lottery Terminals within the Gaming Facility.
2. The Tribes may acquire the rights to and operate some or all of the maximum number of VLTs 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 executed by the Tribes 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 Memorandum of Understanding, in addition to any other terms either the Tribes or State deem appropriate. VLTs operated pursuant to the Memorandum of Understanding shall not count towards the 2,000 VLTs authorized under this Compact. The Memorandum of Understanding can be amended by the parties without amending this Compact.
3. The Tribe may transfer its rights to some or all of the 2,000 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 Memorandum of Understanding 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 Memorandum of Understanding can be amended by the parties without amending this Compact.

4. For purposes of the calculation of the authorized number of VLTs as provided in this Section 4.C, 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.
5. The Tribes may maintain VLTs in storage at the Gaming Facility, so long as the total number of VLTs in operation and in storage does not exceed 110% of the authorized number of VLTs, and so long as the site and manner of storage is approved by the Oregon State Police, and the Oregon State Police are provided access to the storage site.

D. Addition of Approved Class III Games at Gaming Facility.

Except for Approved Class III Games listed in Exhibit 1, at least sixty (60) days before any Authorized Class III Game is conducted at the Gaming Facility, the Tribal Gaming Commission shall:

1. Ensure that the Tribal Gaming Operation develops rules and procedures for a system of internal controls for the new game that meets the MICs.
2. 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 game, and for the Tribal Gaming Inspector, such that those employees 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 Operation or Tribal Gaming Commission, as appropriate, shall notify the Oregon State Police prior to beginning training and shall provide the Oregon State Police opportunity to participate.
3. Ensure that the Tribal Gaming Operation establishes a security and surveillance plan for the new game that meets the minimum standards established in the MICS.
4. Adopt rules of operation for the game that meet the minimum standards established in the MICS, including rules of play and standards for equipment.

5. Notify the Oregon State Police that the Tribes propose to offer the new game to the public, and at the same time, certify in writing that the requirements of Section 4.D.1. through 4 have been met, and provide to the Oregon State Police for review all of the internal controls, regulations, plans, procedures and rules required under Section 4.D.1. through 4.
 6. When and if OSP and the Tribal Gaming Commission have agreed that the criteria in Section 4.D.1. through 5 have been met and that the Tribal Gaming Commission has sufficient adequately-trained personnel to monitor and regulate conduct of the game, OSP shall notify the Tribal Gaming Commission in writing that the game is approved for play at the Gaming Facility and shall add the new Approved Class III Game to the list of Approved Class III Games in Exhibit 1.
- E. Number of Table Games. The Tribes may operate a maximum of 70 tables of Table Games at the Gaming Facility.
- F. Table Game Wager Limits.
1. The Tribes shall establish wager limits for all Table Games. The Tribes have established a current wager limit of \$1 000 per hand for house banked blackjack offered at the Gaming Facility, and the Tribal Gaming Commission has adopted regulations establishing a minimum level of experience, training and competence for dealers at those tables that were commensurate with the need to maintain the honesty, integrity, fairness and security of the Table Games.
 2. Whenever a new Table Game is introduced other than blackjack, the Tribe shall establish an initial wager limit of \$500 per hand, play or bet. After a period of 90 days of operation of the new Table Game in full compliance with the requirements of this Compact, the Tribe may request that a maximum wager of \$1,000 be authorized. The State may refuse to agree to an increase in the maximum wager limit if there have been any significant problems with the increase in the maximum wager limit if there have been any significant problems with the conduct of the new game due to noncompliance with the Tribal/State Minimum Internal Control Standards, the rules of operation of the game or with the terms of this subsection.

3. For purposes of this Section 4.F, “full compliance” means:
 - a) All of the rules, procedures, and plans required under Section 4.D have been adopted and approved by the Tribal Gaming Commission, have been approved by OSP as meeting the Minimum Internal Control Standards, and have been implemented;
 - b) All training required by the Minimum Internal Control Standards and the regulations of the Tribal Gaming Commission is up to date;
 - c) The Tribal Gaming Commission has adopted policies and procedures that set forth appropriate sanctions for employees who fail to follow the regulations and internal controls of the Tribal Gaming Commission, gaming operation management has committed in writing to train employees and impose the sanctions for violations, and the Tribal Gaming Commission’s procedures provide for investigation of possible violations by the Tribal Gaming Operation;
 - d) The Tribal Gaming Commission has adopted and implemented procedures for direct reporting of possible violations to the Tribal Gaming Commission by any employee of the Tribal Gaming Operation; and
 - e) The Tribal Gaming Commission has maintained records of investigations of all reports of possible violations, and has promptly reported confirmed violations to the Oregon State Police including the action taken by the Tribal Gaming Commission or Tribal Gaming Operation management to correct the failure, and the discipline or sanctions imposed.

G. Gaming location. Gaming authorized under this Compact shall be conducted only in the Gaming Facility building constructed for the purpose of Class III gaming. If another Oregon Tribe is authorized to operate a gaming facility on non-Tribal lands, the Tribes do not hereby abrogate any rights they may have under Section 20 of IGRA.

SECTION 5. JURISDICTION.

A. In General.

1. The Tribes and Federal Government shall have criminal jurisdiction over offenses committed by Indians within the Gaming Facility. The criminal laws of the Tribes, and the Federal Government where applicable, shall govern the criminal conduct of Indians at the Gaming Facility. The Tribes

have a Police Department, a Tribal Court, and an agreement with Umatilla County for incarceration of Indian offenders.

2. The State and Federal Government have criminal jurisdiction over offenses committed by non-Indians within the Gaming Facility and the Umatilla Indian Reservation. The criminal laws of the State shall be applicable to non-Indians and have the same force and effect at the Gaming Facility as they have on non-Tribal lands within the State. The State's enforcement of its criminal laws with respect to non-Indians at the Gaming Facility shall be administered pursuant to and by a Memorandum of Understanding or any successor Memorandum of Understanding executed by the Tribes and the Oregon State Police (the current Memorandum of Understanding is attached to this Compact as Exhibit 4.) The State shall make reasonable efforts to enforce the criminal laws applicable to offenses committed by non-Indians within the Gaming Facility and the Reservation.
 3. Consistent with their Memorandum of Understanding governing law enforcement coordination executed under Section 5.A.2 of this Compact, both the Tribes and the State, through their respective law enforcement agencies, agree to cooperate with one another in the investigation and prosecution of any gambling crime committed at the Gaming Facility. The Tribes and the State agree to cooperate in maintaining a state-wide system to identify and monitor persons excluded from the Gaming Facility or from any other tribal gaming facility in this State.
- B. Except as provided in the Memorandum of Understanding executed in accordance with Section 5.A.2, law enforcement officers of the State of Oregon, or officers designated by the State, shall have free access to anywhere within the Gaming Facility and on tribal lands 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 with respect to non-Indians. Any law enforcement activities undertaken by law enforcement officers of the State shall be in compliance with this Compact, the Tribes' Extradition Code and the Cross Deputization Agreement executed by the Umatilla Tribal Police Department and the State. The Tribes, or individuals acting on their behalf, shall provide State law enforcement officers or officers designated by the State 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. Subject to the provisions of Section 9.B.1 of this Compact, the State may assign one or more officers to the Gaming Facility. The Tribes agree to provide appropriate training in Tribal culture and institutions to any officer assigned to the Gaming Facility.
- D. Nothing in this Compact shall be construed to affect the civil jurisdiction of the State under Public Law 280.

SECTION 6. PRINCIPLES GOVERNING TRIBAL GAMING OPERATIONS DECISIONS.

- A. The Tribes and the State agree that maintaining the honesty, integrity, fairness and security of the Tribal Gaming Operation is essential both to the success of the enterprise, and to satisfy the interests of the State and of the Tribes. The Tribes and the State agree that both of them have a responsibility to protect the citizens of this State who patronize the Tribes' Gaming Facility from any breach of security of the Tribal Gaming Operation. Accordingly, all decisions by the Tribes, the Tribal Gaming Commission, and the management of the Tribal Gaming Operation, concerning regulation and operation of the Gaming Facility, including those decisions expressly placed within the Tribes' discretion under the terms of this Compact, shall be consistent with each of the following principles:
1. Any and all decisions concerning regulation and operation of the Tribal gaming enterprise, whether made by the Tribes, the Tribal Gaming Commission or the management of the Tribal Gaming Operation, shall reflect the particularly sensitive nature of a Tribal Gaming Operation.
 2. In order to maintain the honesty, integrity, fairness and security of the Tribal Gaming Operation, the Tribes, 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 or control by any form of criminal activity or organization.
 3. The honesty, integrity, fairness and security of the Tribal Gaming Operation shall be of paramount consideration in awarding contracts, licensing and hiring employees, and in making other business decisions concerning the operation of the gaming enterprise. The Tribes, the Tribal Gaming Commission and the management of the Tribal Gaming Operation shall make no decisions that compromise the honesty, integrity, fairness or security of the Tribal Gaming Operation.
 4. Regulation and operation of the Tribes' gaming activities shall be, at a minimum, consistent with generally accepted industry standards and practices, in order to maintain the honesty, integrity, fairness and security of the Tribal Gaming Operation.
 5. In order to maintain the honesty, integrity, fairness and security of the Tribal Gaming Operation, as well as the primary regulatory licensing duties of the Tribal Gaming Commission, the Tribes shall abide by the principal that Commission members shall meet or exceed the licensing standards of High Security Employees in its appointments to the Commission under the Tribal Gaming Code.

B. Procedure for Resolving Disputes Concerning Operational Decisions.

1. If the State, in good faith, believes that any decision by the Tribes relating to the employment or licensing of any employee, awarding of any contract or operation of the gaming enterprise is inconsistent with the principles set forth in Section 6.A, or any other requirement of this section, the State may give written notice to the Tribes. The written notice shall describe the factual basis for the State's concern.
2. The parties shall meet and confer within 15 days after the Tribes receive the notice.
3.
 - a. If the State's concern is not resolved informally, either party may initiate non-binding arbitration within 45 days after the service of the written notice.
 - b. An arbitrator shall be selected in the following manner:
 - (1) 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.
 - (2) 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.
 - c. Upon agreement by both parties, the arbitration proceeding shall be binding.
 - d. The parties shall divide the cost of the arbitration proceeding equally between them.
4. Upon conclusion of the arbitration proceeding, if the parties have not elected to be bound by that result, either party may initiate an action in the United States District Court for the District of Oregon as provided in Section 16 of this Compact.
5. Expedited Procedure.
 - a. If the State, in good faith, believes that there is an immediate threat to the honesty, integrity, fairness and security of the Tribal Gaming Operation, and believes that substantial harm will result during the time that would pass if the procedure established in Section 6.B.1 to 3 of this subsection is followed, the State may give written notice to the Tribes and the Tribal Gaming Commission. The written notice shall describe the factual basis for the State's concern. The written notice shall recommend specific action or actions the State believes will prevent substantial harm from occurring. The State and the

Tribal Gaming Commission shall meet and confer, in person or by conference call, within 24 hours after the Commission, or any member thereof, receives the notice. The Tribal Gaming Commission shall consider the State's recommendation and immediately thereafter shall take such action that addresses the State's concern as is necessary to protect the honesty, integrity, fairness and security of the Tribal Gaming Operation. Nothing in this subparagraph shall preclude either party from invoking the dispute resolution procedures provided in this Compact after the Tribal Gaming Commission has acted.

