

**DEPARTMENT OF THE INTERIOR**

**Bureau of Indian Affairs**

**Indian Gaming**

**ACTION:** Notice of Approved Tribal-State Compact.

**SUMMARY:** Pursuant to 25 U.S.C. § 2710, of the Indian Gaming Regulatory Act of 1988 (Pub. L. 100-497), the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal-State

Compacts for the purpose of engaging in Class III (casino) gaming on Indian reservations. The Assistant Secretary-Indian Affairs, Department of the Interior, through her delegated authority, has approved the Gaming Compact Between the Confederated Tribes of the Grand Ronde Community of Oregon and the State of Oregon, which was executed on August 21, 1993.

**DATES:** This action is effective June 17, 1994.

**FOR FURTHER INFORMATION CONTACT:** Joe B. Walker, Acting Director, Indian Gaming Management Staff, Bureau of Indian Affairs, Washington, DC 20240. (202) 219-4068.

Dated: June 10, 1994.

**John Tippeconnic,**  
*Assistant Secretary—Indian Affairs.*

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# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240



JUN 10 1994

Honorable Mark Mercier  
Chairman, The Confederated Tribes of the  
Grand Ronde Community of Oregon  
P.O. Box 38  
Grand Ronde, Oregon 97347

Dear Chairman Mercier:

We have completed our review of the Tribal-State Compact for Regulation of Class III Gaming between the Confederated Tribes of the Grand Ronde Community of Oregon (Tribe) and the State of Oregon (State). This second review was initiated by an amendment to Pub. L. 100-425 (Reservation Act). We now conclude that it does not violate the Indian Gaming Regulatory Act (IGRA), Federal law, or our trust responsibility.

The Compact provides that the gaming facility will be located on trust land known as the "Forestry Site" subject to determination by the Secretary of the Interior that the Forestry Site land comes within the restoration exception set forth in 25 U.S.C. § 2719 (b)(1)(B)(iii). We have determined that Pub. L. 103-263 brings the Forestry Site within the restoration exception.

Therefore, pursuant to my delegated authority and Section 11 of the IGRA, we approve the Compact. The Compact shall take effect when notice of our approval, pursuant to Section 11(d)(3)(B) of the IGRA (25 U.S.C. § 2710 (d)(3)(B)), is published in the FEDERAL REGISTER.

Notwithstanding our approval of the Compact, be advised that Section 11(d)(1) of the IGRA (25 U.S.C. § 2710(d)(1)) requires that gaming cannot be conducted without a tribal gaming ordinance approved by the Chairman of the National Indian Gaming Commission (NIGC). On July 8, 1992, the NIGC published in the FEDERAL REGISTER proposed regulations to govern approval of Class II and Class III gaming ordinances. The final regulations were published in the FEDERAL REGISTER on January 22, 1993 (58 Fed. 5802), and became effective on February 22, 1993. Under the statute and regulations, even previously existing gaming ordinances must be submitted to the NIGC for approval when requested by the Chairman.

In addition, if the Tribe intends to enter into a management contract for the operation and management of the Tribe's gaming facility, such contract must be submitted to and approved by the Chairman of the NIGC pursuant to Section 11(d)(9) of the IGRA (25 U.S.C. § 2710(d)(9)) and the NIGC's regulations. The Tribe may want to contact the NIGC at (202) 632-7003 for further information on submitting the ordinance and the management contract for approval by the NIGC.

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

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Deery". The signature is written in a cursive style with a large, sweeping initial "J".

Ada E. Deer  
Acting For Assistant Secretary - Indian Affairs

Enclosure

**TRIBAL-STATE COMPACT FOR REGULATION  
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF THE  
GRAND RONDE COMMUNITY OF OREGON AND  
THE STATE OF OREGON**

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**TRIBAL-STATE COMPACT FOR REGULATION  
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF THE  
GRAND RONDE COMMUNITY OF OREGON AND  
THE STATE OF OREGON**

**PREAMBLE.**

This Compact is made between the State of Oregon (hereinafter "State") and the Confederated Tribes of the Grand Ronde Community of Oregon (hereinafter the "Tribe") and pertains to Class III gaming to be conducted on lands that are held in trust for the Tribe and that the Tribe has requested to be designated as part of the Tribe's Reservation restored to federal recognition pursuant to P.L. 98-165 and P.L. 100-425, and that are subject to the provisions of the Indian Gaming Regulatory Act of October 17, 1988 (Public Law 100-497), 25 U.S.C. 2701 et seq. ("IGRA"). The terms of this Compact are unique to this Tribe and reflect the fact that the lands that are the subject of this compact were taken into trust and will be designated a Reservation and are subject to IGRA.