- b. On request of either party, the parties shall again confer within 5 days after the Tribes receive the notice.
- c. If the State's concern is not resolved informally, the State may initiate an action in the United States District Court for the District of Oregon as provided in Section 16 of this Compact.
- d. An immediate threat to the honesty, integrity, fairness and security of the Tribal Gaming Operation includes but is not limited to the following examples:
 - (1) A criminal indictment is filed against any contractor, or Owner or Key Employee of a contractor, or against any Key Employee of the Tribal Gaming Operation;
 - (2) A criminal organization or members of a criminal organization have obtained an ownership interest in a contractor, or a member of a criminal organization has become a Key Employee of a contractor;
 - (3) 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;
 - (4) The security of gaming equipment has been impaired by loss, theft, or tampering;
 - (5) The physical safety or security of patrons is seriously at risk;
 - (6) A continuing pattern of failure by the Tribes, 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 Operation.

6. The provisions of this section shall provide the exclusive method for resolving disputes as to the Tribes' decisions concerning hiring or contracting under Section 7 of this Compact, or concerning operation of the Gaming Facility.

SECTION 7. LICENSING AND CONTRACTING.

A. Licensing of Gaming Employees.

1. All Primary Management Officials, High Security Employees and Low Security Employees to be 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 -- Primary Management Officials, High Security Employees and Low Security Employees -- shall provide to the Tribal Gaming Commission at a minimum the following information on forms mutually agreed to by the Tribal Gaming Commission and the Oregon State Police:
 - 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;
 - g. All licenses issued and disciplinary actions taken by any federal, state or local agency or tribal gaming agency;
 - h. All criminal proceedings, except for minor traffic offenses, to which the applicant has been a party;
 - i. A current photograph;
 - j. Any other information required by the Tribal Gaming Commission
3. In addition to the requirements of Section 7.A.2 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 OSP. The Tribal Gaming Commission shall perform a background investigation and provide a written report of the completed background investigation including copies of all documentation presented to the Commissioners of the Tribal Gaming Commission for use in making a license determination, unless prohibited by law, to OSP within a reasonable period of time, but in no event shall such time period exceed sixty (60) days without notice to OSP. OSP may review the report. OSP may also conduct a background investigation, or supplement the Tribal Gaming Commission's background investigation, but it shall notify the Tribal Gaming Commission prior to commencing such investigation. In the event that OSP conducts a background investigation, it shall provide a written report of the completed background investigation, including copies of all documents presented to OSP for its use in making a determination of Compact licensing compliance, unless prohibited by law, to the Tribal Gaming Commission within a reasonable period of time, but in no event shall such time period exceed sixty (60) days without notice to the Tribal Gaming Commission.
- b. The Tribes may request the Oregon State Police to perform a background investigation on any prospective Low Security Employee. Upon such request, the Oregon State Police shall conduct a background investigation as provided in Section 7.A.4.a .
5. a. Except as provided in Section 7.A.6, the Tribal Gaming Commission shall deny a gaming license to any High Security Employee or Primary Management Official who:
 - (1) Has, within the ten-year period preceding the date of license application, been convicted of a felony on charges other than driving while suspended, whether or not any such conviction has been expunged, under the law of any federal, state or tribal jurisdiction, 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 felony other than driving while suspended , in that jurisdiction, or if reasonably reliable information demonstrates that the applicant has engaged in conduct that constitutes the elements of such a felony, such that the conduct could be proved by a preponderance of the evidence;
 - (2) Has been convicted of a crime involving unlawful gambling under the law of any federal, state (or subdivisions thereof) 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 or if reasonably reliable information demonstrates that the applicant has engaged in conduct that constitutes the elements of a crime involving unlawful gambling, such that the conduct could be proved by a preponderance of the evidence;

- (3) Has associated in a direct business relationship, whether as a partner, joint venturer or employer, with any other person who, within the 10-year period preceding the date of license application, has been convicted of a felony other than felony driving while suspended, or a crime involving unlawful gambling, under the law of any federal, state or tribal jurisdiction; or if reasonably reliable information demonstrates that the person has engaged in conduct that constitutes the elements of such a felony, or a crime involving unlawful gambling, such that the conduct could be proved by a preponderance of the evidence, which criminal activity is of such a nature that it could potentially affect the fairness, integrity, security or honesty of the Tribal Gaming Operation unless the prospective employee or official demonstrates that he or she did not and could not reasonably have been expected to know of the criminal activity;
- (4) Was employed by any other person who within the 10-year period preceding the date of license application, has been convicted of a felony on charges other than felony driving while suspended, or a crime involving unlawful gambling, under the law of any federal state or tribal jurisdiction, or if reasonably reliable information demonstrates that the person has engaged in conduct that constitutes the elements of such a felony or a crime involving unlawful gambling, such that the conduct could be proved by a preponderance of the evidence, if the prospective employee or official was in any way involved in the criminal activity as it occurred; or
- (5) Has, within the 10-year period preceding the date of license application, been subject to convictions or judicial finding of offenses, other than non-felony traffic offenses or felony driving while suspended, that demonstrates a pattern of disregard for the law, or if reasonably reliable information demonstrates 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

and such conduct is of such a nature that it would affect the fairness, integrity, security or honesty of the Tribal Gaming Operation.

(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. An arrest for a crime does not, by itself, constitute the basis for the denial of a gaming license.

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

(1) The applicant fails to disclose any material fact to the Tribes or the State or their authorized agents during a background or security investigation; or

(2) The applicant misstates or falsifies a material fact to the Tribes or the State during a background or security investigation.

c. The Tribal Gaming Commission may deny a gaming license to any prospective High Security Employee or 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 Section 6.A of this Compact. In determining whether to deny a gaming license to any prospective High Security Employee or Primary Management Official, the factors to be considered by the Tribes 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 Section 7.A.5.a) in any jurisdiction;

(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 Tribes' Class III gaming activities; or

(3) The Tribal Gaming Commission determines there is any aspect of the applicant's past conduct that would adversely affect the honesty, integrity, security or fairness of the Tribal 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 7.A.5.a.1 or 2. The Tribal Gaming Commission may deny a gaming license to any prospective Low Security Employee applicant who does not meet the criteria established in the remainder of Section 7.A.5. Decisions to grant or deny a gaming license shall be consistent with the principles set forth in Section 6.A of this Compact.
- e. The Tribes may reject an application if the applicant has not provided all of the information requested in the application.
- f. No Primary Management Official or High Security Employee may be permanently licensed by the Tribal Gaming Commission until all background checks required under Section 7.A.4 are completed.
- g. Denial of a license by the Tribal Gaming Commission is final.

6. Waiver of Disqualifying Criteria

- a. Notwithstanding the requirements of Section 7.A.5, if a prospective Primary Management Official, High Security Employee or Low Security Employee is disqualified for licensing under the provisions of Section 7.A.5 and the Tribal Gaming Commission believes that there are mitigating circumstances that justify waiver of the disqualifying factor, it shall set forth the basis for its waiver decision in writing, which decision should specifically identify the factors listed under Section 7.A.6.c, and the facts which justified the waiver. At either party's written request, the Tribal Gaming Commission and Oregon State Police shall meet and confer within 15 days concerning the waiver request.
- b. The waiver decision of the Tribal Gaming Commission shall be transmitted to the Oregon State Police for its review and approval. The Oregon State Police shall give due consideration to the basis for the Tribal Gaming Commission's waiver decision in exercising its right to approve or disapprove the waiver request. Oregon State Police approval of the Tribal Gaming Commission waiver decision shall not be arbitrarily denied.
- c. Waiver of disqualification of licensing or employment may be based on one or more of the following circumstances:
 - (1) Passage of time since conviction of 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;
 - (7) The nature of a misstatement or omission made in the application;
 - (8) Whether the applicant is an enrolled member of the Tribes or otherwise a resident of the Umatilla Indian Reservation who is enrolled or otherwise enrolled in another federally recognized Indian Tribe;
 - (9) In the event that the applicant was convicted of a crime that was due in part to alcohol or drug dependency, the applicant's participation in any treatment program for this dependency and/or the applicant's progress in recovery from this dependency;
 - (10) Whether the offense committed is of such a nature that it could potentially affect the fairness, integrity, security and honesty of the Tribal Gaming operation;
 - (11) Whether the Tribal Gaming Commission has personal or direct knowledge of the applicant; and
 - (12) Whether the Tribal Gaming Commission has imposed any conditions on the applicant's license, such as a probationary period, restrictions on duties or specific kinds of supervision.
- d. The Oregon State Police may approve a waiver subject to conditions, such as a probationary period, restrictions on duties or specific kinds of supervision.
 - e. Any Oregon State Police disapproval of a Tribal Gaming Commission waiver decision shall be subject to dispute resolution as provided in Section 6.B.3 and 4 of this Compact.
 - f. No gaming employee license granted by the Tribal Gaming Commission shall be revoked or renewal denied solely because of criteria in Section 7.A.5 that were not in effect when the employee was initially licensed, provided the employee has been continually licensed. However, this provision shall not prevent revocation or denial of such a license under new licensing criteria based on conduct occurring after the effective date of those criteria.

7. Temporary licensing of employees.

- a. The Tribal Gaming Commission may issue a temporary license to High Security Employees fifteen days after submission of the application to the Oregon State Police, 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 Oregon State Police 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 void the temporary license and deny a permanent license.

- b. The Tribal Gaming Commission may issue a temporary license to a Low Security Employee upon submission of the application to the Oregon State Police, or upon completion of a review of the employee's application and completion of a computerized criminal history 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. Any Low Security Employee shall be subject to immediate licens revocation if the Oregon State Police or the Tribal Gaming Commission determines that the employee does not meet the criteria established in Section 7.A.5.d.
 - c. For purposes of this paragraph, if an application is forwarded by mail to the Oregon State Police or the results of a background check by the Oregon State Police are provided to the Tribal Gaming Commission by mail, the material is deemed to be submitted three days after the date of mailing.
 - d. No temporary license may be granted under this paragraph to a Primary Management Official or to a Consultant performing or consulting on Primary Management Official functions or duties.
8. Background investigation during employment. The Tribal Gaming Commission or OSP (whether at OSP's discretion or at the request of the Tribal Gaming Commission) may conduct additional background investigations of any gaming employee at any time during the term of employment. If, after investigation, the OSP or the Tribal Gaming Commission determines there is cause for the revocation or suspension of an employee's gaming license under the criteria in this Section 7, it shall promptly so report to the Tribal Gaming Commission and furnish the Tribal Gaming Commission with copies of all relevant information. The Tribal Gaming Commission shall review the OSP report and supporting materials, or the Tribal Gaming Commission's own investigation report and materials, and if it concludes that good cause is shown under the criteria established in Section 7.A.5, the subject employee shall have their gaming license suspended or revoked according to the procedures in the Tribal Gaming Code.

- 9.e 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 Section 7.A.2e through 6. Applicants for renewal shall provide the Tribal Gaming Commission with updated information on a form mutually agreed to by the Oregon State Police and the Tribal Gaming Commission but will not be required to resubmit historical data already provided. The Oregon State Police may perform an updated background investigation for any employee who has applied for license renewal.e
- 10.e Revocation of license. The Tribal Gaming Commission may revoke the license of any employee pursuant to policies and procedures set forth in the Tribal Gaming Code. Except as provided in Section 7.A.6.f, the Tribal Gaming Commission shall revoke the license of any employee upon determination that an event has occurred that would have prohibited the Tribe from hiring the employee under the criteria described in Section 7.A.5.e
- 11.e The Tribes 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.e
- 12.e The Tribal Gaming Commission agrees to provide to the Oregon State Police, 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 Primary Management Official, High Security Employee, or Low Security Employee. This list shall include notice of disciplinary action or termination of an employee related to the fairness, integrity, security or honesty of the Tribes' Class III gaming activities, and any suspension or revocation of an employee's gaming license.e

B.e Contracts with Manufacturers and Suppliers.e

1.e Major Procurementse

- a.e The Tribes agree not to consummate any contract for a Major Procurement unless it is in writing and until a background investigation has been completed by the Oregon State Police on the proposed Class III Gaming Contractor.e
- b.e 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.e
- c.e Except as provided in Section 7.B.3, the Oregon State Police shall conduct a background investigation and provide a written report to

the Tribal Gaming Commission within a reasonable period of time, but in no event shall the time for completion of such background investigations exceed sixty (60) days after the Oregon State Police receives from the proposed Class III Gaming Contractor both the Oregon State Police's fee for the background investigation under Section 7.C, and full disclosure of all information requested by the Tribes and the Oregon State Police under Section 7.B.4, without written notice to and consent by the Tribal Gaming Commission.

- d.e If the Tribes request the Oregon State Police agrees to make its best efforts to complete a background investigation within less than sixty days. The Tribal Gaming Commission and the Oregon State Police may also agree that if business necessity or the protection of their honesty, integrity, fairness and security require it, the State may perform an abbreviated review to enable the Tribes 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 Section 7.B.6.e

2.e Sensitive Procurements

- a.e After a proposed Class III Gaming Contractor has submitted full disclosure of all information requested by the Tribes and the Oregon State Police under Section 7.B.4, and any necessary investigation fee required by the Oregon State Police, the Tribes may execute or consummate a contract for a Sensitive Procurement before a background investigation has been completed by the Oregon State Police on the proposed Class III Gaming Contractor.
- b.e The Tribal Gaming Commission shall submit a proposed contract for a Sensitive Procurement, or if there is no written contract, a letter of intent to do business with the proposed Class III Gaming Contractor, to the Oregon State Police for a background investigation of the proposed Class III Gaming Contractor before consummation of the contract.
- c.e The Oregon State Police shall conduct a background investigation, if the Oregon State Police 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 Section 7.B.6 for approval of a contract, the contract shall be terminated and the Tribes agree to discontinue doing business with the contractor so long as the contractor fails to meet the criteria for approval.

- 3.e The Oregon State Police 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 Tribes may execute or consummate a contract with the Class III Gaming Contractor for a Sensitive Procurement upon giving notice of the contract to the Oregon State Police. If a Class III Gaming Contractor has been included in the list for Major Procurements, the Oregon State Police shall complete any necessary background investigation required under Section 7.B.1 within thirty (30) days after any fees have been paid and full disclosure has been made to the Oregon State Police 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 Oregon State Police to conduct its background investigation, before executing a contract or beginning to do business with the Tribes.
5. The Tribes shall not consummate any Class III Gaming Contract with a Class III Gaming Contractor that does not grant both the Oregon State Police and the Tribes access to such Class III Gaming Contractor's business and financial records upon request.
6. Criteria for Denial of Contract Application.
 - a. The Tribes shall not consummate any Major Procurement, and the Tribes shall immediately terminate a contract for a Sensitive Procurement, if the following conditions are either disclosed in the application materials or reported by the Oregon State Police 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 felony driving while suspended, in any jurisdiction within the ten 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)e 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 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 felonye driving while suspended;e
- (4)e A failure by the Class III Gaming Contractor to disclose any material fact to the Oregon State Police or the Tribal Gaming Commission or their authorized agents duringe initial or subsequent background or security investigations,e unless OSP and the Tribal Gaming Commission determinee that the failure to disclose was unintentional;e
- (5)e A misstatement or untrue statement of material fact madee by the Class III Gaming Contractor to the Oregon Statee Police or the Tribes or their authorized agents during initiale or subsequent background or security investigations ase determined by the Tribes or the Oregon State Police;e
- (6)e An association of the Class III Gaming Contractor with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affecte the general credibility, security, integrity, honesty, fairness or reputation of the Gaming Facility;e
- (7)e Any aspect of the Class III Gaming Contractor's paste conduct that the Tribes or the Oregon State Policee determines would adversely affect the integrity, security,e honesty or fairness of the Gaming Facility;e
- (8)e The Class III Gaming Contractor has engaged in a businesse transaction with a tribe that involved providing gamee devices for Class III gaming conducted by such tribee without a state-tribal Class III gaming compact in violatione of IGRA; ore
- (9)e A prospective Class III Gaming Contractor fails to providee any information requested by the Tribes or the Oregon Statee Police for the purpose of making any determinatione required by Section 7.B.6.e

b.e The Tribes may choose not to consummate any Class III Gaming Contract for any reason the Tribes deem sufficient.e

- c.e No Class III Gaming Contractor shall own, manufacture, possess, operate, own an interest in, or gain income or reimbursement in any manner from Class III gaming activities or gaming devices in any jurisdiction unless the activities or devices are approved and certified by another state gambling or gaming control agency, or tribal gaming commission operating through an IGRA Compact (where necessary because of the involvement of Class III gaming), National Indian Gaming Commission, that has jurisdiction to approve that activity, and such ownership, manufacture, possession, operation, or income is disclosed to and approved by the Tribal Gaming Commission and the Oregon State Police.

- d.e Notwithstanding Section 7.B.6.a, if a prospective Class III Gaming Contract may not be consummated because of the requirements of this Section 7.B, 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 a civil judgment entered against the Class III Gaming Contractor or its employee within the ten 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 Tribes 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 Tribes may enter into a Class III Gaming Contract under this subparagraph, the Oregon State Police 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 Tribes and the Oregon State Police that a relationship has been severed is on the Class III Gaming Contractor.

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

7. Contractor Reporting Requirements.

- a.e All Class III Gaming Contractors shall submit to the Tribes and the Oregon State Police any financial and operating data requested by the Tribes or the Oregon State Police.

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

8. Termination of Contract.

- a. No Class III Gaming Contract shall have a term longer than seven (7) years.
- b. The Tribes shall terminate a Class III Gaming Contract immediately upon the occurrence of any of the following:
 - (1) The Class III Gaming Contractor is discovered to have made any material statement, 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 same within the time period provided in the contract for cure of such a breach or a reasonable time if the contract does not provide a specific period;
 - (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) The Class III Gaming Contractor jeopardizes the integrity, security, honesty, or fairness of the Gaming Facility.
- c. The Tribes shall terminate a Class III Gaming Contract if the Tribes determine satisfactory performance of the Class III Gaming Contract is substantially endangered or can reasonably anticipate such occurrence or default.

d.e The Tribe shall notify each Class III Contractor, in writing, that it is subject to being removed from the list of approved Class III Gaming Contractors by the OSP if the Contractor's actions cause the Contractor to be disqualified from doing business with the Tribes or otherwise causes the Tribes to be out of compliance with this Compact.e

9. 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. Cost for Background Investigations.

1.e The Oregon State Police shall be reimbursed its costs for performing background investigations made pursuant to this Compact as provided in Section 10 of this Compact.e

2.e The Oregon State Police will assess the cost of a background investigation of a Class III Gaming Contractor to such Class III Gaming Contractor.e Class III Gaming Contractors are required to pay the investigation cost in full in advance and annually. If the Class III Gaming Contractor refuses to pay the investigation cost, the Oregon State Police shall notify the Tribes and the Tribes may pay the investigation cost or withdraw the request to do business with the Class III Gaming Contractor..e

D. Access to Class III Contracts.

1.e If a Primary Management Official is a corporation or other form of organization, the Primary Management Official shall provide the Oregon State Police at all times with a current copy of any management agreement with the Tribes that allows it to conduct Class III gaming on the Tribal trust land.e

2.e If a Primary Management Official is a corporation or other form of organization, the Primary Management Official shall furnish to the Tribes and the Oregon State Police complete information pertaining to any transfer of controlling interest in the management company at least 30 days before such transfer; or, if the Primary Management Official is not a party to the transaction effecting such change of ownership or interests, immediately upon acquiring knowledge of such change or any contemplated change.e

SECTION 8. REGULATIONS FOR OPERATION AND MANAGEMENT OF CLASS III GAMES.

- A. Gaming Regulations. Conduct of all Class III gaming activity authorized under this Compact shall be in accordance with the requirements of applicable federal, state and Tribal laws, including but not limited to applicable National Indian Gaming Commission regulations, this Compact, including the Minimum Internal Controls and the Tribal Gaming Code and policies and procedures applicable to the Tribes' Class III gaming activities. The provisions of the Appendix, "Tribal/State Minimum Internal Control Standards," are hereby incorporated into and made a part of this Compact. The Tribes and the State agree that the Minimum Internal Controls may be modified or supplemented by mutual agreement of the parties, and that subsequent amendment of this Compact shall not be necessary for any such modification or supplementation of the Minimum Internal Controls.
- B. Identification badges. The Tribes shall require all Gaming Facility employees to wear, in plain view, identification badges issued by the Tribes that include photo and name, except that employees assigned to covert compliance duties shall only be required to have on their person an identification badge. Prior approval of the Tribal Gaming Commission with notification to OSP is required for Gaming Facility employees to carry out covert compliance duties without the required identification badges in plain view. Oregon State Police employees shall not be required to wear identification badges while in public areas of the Gaming Facility. All persons shall wear identification badges while in non-public areas of the Gaming Facility.
- C. No credit extended. Except as otherwise provided in Section 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.e Credits won by players who activate play on video games of chance after inserting coins or currency into the games;
 - 2.e Installing or accepting bank card or credit card transactions in the same manner as is permitted at any retail business in the State; or
 - 3.e 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.
- D. Prohibition on attendance and play of minors. No person under the age of twenty one (21) shall participate in 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. All employees of the Tribal Gaming Operation whose job duties require

them to be present in areas where Class III gaming takes place shall be at least twenty-one (21) years of age, except that so long as the Tribes do not serve alcohol in areas where Class II gaming takes place, the Tribes may permit enrolled Indians to work on the Class III gaming floor who are at least eighteen (18) years of age. For purposes of this subsection, in the event the Tribes permit the sale of alcohol in the restaurant located in the casino, the activities of “Keno runners” taking bets from restaurant patrons shall not constitute the service of alcohol in areas where Class II gaming takes place. For purposes of this subsection, the vault and soft count room in the Gaming Facility do not constitute areas where Class III gaming takes place.