**SECTION 1. TITLE.**

THIS Compact is entered into this 21<sup>st</sup> day of August, 1993, by and between The Confederated Tribes of the Grand Ronde Community of Oregon, a federally recognized Tribe of Indians, and the State of Oregon.

**SECTION 2. FINDINGS.**

**WHEREAS**, the Tribe is a federally recognized Indian Tribe and is the beneficial owner of, and local government for, the trust lands of the Tribe located in the State of Oregon;

**AND WHEREAS**, the State and the Tribe 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, and the Constitution provides that the "Legislative Assembly has no power to authorize, and shall prohibit casinos from operation in the State";

**AND WHEREAS**, the tribal public policy, as reflected in the Tribe's Constitution and ordinances adopted by the Tribe, is "to form a better tribal organization, secure the rights and powers inherent in our sovereign status and guaranteed to us by federal law, preserve our culture and tribal identity, promote the social and economic welfare of our people, protect and develop our common resources, maintain peace and order, and safeguard individual rights";

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

**AND WHEREAS**, the Tribe exercises authority over Tribal trust land that was restored to the Tribe pursuant to Public Law 98-165 and P.L. 100-425;

**AND WHEREAS**, the Tribe has represented that the gaming location is on land described in 25 USC §2719(b)(1)(B)(iii);

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

**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 ordinance, 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**, 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 Tribe or of the Tribe's sovereignty;

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

**AND WHEREAS**, the Tribe is authorized to act through Resolutions adopted by its Tribal Council;

**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, and contingent upon the Secretary of the Interior's determination that the gaming location is described in 25 USC §2719(b)(1)(B)(iii), the Tribe and the State enter into the following Compact:

### **SECTION 3. DEFINITIONS.**

As used in this Compact, and in its Appendices and Exhibits:

- A. "Background investigation" means the security and financial history checks of an employee, licensee or applicant for Tribal contract for the operation of video lottery games or for the sale of lottery games to the tribe.

- B. "Certification" means the inspection process used by the Oregon State Lottery to approve video lottery game terminals and games.
- C. "Class III Gaming Contract" means a contract that involves Major, Minor, or Sensitive Procurements.
- D. "Class III Gaming Contractor" is any individual, business or other entity that applies for or is a party to a Class III Gaming Contract.
- E. "Controlling interest" means fifteen percent (15%) of the equity ownership of a company.
- F. "Display" means the visual presentation of video lottery game features shown on the screen of a video lottery terminal.
- G. "Gaming facility" means the building proposed to be constructed as of the date of execution of this Compact that is located on land to be included in the Tribe's Reservation at Grand Ronde, Oregon, known as the "Forestry Site" and specifically described in Exhibit I to the Compact, and the square footage of any expansion devoted to the play of Class II and III games.
- H. "Gray Machine" means any electrical or electro-mechanical device, whether or not it is in working order or some act of manipulation, repair, adjustment or modification is required to render it operational that:
1. Awards credits or contains or is readily adaptable to contain, a circuit, meter, or switch capable of removing or recording the removal of credits earned by a player, other than removal during the course of continuous play; or
  2. Plays, emulates, or simulates a casino game, bingo, or keno. A device is no less a gray machine because, apart from its use or adaptability as such, it may also sell or deliver something of value on the basis other than chance.

"Gray Machine" does not include any device operated under the authority of State law or under the terms of this Compact.

- I. "Key Employee" means any officer or any person who can affect the course of business, make decisions, or is in a sensitive position.
- J. "High Security Employee" means any person with responsibility for the management or operation of the Class III gaming activities or access to gaming terminals or cash.
- K. "Low Security Employee" means any person with no responsibility for management or operation of the Class III gaming activities and no access to inside gaming terminals or cash.
- L. "Major Procurement" means any procurement action or contract for:
1. The printing of tickets used in any Class III gaming;
  2. Any goods or services involving the receiving or recording of number selections in any Class III gaming;
  3. Any goods, services, or products involving the determination of winners in any Class III gaming; or
  4. Video devices.
- M. "Minor Procurement" means any procurement action or contract related to Class III gaming that is neither a Major Procurement nor a Sensitive Procurement. A typical example of this class of procurement is a contract to change the external appearance of a video terminal.
- N. "Owner" means any person or entity that owns 5% or more of the equity ownership of a company.
- O. "Primary Management Official" means any person who:
1. Has management responsibility for any management contract;
  2. Has authority --
    - a. to hire and fire employees; or
    - b. to set or otherwise establish working policy for the gaming operations; or