E.e Prohibition of firearms. With the exception of federal, state, county or Tribal law enforcement agents or officers, no person shall possess firearms within the Gaming Facility provided that armored car and ATM personnel while in the performance of their duties at the Gaming Facility may carry firearms so long as the personnel are certified by the Oregon Department of Public Safety Standard and Training (DPSST) and the armored car/ATM servicing firm and its executive management holds a current DPSST license.

F.e Alcohol Policy. No alcohol shall be served in the Gaming Facility unless authorized by the Tribes as permitted by Federal law. Where required by federal law, service of alcohol shall be in compliance with State laws and Oregon Liquore Control Commission licensing regulations. Nothing in this subsection shall permit the State to impose taxes on the sale of alcoholic beverages by the Tribes. 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. Nothing in this subsection is intended to nor shall be construed to prohibit the Tribes from doing any or all of the following:

- 1.e Comping alcohol to the Tribe’s guests at restaurants, bars, cabarets, hotel rooms, conference facilities or other non-gaming facilities within the Gaming Facility, so long as guests are not invited on the basis of their gaming history;
- 2.e Offering a “happy hour” at the cabaret, sports bar, or restaurants within the Gaming Facility ; or
- 3.e Reducing the price of alcoholic beverages in order to move alcohol inventory that is not selling.

G. Liability for damage to persons and property.

- 1.e During the term of this Compact, the Tribes shall maintain the Tribal Torte Claims Code (the “Code”) as adopted by Resolution 00-14 (March 6, 2000) and as amended through Resolution 00-37 (May 15, 2000) of the Confederated Tribes of the Umatilla Indian Reservation October 2005 compilation in full force and effect and shall, pursuant to that Code, provide a remedy for death, bodily injury or property damage to persons injured at the Gaming Facility. Nothing in this Compact shall prevent the Tribes from excluding or limiting the amount of non-economic damages

(including without limitation, pain and suffering and emotional distress). The Code shall not discriminate against Gaming Facility patrons with respect to process, procedure or remedy. The Tribes shall post the Code on the Tribes' website and shall take such other steps as appropriate to make the Code easily accessible to the public. Any amendments to the Code shall not significantly or unreasonably impair the ability of a person claiming to have been injured at the Gaming Facility to seek a remedy for death, bodily injury or property damage.

- 2.e During the term of this Compact, the Tribes shall maintain comprehensive general liability insurance underwritten by an insurer or insurers with a rating of "A" or above with limits of not less than \$250,000 for one person and \$2,000,000 for any one occurrence for any death, bodily injury or property damage. The Tribes' insurance policy shall contain an endorsement providing that the insurer may not invoke Tribal sovereign immunity up to the limits of the policy for claims brought in Umatilla Tribal Court as provided in the Tribal Tort Claims Code, including when the Tribe or an entity of the Tribe is the named defendant. The Tribes' insurance policy shall also 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 negligent errors or omissions, or the intentional misconduct of the State, OSP, or their divisions, officers and employees.
- 3.e THE TRIBES SHALL INDEMNIFY AND HOLD HARMLESS THE STATE ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM ANY CLAIMS, DAMAGES, LOSSES OR EXPENSES ASSERTED AGAINST OR SUFFERED OR INCURRED BY THE STATE ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS BASED UPON OR ARISING OUT OF ANY DEATH, BODILY INJURY OR PROPERTY DAMAGE RESULTING OR CLAIMED TO RESULT FROM ANY NEGLIGENT ACT OR OMISSION OR INTENTIONAL MISCONDUCT OF THE TRIBES, OR THEIR OFFICERS EMPLOYEES OR AGENTS, ARISING UNDER THIS COMPACT.

SECTION 9. INSPECTION AND ENFORCEMENT OF GAMING REGULATIONS.

A.e Tribal Gaming Commission

- 1.e The Tribes have established, and will maintain, a Tribal Gaming Commission and have granted such Commission the independent authority to regulate gaming activities on Tribal lands. The Tribes agree to provide such Commission with adequate resources to perform its duties under Tribal law and this Compact. The Commission shall not be responsible for the management of the Tribes' Class III gaming activities.

Commission members may be removed only for cause by the Tribes' Board of Trustees, as provided in the Tribal Gaming Code.

- 2.e The primary responsibility for the regulation, control and security of the gaming authorized by this Compact, and for enforcement of this Compact within the Umatilla Indian Reservation, shall be that of the Tribal Gaming Commission. The Tribal Gaming Commission's role shall include the promulgation and enforcement of rules and regulations to provide for the following:
- a. Ensure compliance with all applicable federal, state and tribal laws, including but not limited to applicable National Indian Gaming Commission regulations, compact provisions (including the Minimum Internal Controls), the Tribal Gaming Code and policies and procedures applicable to the Tribes' Class III Gaming Activities;
 - b. Ensure the physical safety of patrons in, and of personnel employed by the Tribal Gaming Operation;
 - c. Ensure that the assets transported to and from and within the gaming facility are safeguarded;
 - d. Protect Gaming Facility patrons and property from illegal activity;
 - e. Ensure 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 the suspect's description, driver's license number, photograph, description of the suspect's vehicle and vehicle license information, and notify the Umatilla Tribal Police Department and OSP as soon as practicable as provided in the Law Enforcement MOU attached as Exhibit 4, or successor MOU entered into pursuant to Section 5e and ensure notification of OSP within seventy-two hours of all other suspected crimes occurring anywhere at the Gaming Facility.
 - f. (1) Ensure that the security department record any and all unusual occurrences within the Gaming Facility that come to the attention of that Department as follows:
 - (a) The assigned sequential number of the incident;
 - (b) The date;
 - (c) The time;
 - (d) The nature of the incident;

- (e) The person involved in the incident;
 - (f) The security employee assigned; and
 - (g) The outcome and action taken, if any.
- (2) Ensure that the surveillance department record any and all unusual occurrences within the Gaming Facility that comes to the attention of that Department, which may be recorded in different form.
- g. Ensure that logs are maintained relating to surveillance, security, cashier's cage, video lottery terminal (showing when video machines opened), and video lottery terminal location;
 - h. Establish and maintain an updated list of persons barred from the Gaming Facility and furnish that list to the Oregon State Police as updated;
 - i. Ensure that an annual audit of the Tribal Gaming Operation by a Certified Public Accountant is obtained;
 - j. 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 provided to the Oregon State Police;
 - k. Ensure that a cashier's cage is monitored in accordance with industry standards for security;
 - l. Ensure that pari-mutuel clerks are sufficiently trained;
 - m. Ensure that sufficient security personnel are employed and trained;
 - n. Subject to State review and approval maintain a method for resolving disputes with players;
 - o. Ensure that surveillance equipment and personnel are managed and controlled independently of management of the Gaming Facility and
 - p. Ensure that all contractors supplying VLTs to the Gaming Facility obtain proper shipping authorization from OSP prior to the VLTs being transported.
3. Inspections.
- a. Agents of the Tribal Gaming Commission shall inspect the Gaming Facility at random during all hours of Tribal Gaming Operation, and

shall have immediate access to any and all areas of the Gaming Facility for the purpose of ensuring compliance with the provisions of this Compact, the Tribal Gaming Code, the Tribal Gaming Commission Regulations and applicable federal regulations governing gaming. Any material violations of the provisions of this Compact, the Tribal Gaming Code or of Tribal Gaming Commission Regulations or applicable federal regulations by the Tribal Gaming Operation, a gaming employee, or any person on the premises whether or not associated with the Gaming Facility, shall be reported immediately to the Tribal Gaming Commission.

The Tribal Gaming Commission shall report such violations that would materially affect the fairness, integrity, safety and honesty of the gaming operation to the Oregon State Police within seventy-two (72) hours of the time the violation was noted.

"Material," as used in this subparagraph, includes but is not limited to reports of incidents, occurrences, or violations that:

- i) can affect the integrity, security, honesty or fairness of the gaming operation or the customer participation of the games;
- ii) indicate potential or suspected criminal activity; or
- iii) involve operational irregularities with a potential impact of \$500 or greater.

The Tribes and the State agree that the Tribal Gaming Commission and the Oregon State Police Tribal Gaming Section representatives shall meet at least twice yearly to review and establish guidelines for reporting under the provisions of this subparagraph. Issues of disagreement may be forwarded to the parties' Compact negotiating teams for resolution which shall satisfy the requirements of Section 16.A.1 of this Compact. In the event the negotiation teams or other method of informal dispute resolution are unable to resolve the dispute, the remaining dispute resolution provisions of Section 16 of this Compact shall be utilized.

- b. The Tribal Gaming Commission may designate any individual or individuals to perform inspection duties, so long as each inspector performs those duties independently of the management of the Tribal Gaming Operation, and is supervised and evaluated by the Tribal Gaming Commission as to the performance of those duties.
- c. Inspections shall include monitoring compliance with the requirements of applicable law, this Compact, regulations, internal controls, policies and procedures that affect the fairness integrity,

security and honesty of the Tribal Gaming Operation, including but not limited to:

- (1) Inspections for compliance in all gaming categories listed below at least annually, and at least four (4) of the categories each month or more frequently as determined by the Tribal Gaming Commission. For purposes of these inspections, the gaming categories are:
 - (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 outside the Gaming Facility;
 - (f) Surveillance procedures;
 - (g) Security procedures;
 - (h) Games controls; and
 - (i) Integrity of systems and peripheral devices associated with VLTs, including but not limited to, flash drives, micro-processor or E-PROM, CD ROM, hard disk or other electronic decision-making technologies and associated servers and networks.
 - (2) Investigation of any potential violations of the provisions of this Compact, and applicable regulations, internal controls, policies and procedures.
 - (3) Investigation of any cash variance greater than \$500 and report the findings to the Tribal Gaming Commission, which shall report such variances to the Oregon State Police.
 - (4) Investigation of customer disputes related to gaming that are not resolved by management of the Tribal Gaming Operation.
4. Investigations and Sanctions. The Tribal Gaming Commission shall investigate any reported violation of the Compact provisions and shall require the Tribal Gaming Operation to correct actual violations upon such

terms and conditions as the Tribal Gaming Commission determines to be necessary. The Tribal Gaming Commission shall be empowered by Tribal code to impose fines and other sanctions within the jurisdiction of the Tribes against a gaming employee or any other person directly or indirectly involved in, or benefiting from, the Tribal Gaming Operation. The State shall make all reasonable efforts to assist the Tribes in enforcing sanctions imposed by the Tribal Gaming Commission against non-Indians.