3. Is the chief financial officer or other person who has financial management responsibility for Class III gaming operations.
- P. "Sensitive Procurement" means any procurement action or contract for goods or services, other than a "Major Procurement," that may either directly or indirectly affect the integrity, security, honesty, and fairness of the operation and administration of Class III gaming. A typical example of this class of procurement is the acquisition of security systems required to protect the security and integrity of the Class III gaming.
- Q. "Video lottery terminal" or "terminal" means an electrical or electro-mechanical device, component, or terminal that displays a ticket through the use of a video display screen, and that is available for consumer play upon payment of any consideration, with winners determined by the application of the element of chance and the amount won determined by the possible prizes displayed on the device.

#### **SECTION 4. AUTHORIZED CLASS III GAMING.**

- A. This Compact shall be the only Compact between the Tribe 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 Subsection 11.D. of this Compact.
- B. Authorized games.
1. Subject to the provisions of this Compact, the Tribe may engage in only the following Class III games: Video lottery games of chance as described in Appendix A and keno as described in Appendix B.
  2. This section shall be construed consistent with federal classification of gaming activities. Notwithstanding any provision of this Compact, any gaming activity classified by federal regulation as Class II activity shall not be subject to the provisions of the Compact.

- C. Gaming Location. The Gaming Facility authorized by this Compact shall be located on the Tribe's land at Grand Ronde, Oregon, known as the "Forestry Site." Both the Gaming Facility and the "Forestry Site" are specifically described in Exhibit I to this Compact. This land is held in trust for the Tribe by the United States, and is land that is within both the aboriginal territory of the Tribe and the former reservation of the Tribe, and was acquired by the United States pursuant to the Reservation Plan mandated by the Grand Ronde Restoration Act, Public Law 98-165. Gaming authorized under this Compact shall be conducted only in the Gaming Facility. If another Oregon Tribe is authorized to operate a gaming facility on non-Tribal lands, the Tribe does not hereby abrogate any rights it may have under Section 20 of IGRA.
- D. Number of video terminals. The number of Class III video lottery games of chance authorized by this Compact shall not exceed the number of such games that would occupy 15 percent (15%) of the total square footage of the gaming area and related portions of the Gaming Facility under customary industry spacing. The parties acknowledge that the Gaming Facility is a mixed use facility. The parties agree that the size of the Gaming Facility to be devoted to Class III video lottery games of chance is determined by the area of those parts of the facility that are appropriately related to the gaming activities conducted therein (the "gaming area"). The parties also agree that, in combination, the gaming area of the facility and the spacing of video lottery terminals customary in the industry limit the number of video lottery terminals on the gaming floor to no more than 500. Subject to other terms of this agreement, the Tribe may determine in its discretion the location and spacing of video lottery terminals within the Gaming Facility.

## **SECTION 5. JURISDICTION.**

- A. In General.
1. The State shall have criminal jurisdiction over offenses committed by or against Indians and non-Indians within the gaming facility and on Tribe trust land; the criminal laws of the State shall have the same force and effect at the gaming location as they have on non-Tribal lands within the State.

2. If the Tribe authorizes the Tribal Court to hear criminal cases arising on the Tribal Lands, the Tribe and the State shall have concurrent criminal jurisdiction over offenses committed by Indians within the Gaming Facility and on the Tribal Lands. The criminal laws of the State shall have the same force and effect on the Tribal Lands as they have on non-Tribal lands within the State. Once a tribal police force is in operation on the Tribal lands, the enforcement of criminal laws at the Gaming Facility shall be established pursuant to and by a Memorandum of Understanding to be executed by the Tribe and the Oregon State Police.
- B. Except as provided in a Memorandum of Understanding executed in accordance with the foregoing paragraph 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 trust land for the purpose of maintaining public order and public safety, conducting investigations related to possible criminal activity and enforcing applicable laws of the State. The Tribe, or individuals acting on its 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 gaming operation.
  - C. The State may station one or more officers at the Gaming Facility by mutual agreement with the Tribe.
  - D. Nothing in this agreement shall be construed to affect the civil or criminal jurisdiction of the State under Public Law 280.

## **SECTION 6. LICENSING AND CONTRACTING.**

- A. Licensing of Gaming employees.
  1. All Primary Management Officials and High Security Employees employed in the Gaming Facility shall be licensed by the Tribe in accordance with the provisions of this Compact.
  2. All prospective employees -- both High Security Employees and Low Security Employees -- shall provide to the Tribe and the State any required application fees and the following information:

- 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 State 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.
3. In addition to the requirements of paragraph 6.A.2. above, prospective High Security Employees shall provide a set of fingerprints.
  4. The Tribe shall forward the applicant information to the State, along with the State required portion of the application fee as described in subsection 6.C. The Oregon State Police shall conduct a background investigation and provide a written report to the Tribe approving or disapproving the applicant within a reasonable period of time, but in no event shall such background checks exceed thirty (30) days without notice to and consent of the Tribe.
  5. a. If the Oregon State Police disapproves for failure to meet the criteria established in paragraph 6.B.5. below, the Tribe shall not issue a license or approve employment of the applicant.

- b. The Tribe shall deny a gaming license to any High Security Employee or Primary Management Official who does not meet the criteria established in paragraph 6.B.5. below. Denial of a license by the Tribe is final.
  - c. The Tribe shall not hire any Low Security Employee who does not meet the criteria established in subsection B.5. below.
- 6. Background investigation during employment. The Tribe or the State may conduct additional background investigations of any gaming employee at any time during the term of employment. If after investigation, the State determines there is cause for the dismissal of any employee under the criteria established in paragraph 6.B.5. below, it shall promptly notify the Tribe of such determination and furnish the Tribe with copies of all relevant information pertaining to such determination, along with a Request for Termination of employment. The Tribe shall review the State's request and supporting materials and if it concludes that good cause for dismissal is shown under the criteria established in paragraph 6.B.5. below, the subject employee shall be dismissed.
- 7. Temporary licensing of employees.
  - a. The Tribe may issue a temporary license to High Security Employees 30 days after submission of the application to the Oregon State Police. The temporary license shall expire and become void upon completion of the background check and award or denial of a permanent license.
  - b. The Tribe may employ Low Security Employees on probation 10 days after submission of the application to the state police. Any Low Security Employee shall be subject to immediate termination during probation if the State determines that the employee does not meet the criteria established in paragraph 6.B.5. below.

8. **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 paragraphs 6.A.2. to 6.A.5. above. Applicants for renewal shall provide a renewal fee and updated information to the Tribe but will not be required to resubmit historical data already provided.
9. **Revocation of license.** The Tribe may revoke the license of any employee pursuant to policies determined by the Tribe. The State may revoke the license of any employee only upon determination that the employee does not meet the criteria described in paragraph 6.B.5. below.
10. The Tribe shall maintain a procedural manual for employees that includes rules and regulations of conduct and disciplinary standards for breach of procedures.

**B. Contracts with Manufacturers and Suppliers.**

1. The Tribe shall contract with all managers, manufacturers or suppliers of goods or services related to the play of Class III games authorized by this Compact before conducting any business related to Class III games.
2. The Tribe shall submit all Class III Gaming Contracts to the State for review, comment and approval and such contracts will specifically provide that the State will have such authority. The State must approve all contracts prior to execution. It is agreed that the State can deny a contract only in accordance with criteria established in paragraph 6.B.5. It is further agreed that State action on such contracts shall be completed within 60 days, and that failure by the State to meet this deadline shall create a presumption of approval that can be rebutted for good cause shown. Should the parties fail to agree, then disputes shall be resolved in accordance with Section 15 of this Compact.

3. A background investigation may be conducted by the State on all Class III Gaming Contract applicants or contractors. The level of investigation will be determined by whether the individual procurement is classified as a Major Procurement, Minor Procurement or Sensitive Procurement. The level of investigation for a Major Procurement and Sensitive Procurement shall be more intense than that for a Minor Procurement.
4. The Tribe and the State shall not approve any Class III Gaming Contract that does not grant the State or the Tribe access to the contractor's business and financial records.
5. Criteria for Denial of Contract Application.
  - a. Unless otherwise specified, the State or the Tribe may deny a Class III Gaming Contract application for any of the following reasons:
    - (1) A conviction of the applicant or any owner or key employee of the applicant for any crime in any jurisdiction;
    - (2) A conviction of the applicant or any owner or key employee of the applicant for any gambling offense in any jurisdiction;
    - (3) A civil judgment against the applicant or any owner or key employee of the applicant, based in whole or in part upon conduct that allegedly constitutes a crime;
    - (4) A failure to disclose any material fact to the State or the Tribe or their authorized agents during initial or subsequent background or security investigations;
    - (5) A misstatement or untrue statement of material fact as determined by the Tribe or the State;