- 5.e Notification to State. The Tribal Gaming Commission shall forward copies of all civil and criminal investigation reports and final dispositione to the Oregon State Police upon completion provided that the Commission shall only be obligated to provide copies of reports on investigations conducted by the Commission and reports actuallye possessed by the Commission. When the Umatilla Tribal Policee Department (UTPD) conducts a civil or criminal investigation on activitiess occurring at the Gaming Facility, the Tribes shall provide copies of alle such UTPD civil and criminal investigation reports and final dispositione to the Oregon State Police upon completion. If requested by the Tribale Gaming Commission, the Oregon State Police shall assist in anye investigation initiated by the Tribal Gaming Commission, and providee other requested services to ensure proper compliance with the provisione of this Compact, the Tribal Gaming Code, the Tribal Gaming Commissione regulations and applicable federal regulations or applicabl laws of the State. In cases where an investigation lasts longer than forty-five (45)e calendar days, the Tribal Gaming Commission or the Tribes, ase appropriate, shall notify OSP at the expiration of the forty-five calendare days and every thirty calendar days thereafter in writing as to the status ofe the investigation, why the matter is taking longer than forty-five calendare days and the anticipated completion date of the investigation.e

B. State Enforcement of Compact Provisions.

- a.e Monitoring. The Oregon State Police is authorized hereby toe independently monitor the Tribal Gaming Operation in the mannere the State considers necessary to ensure that the operation ise conducted in compliance with the provisions of this Compact. The Tribes may request removal of a State law enforcement officer ore monitor on the basis of malfeasance, abuse of authority, or conducte disrespectful of Tribal institutions or culture. Effectivее performance of the officer's or monitor's duties shall not be a basise for disapproval. The Oregon State Police shall have free ande unrestricted access to all areas of the Gaming Facility during normale operating hours without giving prior notice to the Tribal Gaminge Operation. The Tribes agree that the Oregon State Police monitoring function includes at a minimum the activities identified in thee Compact, any amendments and any memoranda of understandinge entered into pursuant to this Compact and that the actual,e reasonable and necessary cost of monitoring activities shall bee

assessed to the Tribes as provided in Section 10 of this Compact. In addition to the Oregon State Police's regular monitoring functions, the Tribes agree that the Oregon State Police may conduct the following activities, which shall also be assessed to the Tribes as provided in Section 10 of this Compact:

- 1)e An annual comprehensive review, which shall be pre-planned and conducted jointly with the Tribal Gaming Commission, of the Tribes' Class III gaming activities to verify compliance with the requirements of this Compact and with the regulations and internal controls adopted by the tribal gaming commission, including at a minimum a review in the following areas: administrative controls (gaming management internal controls), Tribal 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, accounts payable, employee identification, gaming chip inventory for gaming floor and cage, physical examination of all class III gaming card, chips, e-proms, paper stock, printers, keno balls, fill slips, video gaming devices, keno controls, off-track betting and security department controls;
- 2)e Periodic review of any part of the Tribal Gaming Operation in order to verify compliance with applicable federal, state and Tribal laws, including but not limited to applicable National Indian Gaming Commission regulations, this Compact, including the Minimum Internal Controls and the Tribal Gaming Code, and policies and procedures applicable to the Tribes' Class III gaming activities.
- 3)e Investigation of possible violations of this Compact or other gaming regulatory matters, whether discovered during the action, review, or inspection by the State during its monitoring activities, or otherwise; and
- 4)e Reasonable periodic review of contracts between the Tribes and the suppliers, vendors, or contractors that provide non-gaming goods or services to the Gaming Facility for the limited purpose of determining whether such suppliers, vendors or contractors present a threat to the fairness, integrity, security and honesty of the Tribal Gaming Operation. During the course of the annual comprehensive review described in Section 9.B.1.a.1 of this Compact, and at one other time during each calendar year, to be determined by the Oregon State Police, the Oregon State

Police is authorized to conduct a reasonable review of contracts with suppliers, vendors or contractors that provide non-gaming goods or services to the Gaming Facility without any specific suspicion of wrongdoing. At any other time, if OSP has a reasonable suspicion that the supplier, vendor or contractor presents a threat to the fairness, integrity, security and honesty of the Tribal Gaming Operation, Oregon State Police is authorized to review contracts with that supplier, vendor or contractor. The Oregon State Police will report any concerns about a particular supplier, contractor or vendor to the Tribal Gaming Commission before taking any action.

- b. As provided in Section 5 of this Compact, the Tribes' law enforcement agency is responsible for investigation of criminal law violations by Indians on the Reservation. The Tribes and the State agree that the Tribes' criminal law jurisdiction does not prevent the State from investigating possible violations of this Compact or other gaming regulatory matters whether discovered during the action, review, or inspection by the State during its monitoring activities, or otherwise. The Tribes and the State agree that their respective law enforcement agencies shall cooperate in any investigation that involves or potentially involves both criminal and gaming regulatory violations.
2. The Tribes agree that if any Class III gaming activities are conducted or intermingled in such a way that they are inseparable from Class II gaming activities, such as surveillance of both Class III and Class II Tribal Gaming Operations by a single surveillance department, the Oregon State Police shall have full access to both for purposes of carrying out the duties of the Oregon State Police with respect to Class III gaming under this Compact. Nothing in this subsection shall be construed as authorizing state regulation of Class II gaming, which is prohibited under Section 13.B of this Compact.
3. Access to Records.
 - a. The State is authorized hereby to review and copy, during normal business hours, and upon reasonable notice, all records maintained by the Tribal Gaming Operation pertaining to the operation, management, or regulation of Class III Gaming by the Tribes, whether those records are prepared or maintained by the Tribes, the Tribal Gaming Commission or the Tribal Gaming Operation, including all Class III Gaming Contracts. Any records or copies removed from the premises shall be returned to the Tribes after use. Only the State employee(s) formally designated by the State, and approved by the Tribes, shall be authorized to access Tribal gaming records pursuant to this subsection.

b.e The State acknowledges that records created and maintained by the Tribes, the Tribal Gaming Commission or the Tribal Gaming Operation belong to the Tribes.e

c.e The Tribes acknowledge that any records created 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's Public Records Law, ORS 192.410 to 192.505. Any information concerning the Tribes' Class III gaming operation that is contained in state 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.e Examples of the kind of information that may be withheld from disclosure by the State under appropriate circumstances include:e

- (1)e "Trade secrets" as defined in ORS 192.501(2);e
- (2)e Investigatory information compiled for criminal law purposes as described in ORS 192.501(3);e
- (3)e Information submitted in confidence, as provided in ORS 192.502(3).e
- (4)e Operational plans in connection with an anticipated threat to individual or public safety as described in ORS 192.501(18);e
- (5)e Records that would allow a person to gain unauthorized access to buildings or other property;e identify those areas of structural or operational vulnerability that would permit unlawful disruption to, or interference with, services; or disrupt,e interfere with or gain unauthorized access to public funds or to information processing, communication or telecommunication systems, including the information contained in the systems, that are used or operated by a public body as provided in ORS 192.501(22);e
- (6)e Records that would reveal information relating to security measures as described in ORS 192.501(23); ande
- (7)e Any information the disclosure of which is specifically prohibited by state or federal law.e

- d.e Applications submitted to and retained by the Oregon State Police for Class III gaming licenses are State 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.e
 - e.e Information about the Tribes' Class III gaming activities, whether obtained from the Tribes 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.e
 - f.e The Tribes have agreed to allow the Oregon State Police access to sensitive financial, security and surveillance information that the Tribes consider confidential. The State acknowledges that the Tribes have voluntarily given the State access to this information and that the Tribes 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 Tribes' Class III gaming activities, would suffer by such disclosure.e
 - g.e The State agrees to notify the Tribes promptly of any request for disclosure of documents containing information about the Tribes' Class III gaming activities. If the State decides to release any documents that contain information about the Tribes' Class III gaming activities, the State will notify the Tribes at least five (5) working days before any disclosure is made.e
 - h.e The parties agree that any dispute as to the disclosure of documents under the Public Records Law or under this subsection shall first be brought in state court.e
 - i. Nothing in this subsection precludes the State or the Tribes from disclosing information pursuant to state, tribal or federal rules of civil procedure or evidence in connection with litigation, a prosecution or a criminal investigation.e
4. Investigation Reports. After completion of any inspection or investigation report, the State shall provide a copy of the report to the Tribal Gaming Commission.

- C.e If local government officials believe that an off-reservation law enforcement problem has been created by the existence of the Gaming Facility, the Tribes shall meet with the mayor or county commission of the affected government to develop appropriate measures to alleviate the problem. The burden shall be on the local government officials to demonstrate that the law enforcement problem is directly attributable to the existence of the Gaming Facility. If an off-reservation law enforcement problem has been created by the existence of the Gaming Facility, the Tribes shall take all reasonably necessary steps to alleviate the problem. If the Tribes and local government officials are unable to agree on appropriate measures to alleviate the problem, the State may initiate the dispute resolution process established in Section 6 of this Compact.

**SECTION 10. STATE ASSESSMENT OF COSTS FOR OVERSIGHT;
CONTRIBUTION FOR PUBLIC BENEFIT.**

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

- 1.e 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 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. The OSP Payment MOU can be amended by the parties without amending this Compact.
- 2.e To give the 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 portion of the budget. 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 Tribes' comments on the Tribal Gaming Section budget. Notwithstanding the right of the Tribes to comment on the Tribal Gaming Section budget, the Tribes retain 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.e 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.e 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 OSPe Payment MOU referenced in Section 10.A.1 of this Compact.e

B.e If the Tribes dispute the amount of the assessment under this Section, the Tribes shall timely pay the undisputed amount and within thirty (30) days of billing, shall notify OSP in writing of the specific nature of the dispute. If the parties have not resolved the dispute within 15 days, the Tribes 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 Tribes and the Oregon State Police. The parties shall share their reasonable costs of the escrow. The dispute shall then be resolved pursuant to the procedures set forth in Section 6.B.3 and 4 of this Compact.e

If the Tribes fail to pay the disputed amount into escrow or timely pay the undisputed amount, the Oregon State Police 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.e

C. Creation and Maintenance of Community Benefit Fund.e

1.e State Recognition. The State recognizes that the Tribes are unique among Oregon tribes in that:e

- a.e The Umatilla Indian Reservation has a checkerboard land ownership pattern where approximately 50% of the lands are owned in fee by non-Indians;e
- b.e Over 60% of the population of the Umatilla Indian Reservation is comprised of non-Indians and non-member Indians;e
- c.e The Tribes offer a broad array of governmental programs and services to all Reservation residents, which programs and services are in part paid for by Tribal revenues from the Gaming Facility;e ande
- d.e Most of the governmental programs and services are provided by the Tribes free of charge;e
- e.e The State also recognizes that the Tribes have a long-standing history of constructive working relationships with the local governments that surround the Umatilla Indian Reservation.e

2.e Joint Recognitions.e

- a.e The Tribes and the State recognize that there may be both positive and negative impacts to the local community -- or the perception of

such impacts – as a result of the presence of the Tribes’ gaming operation, some of which may be difficult or impossible to quantify.

b.e The Tribes and the State recognize that a formal process for collaborative decision-making regarding contributions to charitable causes is a way to ameliorate negative impacts (or the perception of negative impacts) from the Tribal Gaming Operation.

c.e The Tribes and the State recognize that a formal community benefit fund allows specific benefits from this Compact to be identified by the community at large as stemming from the gaming operations conducted pursuant to this Compact.

3.e Establishment of Fund. The Tribes have established and will maintain the Wildhorse Foundation and the Tribes will continue to contribute to the Fund, from the proceeds of the Tribal Gaming Operation, an amount calculated as provided in Section 10.C.6. The Tribes’ obligation to maintain and make contributions to the Fund shall terminate if and when the Tribes remove all of the New Class III Games from the Gaming Facility. The Tribes, in its discretion, may choose to make its contributions quarterly or annually.

4.e Fund Administration.

a.e The assets of the Fund shall be expended, and grants from the Fund may be made (i) to local or Tribal government bodies or charitable organizations for the benefit of the public within the Umatilla, Union, Morrow, and Wallowa counties; (ii) any Native American Tribal government agency or Native American charitable organization with its principal office and base of operations within the State of Oregon; (iii) to local government bodies or charitable organizations for the benefit of the public within the Tribes’ ceded territory in Washington State as more fully described in Exhibit 5; or (iv) any national or regional Indian organization. Grants from the Fund may be made for any of the following purposes: education, health, public safety, gambling addiction prevention, education and treatment, the arts, the environment, cultural activities, salmon restoration, historic preservation, and such other charitable purposes as may be provided in the by-laws of the Fund, provided that no more than 30% of the total amount of grants from the Fund shall be awarded to recipients outside the State of Oregon under Section 10.C.4.a.iii or iv.

b.e The Fund will be administered by a board of five directors. Each director shall have an equal vote on actions of the board.

- c. The Tribes' Board of Trustees shall establish by-laws governing the conduct and discharge of the responsibilities of the Fund board of directors, after consultation with the Fund board of directors, which shall be consistent with the terms of this subsection; and
- d. The Tribes' Board of Trustees, or their designee, shall submit proposals for grants from the Fund to the directors, 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 directors may reserve a portion of the Fund in a single year to fund a multi-year grant or grants.

5. Qualifications, Term and Selection of Directors.

- a. The membership of the board of directors shall be:
 - 1) One director from the Tribes' Board of Trustees, which person shall be recommended by the Chairman of the Board of Trustees and subject to the approval of the Board of Trustees;
 - 2) Two directors from the Tribes' membership, approved by the Board of Trustees; and
 - 3) Two directors who are not enrolled with the Tribes that are residents of Umatilla County, provided that only one shall be a resident of the City of Pendleton. Of these directors, one shall be nominated by the Umatilla County Commissioners, and the other director shall be nominated by the Pendleton City Council. Each director shall be subject to the approval of the Board of Trustees. Alternatively, at the Tribes' discretion, the Tribes may request that the Governor nominate the two directors from a slate of candidates proposed by the Tribes.
- b. Except for the initial board, directors shall serve two-year terms and may be removed before the end of their terms only for cause by the Board of Trustees. The initial board shall serve as follows: The director from the Board of Trustees, and the two directors from the Tribes membership shall serve for two years; the remaining members of the initial board shall serve for one year. Directors may be reappointed. Vacancies on the board of directors shall be filled within thirty (30) days by the appropriate appointing authority. Any director whose term has expired shall continue to serve until a successor has been appointed.

6. Calculation of Fund Contribution.

The Tribes' annual contribution to the Fund shall be based upon the Gaming Facility's net income as shown in the audited financial statement of the Gaming Facility for the fiscal year ending before the contribution is made. The contribution shall be calculated as follows:

- a. Deduct from the Gaming Facility's net income from all gaming and non-gaming activities before Tribal taxes all loan principal payments made by the Tribes for the Gaming Facility's capital, construction, and equipment costs;
- b. Multiply the result in subparagraph a) by six percent, which shall be the Tribes' community benefit fund contribution. However, because of the recognitions in Section 10.C.1, the parties agree that the Tribes may in their discretion determine that the appropriate contribution to the Fund in any calendar year shall be less than six percent (6%); but in no event shall the contribution equal less than three percent (3%) of the result in subparagraph a) of this paragraph.
- c. In addition to the Tribes' community benefit contribution set forth in Section 10.C.6.b, the Tribes also commit to using revenues derived from the Gaming Facility and from other unrestricted Tribal funds to provide governmental services to all residents of the Umatilla Indian Reservation. The Tribes shall provide an annual report to the State within 150 days after the close of the Tribal fiscal (calendar) year as follows:
 - 1) identifying the amount of gaming and unrestricted Tribal funds used to support Tribal governmental programs serving all residents of the Umatilla Indian Reservation, the nature of governmental services provided, and the extent to which the recipients of these services were charged fees or taxes for such services, if any; and
 - 2) identifying the charitable grant requests funded, the entities funded, the purposes for which funding was provided, the amount funded, and the total amount contributed to the Fund. The report shall also identify how the contribution to the Fund was calculated. The State may at its discretion and expense perform an audit of the calculation of the contribution to the Fund.
 - 3) The State agrees to keep the report confidential to the extent permitted by applicable law.

7. Audit.

or purposes of determining the Gaming Facility's net income, the Tribes and the State agree to use the audit conducted by the independent auditors selected by the Tribe to comply with IGRA's audit requirements. For purposes of this Section, the Tribes agree that their Gaming Facility auditor shall:

- a. Have recent casino audit experience with at least one other casino;
- b. Has at least one client with annual revenues in excess of \$50 million; and
- c. Must have received an unqualified report in its most recent peer review.

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 Section 10.C.7, the State may act through the Oregon State Police or through an official designated as provided in Section 14 of this Compact.

8. Termination or Modification of Fund Contributions.

The Tribes' contributions to the community benefit fund established as described Section 10.C may be discontinued if the Oregon Constitution is amended to remove the prohibition of casinos in the State. The Tribes' contributions to the community benefit fund may be discontinued if and when the Tribes remove all of the New Class III Games from the Gaming Facility. The Tribes and the State agree that if the Tribes are prohibited for any reason from offering blackjack or any of the Class III games listed in Section 4.B.1 or 2 of this Compact, the parties shall enter into negotiations to establish how the community benefit fund contribution provided for in this subsection shall be adjusted to reflect the impact of the discontinuation of those games on the net income of the Gaming Facility.

SECTION 11. APPLICATION OF REGULATORY STANDARDS.

A. Health and safety standards.

1. The Tribes agree to adopt and enforce codes and regulations governing health and safety standards applicable to the Gaming Facility that are at least as rigorous as standards imposed by the laws and regulations of the State. The Tribes agree to cooperate with any State agency generally responsible for enforcement of such health and safety standards outside the reservation in order to assure compliance with such standards within the Gaming Facility. However, the Tribes shall have the exclusive regulatory jurisdiction over the enforcement of health and safety standards

applicable to the Gaming Facility. The Tribes shall use their regulatory jurisdiction to assure that health and safety standards are met and maintained. The Tribes agree to adopt and enforce codes and regulations governing water discharges from the Gaming Facility that are 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.e Upon request by the State, the Tribes agree to provide evidence satisfactory to the State that any new construction, renovation or alteration of the Gaming Facility performed after the effective date of this Compact satisfies applicable Tribal health, safety and environmental standards. The Tribes can demonstrate that it has satisfied this Section 11.A by providing a certificate or other evidence of compliance from the appropriate state or local official responsible for enforcement of comparable state standards, or from a contractor who is certified by state or local government to evaluate such compliance.
- 3.e As used in this subsection, “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” does not include land use regulations or zoning laws.
- 4.e The Tribes agree that the State may use state or local inspectors to verify compliance with this subsection. Such inspectors shall cooperate with Gaming Facility management to conduct such inspections in a manner that does not disrupt operations at the Gaming Facility, and shall be conducted only with advance notice to and permission of the Gaming Facility where practicable. If the State asserts that the Tribe is in breach of this subsection, 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 Tribes agree to take steps as are necessary to protect the public or employees until the breach is remedied. Resolution of any dispute as to what steps are necessary shall be conducted in the same manner as and under the principles and procedures established for resolution of operating disputes in Section 6 of this Compact. For purposes of this subsection, “immediate and substantial threat to public safety” includes, but is not limited to, the following examples:

a. Violations of applicable fire and life safety standards; and

- b. Violations of applicable standards intended to protect public health.
- B. Traffic standards. The Tribes shall maintain access from its Gaming Facility onto the public road known as State Highway 331 that is adequate to meet standards of the Oregon Department of Transportation or shall enter into agreements with the Oregon Department of Transportation for the maintenance of such access by the State, including provisions for compensation by the Tribes for some portion of the costs incurred by the State in constructing such improvements to the public highway, including traffic control signals, as may be necessary. If the Oregon Department of Transportation determines that highway improvements are necessary, the department shall confer with the Tribes concerning the planning, design and construction of those improvements. The Tribes agree to consult and cooperate with the Oregon Department of Transportation regarding any other traffic issues arising out of the Gaming Operation and vehicles that patronize the Gaming Facility. To the extent the Gaming Facility contributes to any traffic impacts on surrounding city, county or State roads, the Tribes agree to fund an appropriate proportion of improvements necessary to mitigate or reduce such impacts. If the Tribes dispute the amount of the cost to be paid by the Tribes, the Tribes may initiate the dispute resolution procedure established under Section 6 of this Compact.
- C. The Tribes 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 Tribes would be required to report those winnings to the Internal Revenue Service. The information shall be reported in the manner required by the Oregon Department of Revenue.

SECTION 12. EFFECTIVE DATE; TERMINATION; AMENDMENTS.

- A. Effective Date. This Compact shall become effective upon execution by the State and by the Tribes and appropriate federal approval.
- 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 criminally prohibit within the State conduct of all of the Class III gaming authorized by this Compact, whether for profit or not for profit;
 - 3. A court of competent authority makes a final determination that all of the Class III games authorized by this Compact are criminally prohibited under the law of the State, and the determination has become final and enforceable;

- 4.e The United States Congress amends or repeals IGRA so that a Compact is no longer required for the Tribes' exercise of Class III gaming; or
- 5.e 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 the breach has continued for a period of 60 days after the date of the determination (a "final determination" is one that is no longer appealable).

C.e Automatic Amendment

- 1.e If a type of Class III game authorized under Section 4 of this Compact is criminally prohibited for all purposes by all persons by an amendment to the State statute or Constitution, this Compact shall no longer authorize the Tribes to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect.
- 2.e If a court decides that a Class III game authorized under this Compact is criminally prohibited, this Compact shall no longer authorize the Tribes to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect, but the Tribes shall be required to cease operating that Class III game only if and under the same circumstances and conditions as the State or any other affected person must cease operating the corresponding game under the court's decision.

D.e Amendments

- 1.e Except as provided in Section 12.C and Section 4.D with respect to the number of video lottery terminals, this Compact shall not be amended for a period of three years after the effective date of this Compact, unless one of the following conditions occur:
 - a.e The State becomes a party to another Tribal-State Compact that authorizes a tribe other than the Confederated Tribes of the Umatilla Indian Reservation to engage in any Class III gaming activity or the scope of gaming activity not permitted under the terms of Section 4e of this Compact;
 - b.e The State amends State statute or Constitution to expand the type of Class III gaming permitted in the State for any purpose by any person, organization, or entity; or
 - c.e The parties to this Compact agree in writing to enter amendment negotiations.
- 2.e Section 12.D.1 does not require the State to renegotiate those terms of this Compact that apply to the forms of gaming authorized by Section 4 of this

Compact, except to the extent that the State voluntarily consents to such renegotiation or as is otherwise provided for in this Compact.