- (6) An association with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affect the general credibility, security, integrity, honesty, fairness or reputation of the Tribe;
  - (7) Any aspect of the applicant's past conduct that the Tribe or the State determines would adversely affect the integrity, security, honesty or fairness of Tribal gaming;
  - (8) A person who is unqualified or disqualified to be a Class III Gaming Contractor owns, is an agent of or has any other interest in the applicant, regardless of the qualifications of the person who seeks approval as a contractor;
  - (9) The applicant demonstrates inadequate financing for the business proposed under the type of contract for which application is made. The Tribe and the State shall consider whether financing is from a source that meets the qualifications of this paragraph 6.B.5. and is in an amount to ensure the likelihood of success in the performance of the contractor's duties and responsibilities; or
  - (10) The applicant or its employees fail to demonstrate business ability and experience to establish, operate, and maintain the business for the type of contract for which application is made.
- b. In evaluating whether to deny a contract related to Class III gaming based on subparagraphs 6.B.5.a.(1), (2) and (3) above, the State and the Tribe may consider the following factors:
- (1) The nature and severity of the conduct that constituted the offense or crime;

- (2) The time that has passed since satisfactory completion of the sentence, probation, or payment of the fine imposed;
      - (3) The number of offenses or crimes; and
      - (4) Any extenuating circumstances that enhance or reduce the impact of the offense or crime on the security, integrity, honesty, and fairness of the Tribal gaming enterprise.
    - c. No person applying for a Class III Gaming Contract shall own, manufacture, possess, operate, own an interest in, or gain income or reimbursement in any manner from video gaming devices in any jurisdiction unless the devices are approved and certified by another state lottery, gambling or gaming control agency, Indian Tribe, or National Indian Gaming Commission, and such ownership, manufacture, possession, operation, or income is disclosed to and approved by the Tribe and the State.
    - d. The Tribe or the State may reject an application if the applicant has not provided all of the information requested in the application.
  6. Revocation of Class III Gaming Contract.
    - a. The Tribe may revoke any contract pursuant to policies and procedures determined by the Tribe.
    - b. Every Class III Gaming Contract shall provide that the State, although not a party to that contract, may revoke any contract for cause consistent with the criteria established by paragraph 6.B.5. of this section and that the Class III Gaming Contractor shall consent to the State's right to review and revoke all Class III Gaming Contracts.
  7. Contractor Reporting Requirements.
    - a. All contractors shall submit to the Tribe and the State any financial and operating data requested by the Tribe or the State.

- b. The Tribe shall specify the frequency and a uniform format for the submission of such data.
- c. The Tribe, the State, or their agents reserve the right to examine contractor tax records and the detailed records from which the tax reports are compiled.

8. Termination of Contract.

- a. No contract shall be in effect for a term longer than seven (7) years.
- b. The Tribe and the State shall retain, in each contract, the right to terminate the contract immediately upon the occurrence of any of the following:
  - (1) The contractor is discovered to have made any statement, representation, warranty, or certification in connection with the contract that is materially false, deceptive, incorrect, or incomplete;
  - (2) The contractor fails to perform any material requirements of the contract or is in violation of any material provision thereof, and fails to cure same within ten (10) days' written notice of such failure;
  - (3) The Tribe or the State determines satisfactory performance of the contract is substantially endangered or can reasonably anticipate such occurrence or default;
  - (4) The Contractor, or any officer or employee of the Contractor or any owner of five percent (5%) or more of the equity ownership in the Contractor is convicted of a felony or a gambling-related offense that reflects on Contractor's ability to perform honestly in carrying out the contract;
  - (5) The Contractor jeopardizes the integrity, security, honesty, or fairness of the Tribal gaming operation;  
or

- (6) Upon transfer of a controlling interest of the Contractor.

**C. Fees for Approval of Employment Licenses and Contracts.**

1. The State shall be reimbursed its costs for approval of employees and licenses, in accordance with the terms of this Compact.
2. The fees for State approval of licenses and contracts shall be set pursuant to a Memorandum of Understanding between the parties to be negotiated annually.
3. Should actual costs incurred by the State exceed the fees agreed to by the parties in the annual Memorandum of Understanding, the State will assess those additional costs to the applicants during or after the investigation. The applicant is required to pay the investigation fee in full prior to issuance of the contract or license except that interim contracts or licenses shall be issued for the period of time that a dispute is pending as contemplated at paragraph 6.C.4. below.
4. Should the State and the Tribe fail to agree to fees in the Memorandum of Understanding, the dispute shall be resolved pursuant to Section 15 of this Compact.

**D. Management Contracts.**

1. The Primary Management Official shall provide the State at all times with a current copy of any management agreement with the Tribe that allows it to conduct Class III gaming on the Tribal trust land.
2. The Primary Management Official shall furnish to the State complete information pertaining to any transfer of controlling interest in the management company at least 30 days before such change; 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.