- 3.e Pursuant to Section 12.D.1, the State or the Tribes 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 Compact, this Compact shall remain in effect until renegotiated or replaced, unless sooner terminated under Section 12.B. Such request to renegotiate shall be in writing and shall be sent by certified mail to the Governor of the State or the Chairman of the Board of Trustees of the Tribes at the appropriate office identified at Section 14 below. If a request is made by either party, both parties agree to negotiate in good faith.

SECTION 13. DISCLAIMERS AND WAIVERS.

- A.e Gaming at Another Location or Facility. The Tribes hereby waive any right they may have under IGRA to negotiate a Compact for Class III gaming at any different or additional location or facility for a period of five (5) years from the effective date of this Compact, provided that if any other Oregon Indian tribe operates Class III gaming at more than one location under a Compact with the State, the Tribes shall have the right to request immediate negotiations on this issue, and provided further, that the Tribes shall have the right to negotiate for Class III gaming at another location if some natural occurrence makes the Gaming Facility unusable.
- B.e Status of Class II Gaming. Nothing in this Compact shall be deemed to affect the operation by the Tribes of any Class II gaming as defined in the Act or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribes.
- C.e 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 Tribes or any Tribal Gaming Operation except for charges expressly authorized in accordance with this Compact.
- D.e 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 Tribes, including the Tribal Gaming Commission, or to interfere in any manner with the Tribes' 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 Tribes.
- E.e This Compact is exclusively for the benefit of and governs only the respective authorities of and the relations between the Tribes and the State. The State and the Tribes 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, or 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.

SECTION 14. NOTICES.

All notices required or authorized to be served to the Oregon State Police shall be served by first class mail at the following address:

Captain
Oregon State Police
Gaming Enforcement Division
Salem, OR 97310

All other notices required or authorized to be served shall be served by first class mail at the following addresses:

Legal Counsel to the Governor
Office of the Governor
254 State Capitol
Salem, OR 97310

Chairman, Board of Trustees
Confederated Tribes of the
Umatilla Indian Reservation
73239 Confederated Way
P.O. Box 638
Pendleton, OR 97801

With a Copy to:
Chairperson, Tribal Gaming Commission
P.O. Box 1757
Pendleton, OR 97801

Chief Operating Officer
Wildhorse Resort and Casino
72777 Hwy. 331
Pendleton, OR 97801

SECTION 15. 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.

SECTION 16. DISPUTE RESOLUTION.

- A.e Except as specifically provided in Section 6 of this Compact, at the discretion of either party, in the event either party believes that the other party has failed to comply with any requirement of the Compact, that party may invoke the following dispute resolution procedure in order to foster cooperation and avoid the costs of litigation:
- 1.e The party asserting noncompliance shall serve written notice on the other party in the manner provided in Section 14. The notice shall identify the specific provision of the Compact alleged to have been violated and shall specify the factual basis for the alleged noncompliance. The State and the Tribes shall thereafter meet within thirty (30) days in an effort to resolve the dispute.
 - 2.e In the event the dispute is not resolved to the satisfaction of the parties within ninety (90) days after service of notice, either party may initiate an action against the other party in the United States District Court for the District of Oregon to interpret or enforce the provisions of this Compact. In the event that the Federal court declines jurisdiction, an action can be filed in a State or Tribal court of competent jurisdiction to interpret or enforce the provisions of this Compact.
 - 3.e Sovereign immunity.
 - a.e 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.e Tribal Waiver of Sovereign Immunity. The Tribes hereby waive its immunity to suit in courts of competent jurisdiction, including Oregon state court, for the limited purpose of enforcing this Compact, including without limitation, the provisions of Section 8.G.3. The Tribes' waiver shall not be effective unless the State first brings suit as provided in Section 16.A.2 and shall not be effective if the federal court suit is dismissed due to a motion filed by the state. This waiver of sovereign immunity shall be strictly construed and limited to its specific terms.
 4. 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.
- B.e Nothing in Section 16.A shall be construed to waive, limit or restrict any 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.

C.t With respect to gaming not authorized by this Compact, nothing in this Compact shall be construed to limit the authority of the State or the federal government to take immediate action to enforce and prosecute the gambling laws of the State and the United States pursuant to 18 USC §1166 (Section 23 of IGRA).t


SECTION 17. INTEGRATION

This Compact is the complete and exclusive expression of the parties' intent.

EXECUTED as of the date and year above-written.

STATE OF OREGON

CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION



Theodore R. Kulongoski, Governor

Antone Minthorn, Chairman

Date: November 6, 2008t


Date: ____, 2008

APPROVED FOR LEGAL SUFFICIENCY

By: 
Stephanie C. Striffler
Special Counsel to the Attorney General

Date: December 9, 2008t

APPROVED BY THE DEPUTY ASSISTANT SECRETARY
FOR POLICY AND ECONOMIC DEVELOPMENT

BY: 

DATE: January 26, 2009

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CONFEDERATED TRIBES OF THE
UMATILLA INDIAN RESERVATION



Antone Minthorn, Chairman

Date: _____, 2008

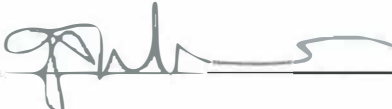
Date: 11/19/08, 2008

APPROVED FOR LEGAL SUFFICIENCY

By: _____
Stephanie L. Striffler
Special Counsel to the Attorney General

Date: _____, 2008

APPROVED BY THE DEPUTY ASSISTANT SECRETARY
FOR POLICY AND ECONOMIC DEVELOPMENT

BY:  _____

DATE: January 26, 2009

EXHIBIT I

CLASS III GAMES APPROVED AT WILDHORSE GAMING RESORT

NOVEMBER 2008

Name of Class III Game:

VLTs
Blackjack
Progressive Blackjack
Craps
Roulette
Spanish 21
3 Card Poker
4 Card Poker
Ultimate Texas Hold'em
Keno
Off track pari mutual wagering on races held at race courses within or outside the State (Off track pari mutual wagering on races held at race courses outside the State conducted in compliance with the applicable requirements of the Interstate Horseracing Act of 1978, as amended, (15 U.S.C. §3001 to 3007))

EXHIBIT 2

AUTHORIZED CLASS III GAMES

NOVEMBER 2008

VLTs

Big Six Wheel

Blackjack

Blackjack (Double Deck Version)

Blackjack (Single Deck 21 Version)

Blackjack (Slingo Bonus Version)

Blackjack (Field Gold 21 Version)

Blackjack (Lucky Ladies Version)

Blackjack (Royal Match 21 Version)

Progressive Blackjack

Caribbean Stud Poker

Casino War

Craps

Four Card Poker

Keno

Let-It-Ride

Let-It-Ride (3 Card Bonus Version)

Mini-Baccarat

Off-Track Pari-Mutuel Wagering

Pai-Gow Poker

Pai-Gow Poker (Fortune Pai-Gow Poker Bonus Version)

Roulette

Spanish 21

Texas Hold'em Bonus Poker

Three Card Poker

Ultimate Texas Hold'em

Wild Aruba Stud

**Tribal-State Compact for Regulation of Class III Gaming
Confederated Tribes of the Umatilla Indian Reservation
and the State of Oregon**

EXHIBIT 3

DESCRIPTION OF GAMING LOCATION:

The Tribes' Gaming Facility is located on Tribal trust land within the boundaries of the Umatilla Indian Reservation. The Gaming Facility authorized by this Compact is located near Mission, Oregon, north and east of Exhibit 216 on Interstate Highway 84. A map showing the location of the Gaming Facility is attached (Exhibit 1.A). The Gaming Facility is located on Trust Allotment No. TC36, which has a legal description as follows:

The SW ¼ of Section 15, Township 2 North, Range 33 East, Willamette Meridian.
The above-described land involves a combined total of approximately 160 acres.

VICINITY MAP

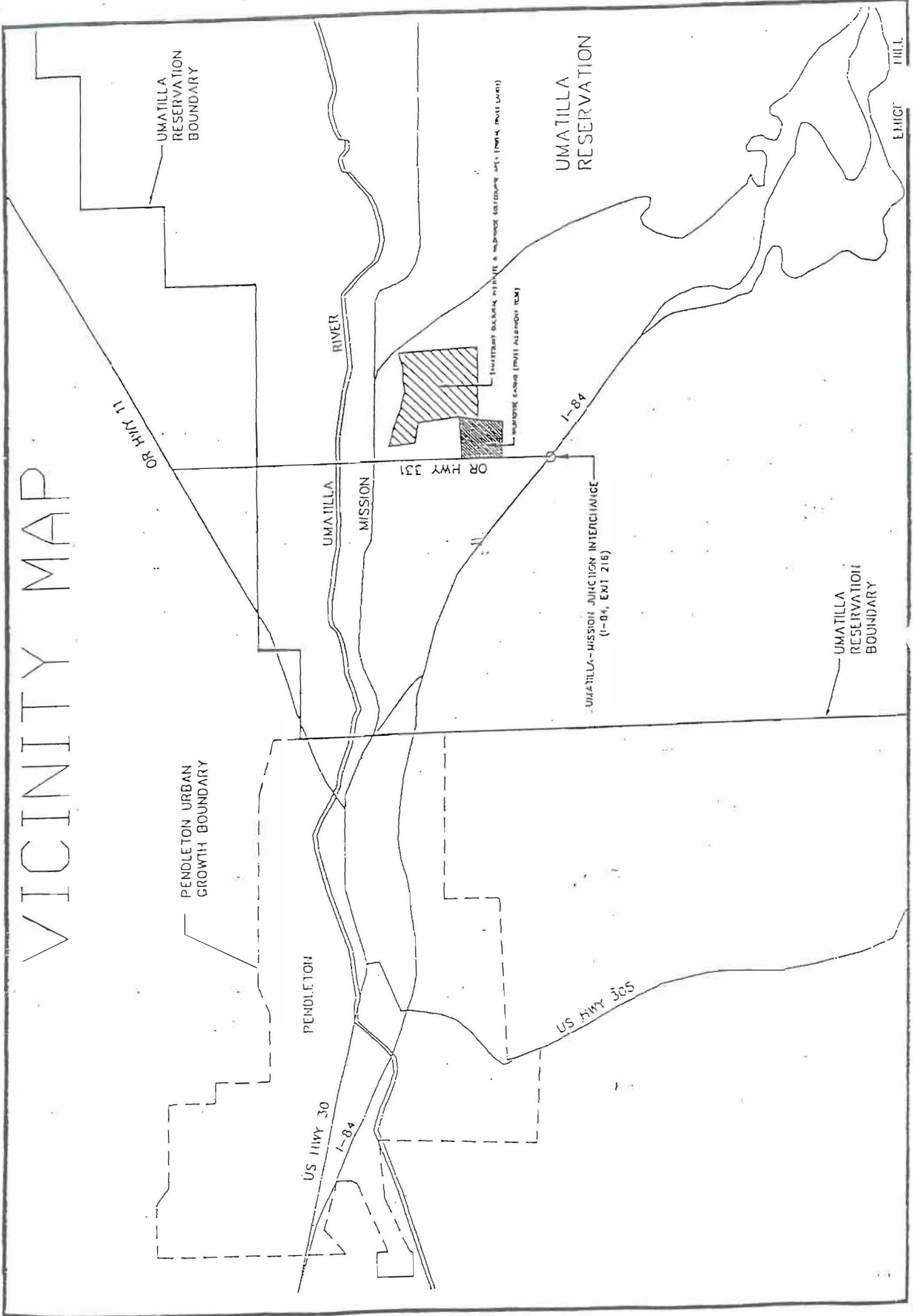


EXHIBIT 4
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CONFEDERATED TRIBES OF THE UMATILLA INDIAN
RESERVATION
AND
THE OREGON STATE POLICE
(Compact MOU)

I. Preamble.

This Memorandum of Understanding (MOU) is entered into pursuant to Section 5(A)2 of the Tribal-State Compact for Regulation of Class III Gaming between the Confederated Tribes of the Umatilla Indian Reservation and the State of Oregon, dated December 9, 1999 and approved by the Secretary of Interior on March 17, 2000 (the "Compact"). The parties to this agreement are the Confederated Tribes of the Umatilla Indian Reservation, (the "CTUIR" or the "Tribes") and the Oregon State Police, (the "State").