**SECTION 7. REGULATIONS FOR OPERATION AND MANAGEMENT OF CLASS III GAMES.**

- A. Video Lottery Games of Chance. The acquisition, use and operation of all video lottery games of chance and keno authorized under this Compact shall be in accordance with the rules and regulations set forth in Appendices A and B. Appendices A and B are hereby incorporated into and made a part of this compact.
- B. Identification badges. The Tribe shall require all employees to wear, in plain view, identification badges issued by the Tribe that include photo and name.
- C. No credit extended. All gaming shall be conducted on a cash basis. Except as provided herein, no person shall be extended credit for gaming nor shall the Tribe permit any person or organization to offer such credit for a fee. This restriction shall not apply to credits won by players who activate play on video games of chance after inserting coins or currency into the games. This section shall not restrict the right of the Tribe or any other person to offer check cashing or install and accept bank card or credit card transactions in the same manner as is permitted at any retail business in the State.
- D. Prohibition on attendance and play of minors. No person under the age of twenty one (21) shall participate in any video lottery gaming operation or be allowed on the video lottery gaming floor authorized by this Compact during actual hours of operation. No person under the age of twenty one (21) shall be allowed to play any video lottery game of chance operated under this Compact. If any person under the age of twenty one (21) plays and otherwise qualifies to win any video lottery prize or compensation, the prize or compensation shall not be paid.
- 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.
- F. Prohibition of alcohol. No alcohol shall be served in the Gaming Facility.

- G. Liability for damage to persons and property. During the term of this Compact, the Tribe shall maintain public liability insurance with limits of not less than \$250,000 for one person and \$2,000,000 for any one occurrence for any bodily injury or property damage. The Tribe's insurance policy shall have an endorsement providing that the insurer may not invoke tribal sovereign immunity up to the limits of the policy. The Tribe shall indemnify, defend and hold harmless the State, its officers, directors, employees and agents from and against any claims, damages, losses or expenses asserted against or suffered or incurred by the State or its officers, directors, employees and agents (except as may be the result of their own negligence) based upon or arising out of any bodily injury or property damage resulting or claimed to result in whole or in part from any act or omission of the Tribe relating to the inspection of any gaming or gaming related facility pursuant to this Compact.

**SECTION 8: INSPECTION AND ENFORCEMENT OF GAMING REGULATIONS.**

A. Tribal Gaming Commission.

1. The Tribal Gaming Commission shall have primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this Compact, and for the enforcement of this Compact on Tribal Lands. The Tribal Gaming Commission's role shall include the following functions:
  - (1) Ensure compliance with all relevant laws;
  - (2) Ensure the physical safety of patrons in, and of personnel employed by, the establishment;
  - (3) Safeguard the assets transported to and from the gaming facility and cashier's cage department;
  - (4) Protect patrons and property from illegal activity;
  - (5) Detain persons suspected of crimes for the purpose of notifying the law enforcement authorities;

- (6) Record any and all unusual occurrences within the gaming facility in indelible ink in a bound notebook from which pages cannot be removed, and each side of each page of which is sequentially numbered, 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; and
  - (f) The security employee assigned;
- (7) Maintain logs relating to surveillance, security, cashier's cage, credit, machine (showing when video machines opened), and machine location;
- (8) Establish and maintain an updated list of persons barred from the gaming facility either because of their criminal history or because their association with career offenders or career offender organizations poses a threat to the honesty, security and integrity of gaming operations, and furnish that list to the State;
- (9) Obtain an annual audit by a Certified Public Accountant;
- (10) Maintain a closed circuit television system in the cash room of the gaming facility and provide copies of floor plan and TV system to the State;
- (11) Maintain a cashier's cage in accordance with industry standards for security;
- (12) Employ and train sufficient security personnel; and
- (13) Subject to State review and approval, establish a method for resolving disputes with players.

2. **Reporting of Violation.** A Tribal game inspector shall inspect the Gaming Facility at random during all hours of gaming operation, and shall have immediate access to any and all areas of the gaming operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal ordinances. Any violations of the provisions of this Compact, or of Tribal ordinances by the Tribal gaming operation, a gaming employee, or any person on the premises whether or not associated with the Tribal gaming operation, shall be reported immediately to the Tribal Gaming Commission and reported to the State within seventy-two (72) hours of the time the violation was noted.
3. **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 the violation upon such terms and conditions as the Tribal Gaming Commission determines to be necessary. The Tribal Gaming Commission shall be empowered by Tribal ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against a gaming employee, or any other person directly or indirectly involved in, or benefitting from, the gaming operation.
4. **Reporting to State.** The Tribal Gaming Commission shall forward copies of all completed investigation reports and final dispositions to the State on a continuing basis. If requested by the Tribal Gaming Commission, the State shall assist in any investigation initiated by the Tribal Gaming Commission, and provide other requested services to ensure proper compliance with the provisions of this Compact, Tribal ordinances and regulations or applicable laws of the State.

**B. State Enforcement of Compact Provisions.**

1. **Monitoring.** The State is authorized hereby to monitor the Tribal gaming operation to ensure that the operation is conducted in compliance with the provisions of this Compact. The State shall have free and unrestricted access to all areas of the Gaming Facility during normal operating hours without giving prior notice to the Tribal gaming operation.

2. **Access to Records.** 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; provided, that any copy thereof and any information derived therefrom, shall be deemed confidential and proprietary financial information of the Tribe to the extent provided under ORS 192.410 to 192.505. Any records or copies removed from the premises shall be returned to the Tribe after use. Nothing in this subsection precludes the State or the Tribe from disclosing information subject to the Rules of Civil Procedure or Evidence in connection with litigation, a prosecution or a criminal investigation.
3. **Investigation Reports.** After completion of any inspection or investigation report, the State shall provide a copy of the report to the Tribal Gaming Commission.

## **SECTION 9. STATE ASSESSMENT OF COSTS FOR OVERSIGHT.**

- A. **Imposition of assessment for State law enforcement and regulatory expenditures.** The State shall make annually an assessment sufficient to compensate the State for the reasonable and necessary costs of regulating gaming operations and conducting state law enforcement investigations pursuant to this Compact. The State shall assess only those costs related to gaming. The State acknowledges expressly herein that the extent of oversight is related directly to the size and scope of gaming. Such assessment shall include any costs of fringe benefits for personnel. Fees received with respect to the submission of gaming licenses and contracts pursuant to subsection 6.C. of this Compact shall be subtracted from the amount of the assessment.
- B. **Procedure for Assessments.** The procedure for assessments shall be determined and agreed upon annually in a Memorandum of Understanding between the parties to this Compact. Such agreement shall include provisions for adjustments of excess assessments and underpayment of costs.
- C. If the parties fail to agree to the assessments under this section, such dispute shall be resolved pursuant to Section 15 of this Compact.

## **SECTION 10. APPLICATION OF STATE REGULATORY STANDARDS.**

- A. Health and safety standards. Tribal ordinances and regulations governing health and safety standards applicable to the Gaming Facility shall be at least as rigorous as standards imposed by the laws and regulations of the State. The Tribe agrees to cooperate with any State agency generally responsible for enforcement of such health and safety standards in order to assure compliance with such standards. Tribal ordinances and regulations governing water discharges from the Gaming Facility shall be at least as rigorous as standards generally imposed by the laws and regulations of the State relating to public facilities; provided, however, that to the extent that federal water discharge standards specifically applicable to the Tribal lands would preempt such State standards, then such federal standards shall govern.**
- B. Traffic standards. The Tribe shall provide access from its Gaming Facility onto the public road known as State Highway 18 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 provision of such access by the State, including provisions for compensation by the Tribe for some portion of the costs incurred by the State in constructing such improvements to the public highway, including traffic control signals, as may be necessary.**
- C. The Tribe shall report to the Oregon Department of Revenue gambling winnings paid to any person subject to Oregon Personal Income Tax on those winnings whenever the Tribe would be required to report those winnings to the Internal Revenue Service. The information shall be reported in the manner required by the Oregon Department of Revenue.**

## **SECTION 11. EFFECTIVE DATE; TERMINATION; AMENDMENTS.**

- A. Effective Date. This Compact shall become effective upon execution by the State and by the Tribe 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. The federal government amends or repeals IGRA so that a Compact is no longer required for the Tribe's exercise of Class III gaming; or
5. Either party materially breaches this Compact; but only after the dispute resolution process set forth in Section 15 of this Compact has been exhausted, and the breach has continued for a period of 60 days after written notice following the conclusion of the dispute resolution process.

C. Automatic Amendment.

1. If a type of Class III game authorized under Section 4 of this Compact is criminally prohibited by an amendment to State statute or Constitution, this Compact shall no longer authorize the Tribe 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. If a court decides that a Class III game authorized under this Compact is criminally prohibited, this Compact shall no longer authorize the Tribe 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 Tribe 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. Amendments.