The purpose of this MOU is to address the respective responsibilities of the State and the Umatilla Tribal Police Department ("UTPD") in the enforcement of criminal laws with respect to non-Indians at the Tribes' Gaming Facility. The parties recognize that the UTPD is the primary law enforcement agency for complaints of criminal activities, law violations and threats to public order on the Umatilla Indian Reservation. The parties further recognize the cooperative law enforcement role of the State as described in this MOU.

II. Other Agreements.

The parties acknowledge that there are other agreements governing coordination of law enforcement on the Tribes' lands, including the following:

- e Extradition Agreement between the State and the CTUIRe
- e Cross Deputization Memorandum of Understanding between the Umatilla County Sheriff and the CTUIRe
- e Cooperative Policing Agreemente
- e Major Crime Team Memorandum of Understandinge
- e Jail Use Agreemente
- e CTUIR-OSP Cross Deputization Agreement.e

III. Definitions.

- A. "Gaming Facility" shall have the same meaning as provided in Section IIIe (I)e of the Compact.e

- B.e “Gaming Related Criminal Activity” includes any conduct constituting a violation of ORS 167.167 (Cheating). It also includes any criminal activity involving sensitive items related to a Class III game, forgery or counterfeiting.e
- C.e “Non-Gaming Related Criminal Activity” includes any criminal activity that does not meet the definition of Gaming Related Criminal Activity as set forth in this MOU.e
- D.e “Situations Where Immediate Action is Appropriate” are those situations where police are required to act swiftly to prevent physical injury, to prevent loss of or damage to property, to prevent destruction of evidence or to prevent a suspect’s escape.e

IV. Notification.

- A.e To the Tribes. Notification to the Tribes pursuant to this MOU will be made as follows:e

In person at the UTPD dispatch center, which is located at 73303 Julye Grounds Drive, Pendleton, OR, or by telephone to the UTPD dispatch center at (541) 278-0550.e

- B.e To the State. Notification to the State pursuant to this MOU will be made as follows:e

Directly to the State Police Detective assigned to the Wildhorse Gaming Resort. The State will provide the Tribes with the detective’s telephone numbers.e

If the assigned detective is not available, notification will be made to the Western Regional Dispatch Center, (WRDC), at (503) 375-3555. The WRDC will then contact a Tribal Gaming Section Supervisor for responsee determination.e

- C.e Changes. The parties shall provide any changes in notification in writing and provide an updated list of contact numbers to each other every year or whenever pertinent information changes.e

V. Procedures Applicable to the State.

The procedure outlined below applies to the State in any Non-Gaming Related Criminal Activity or Gaming Related Criminal Activity within the Gaming Facility, whether observed by or reported to an Oregon State Police Officer.

- 1.e Situations Where Immediate Action is Appropriate.e

Where the suspected criminal activity is observed by or reported to thee

State, and constitutes a Situation Where Immediate Action is Appropriate, the State may take appropriate action. When the situation is under control, the officer will immediately notify the UTPD, as described in Section IV.A., above. The State may act regardless whether the suspect is Indian or non-Indian. For Non-Gaming Related Criminal Activity the UTPD will then complete the investigation. For Gaming Related Criminal Activity where the suspect is non-Indian, the investigation will be completed by the UTPD in cooperation with the State. For Gaming Related Criminal Activity where the suspect is Indian, the UTPD will complete the investigation in consultation with the State, and may request the State's assistance.e

2.e Situations Not Requiring Immediate Action.e

a.e Non-Gaming Related Criminal Activity that does not require immediate response will be reported to and investigated by the UTPD.e

b.e Gaming Related Criminal Activity that does not require immediate response will be investigated as follows: for Gaming Related Criminal Activity where the suspect is non-Indian, the investigation will be completed by the UTPD in cooperation with the State. For Gaming Related Criminal Activity where the suspect is Indian, the UTPD will complete the investigation in consultation with the State, and may request the State's assistance.e

VI. Procedures Applicable to the Tribes.

The procedure outlined below applies to the UTPD in any Gaming Related Criminal Activity within the Gaming Facility, whether observed by or reported to a Umatilla Tribal Police Officer.

1.e Situations Where Immediate Action is Appropriate.e

Where the suspected criminal activity is observed by or reported to a Umatilla Tribal Police Officer, and immediate action is appropriate, the UTPD will take appropriate action. When the situation is under control, the officer will immediately notify the State as described in Section IV.B., above. The UTPD may act regardless whether the suspect is Indian or non-Indian. For Non-Gaming Related Criminal Activity the UTPD will then complete the investigation. For Gaming Related Criminal Activity where the suspect is non-Indian, the investigation will be completed by the UTPD in cooperation with the State. For Gaming Related Criminal Activity where the suspect is Indian, the UTPD will complete the investigation in consultation with the State, and may request the State's assistance.

2.e Situations Not Requiring Immediate Action.e

Gaming Related Criminal Activity that does not require immediate response will be investigated as follows: for Gaming Related Criminal Activity where the suspect is non-Indian, the investigation will be completed by the UTPD in cooperation with the State. For Gaming Related Criminal Activity where the suspect is Indian, the UTPD will complete the investigation in consultation with the State, and may request the State's assistance.e

VII.e Amendments.e

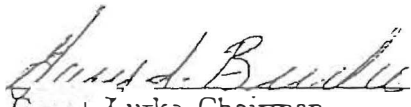
Either party seeking an amendment to this MOU shall notify the other party of the basis for the amendment and the proposed amendment. The parties agree to meet in good faith negotiations to address the proposed amendment.

VIII. Dispute Resolution.

Any dispute arising under this MOU shall be resolved by the parties pursuant to the dispute resolution process set forth in §§6 and 16 of the Compact. For purposes of addressing disputes arising under this MOU, the CTUR shall have the authority to initiate the dispute resolution procedures in the same manner as the State under §6.B of the Compact.

IX.e Effective Date.e

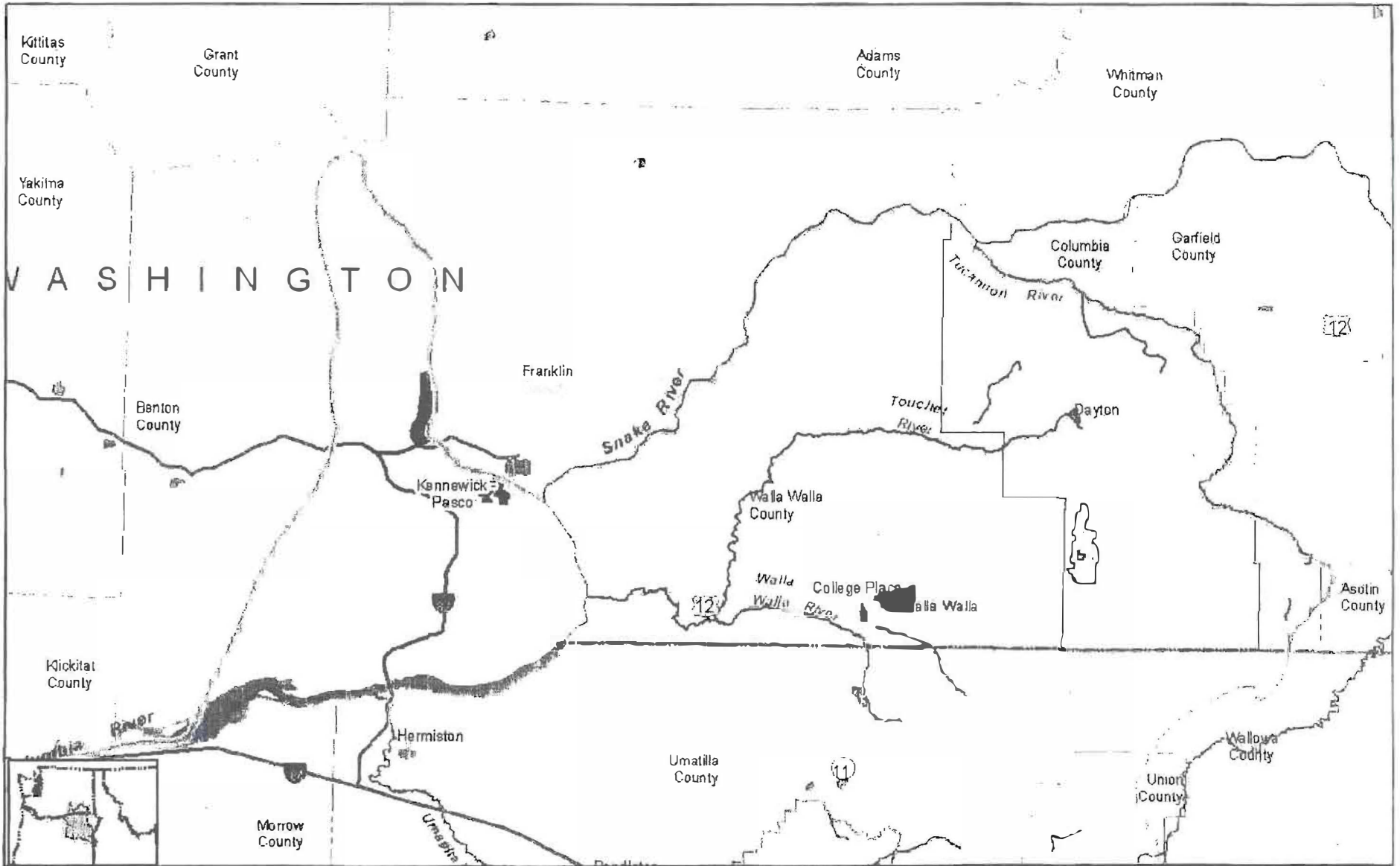
This agreement shall be effective when signed by both parties.


Gary A. Burke, Chairman
Confederated Tribes of the Umatilla
Indian Reservation

6-4-03
Date


Lieutenant F. Dean Durgan
Oregon State Police
Tribal Gaming Section

6/4/03
Date



Legend

- City
- Ceded Streams
- Interstate Highways
- US Highways
- Ranwater tribal Mitigation Site
- Diminished Reservation Boundary
- Ceded Boundary
- County Boundaries
- US States

EXHIBIT 5

Ceded Lands of the Confederated Tribes of the Umatilla Indian Reservation in Washington