1. Except as provided in subsection 11.C. above, this Compact shall not be amended unless one of the following conditions occur:
  - a. The State becomes a party to another Tribal-State Compact that authorizes a tribe other than the Confederated Tribes of the Grand Ronde Community of Oregon to engage in any Class III gaming activity or scope of gaming activity not permitted under the terms of this Compact;
  - b. Three years elapse after the effective date of this Compact;
  - c. 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;
  - d. The State amends any rule or regulation that corresponds specifically to Appendices A and B of this Compact, but in such case this Compact shall be subject to amendment only to the extent of the specific rule or regulation.
2. Paragraph 11.D.1. above does not authorize the Tribe to renegotiate the terms of this Compact applicable to 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. Pursuant to paragraph 11.D.1., the State or the Tribe may by appropriate and lawful means, request negotiations to amend, replace or repeal this Compact. In the event of a request for renegotiation or the negotiation of a new agreement, this Compact shall remain in effect until renegotiated or replaced, unless sooner terminated under subsection 11.B. Such request to renegotiate shall be in writing and shall be sent by certified mail to the Governor of the State or the Chair of the Tribe at the appropriate office identified at Section 13 below. If a request is made by the Tribe, it shall be treated as a request to negotiate pursuant to IGRA. All procedures and remedies available under IGRA shall thereafter apply with the exception that the 180-day period for negotiation set forth at 25 U.S.C. 2710(d) shall be 100 days.

## **SECTION 12. DISCLAIMERS AND WAIVERS.**

- A. Gaming at Another Location or Facility. The Tribe hereby waives any right it may have under IGRA to negotiate a Compact for Class III gaming at any other location or facility for a period of three (3) years from the effective date of this Compact.**
- B. Status of Class II Gaming. Nothing in this Compact shall be deemed to affect the operation by the Tribe 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 Tribe.**
- C. Prohibition on taxation by the State. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe or any Tribal gaming operation except for charges expressly authorized in accordance with this Compact.**
- D. Preservation of Tribal self-government. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, including the Tribal Gaming Commission, or to interfere in any manner with the Tribe's selection of its governmental officers including members of the Tribal Gaming Commission. No licensing or registration requirement contemplated by this Compact shall be applicable to such officers with respect to their capacity as officers of the Tribe.**
- E. This Compact is exclusively for the benefit of and governs only the respective authorities of and the relations between the Tribe and the State. Nothing in this Compact shall be construed as creating or granting any rights to any third party, or as establishing any objection or defense for any third party to any charge, offense or prosecution.**
- F. The State's participation in the negotiation of this Compact through the process established under 25 USC §2710(d)(3) is contingent on a determination by the Secretary of the Interior that the Gaming Location identified in subsection 4.C. of this Compact is eligible to be used by the Tribe for the purpose of gaming as described in 25 USC §2719(b)(1)(B)-(iii). If at any time it is determined by the Secretary or other competent authority that the Gaming Location is not eligible to be used by the Tribe for the purpose of gaming as described in 25 USC §2719(b)(1)(B)(iii), this Compact shall no longer authorize gaming at that location.**

### **SECTION 13. 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:

Lieutenant  
Oregon State Police  
Lottery Security Section  
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

Chair of the Grand Ronde  
Tribal Gaming Commission  
9615 Grand Ronde Rd.  
Grand Ronde, OR 97347

### **SECTION 14. 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 15. DISPUTE RESOLUTION.**

- A. 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. The party asserting noncompliance shall serve written notice on the other party in the manner provided in section 13. 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 Tribe shall thereafter meet within thirty (30) days in an effort to resolve the dispute.

2. 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 court of competent jurisdiction to interpret or enforce the provisions of this Compact.
- B. Nothing in subsection 15.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. 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).

**SECTION 16. INTEGRATION**

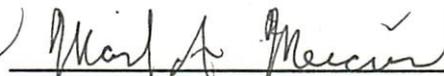
This compact is the complete and exclusive expression of the parties' intent.

**EXECUTED** as of the date and year above-written.

**STATE OF OREGON**

**CONFEDERATED TRIBES OF THE  
GRAND RONDE COMMUNITY OF OREGON**

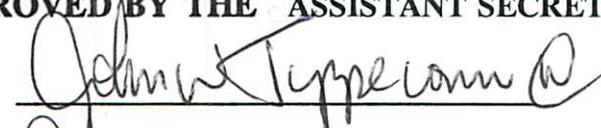
  
Barbara Roberts, Governor

  
Mark A. Mercier, Chair

Date: 08-21, 1993

Date: 08-21, 1993

<sup>Acting for</sup>  
**APPROVED BY THE ASSISTANT SECRETARY - INDIAN AFFAIRS**

By: 

Date: June 10, 1993