

## DEPARTMENT OF THE INTERIOR

## Bureau of Indian Affairs

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**Indian Gaming**

**AGENCY:** Bureau of Indian Affairs,  
Interior.

**ACTION:** Notice of approval for 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) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through her delegated authority, has approved the Tribal-State Compact For Regulation of Class III Gaming Between the Siletz Indian Tribe and the State of Oregon, which was executed on November 14, 1994.

**DATES:** This action is effective March 22, 1995.

**FOR FURTHER INFORMATION CONTACT:**  
George T. Skibine, Director, Indian  
Gaming Management Staff, Bureau of  
Indian Affairs, Washington, D.C. 20240,  
(202) 219-4068.

Dated: March 14, 1995.

**Ada E. Deer,**

*Assistant Secretary—Indian Affairs.*

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# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240



MAR 14 1995

Honorable Delores Pigsley  
Chairman  
Confederated Tribes of Siletz  
Indians of Oregon  
P.O. Box 549  
Siletz, Oregon 97380

Dear Chairman Pigsley:

On January 27, 1995, we received the Tribal-State Gaming Compact between the Confederated Tribes of Siletz Indians of Oregon (Tribe) and the State of Oregon (State), dated November 14, 1994. We have completed our review of this Compact and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to my delegated authority and Section 11 of the IGRA, we approve the Compact. The Compact shall take effect when the notice of our approval, pursuant to Section 11 (d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

We note that the compact provides that gaming will be conducted on the land known as "lots 58, 59, 63, 64 and The Lincoln Shore Star Resort" (The Resort). These lands were taken into trust after October 17, 1988; and they are not located within, or contiguous to, the boundaries of a reservation that was in existence when IGRA was enacted. While IGRA generally prohibits gaming on such lands, IGRA provides several exceptions to this rule.

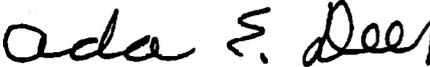
Section 2719 (b)(1)(B)(iii) provides that gaming may be conducted on lands acquired after October 17, 1988 if the lands in question are to be taken into trust as part of the restoration of lands for an Indian Tribe that has been restored to Federal recognition. The Siletz Tribe was restored to Federal recognition by Public Law No. 95-195, 91 Stat. 1415, codified at 25 U.S.C. §§ 711-711f (Siletz Restoration Act). The resort was taken into trust for the Tribe pursuant to that Act. Consequently, the Tribe is authorized to conduct IGRA gaming on these lands notwithstanding the acquisition of the lands after the enactment of IGRA.

Notwithstanding our approval of the Compact, Section 11(d)(1) of the IGRA, 25 U.S.C. § 2710(d)(1), requires that tribal gaming ordinances be approved by the Chairman of the National Indian Gaming Commission (NIGC). Regulations governing approval of Class II and Class III gaming ordinances are found in 25 CFR § § 501.1-577.15 (1994). Pursuant to the IGRA and the regulations, even previously existing gaming ordinances must be submitted to the NIGC for approval when requested by the Chairman. The Tribe may want to contact the NIGC at (202) 273-7003 for further information to determine when and how to submit the ordinance for approval by the NIGC.

In addition, if the Tribe enters into a management contract for the operation and management of the Tribe's gaming facility, the contract must likewise 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 governing management contracts. The Tribe can contact the NIGC for information on submitting the ordinance and the management contract for approval by the NIGC.

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

Sincerely,



Ada E. Deer  
Assistant Secretary - Indian Affairs

Enclosures

Identical Letter Sent to: Honorable Barbara Roberts  
Governor of Oregon  
254 State Capitol  
Salem, Oregon 97310

**TRIBAL-STATE COMPACT FOR REGULATION  
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF  
SILETZ INDIANS OF OREGON AND  
THE STATE OF OREGON**

11/9/94

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**TRIBAL-STATE COMPACT FOR REGULATION  
OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF  
SILETZ INDIANS OF OREGON AND  
THE STATE OF OREGON**

**PREAMBLE.**

This Compact is made between the State of Oregon (hereinafter "State") and the Confederated Tribes of Siletz Indians of Oregon (hereinafter the "Tribe") and pertains to Class III gaming to be conducted on lands that will be taken into trust for the Tribe pursuant to Public Law 103-435, and that will be 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 will be the subject of this compact will be taken into trust and will be designated as Restored Lands and will be subject to IGRA.

**SECTION 1. TITLE.**

THIS Compact is entered into this 10<sup>th</sup> day of November, 1994, by and between The Confederated Tribes of Siletz Indians of Oregon, a federally recognized Tribe of Indians, and the State of Oregon.

**SECTION 2. FINDINGS.**

These findings are agreed to by the Tribe and the State for purposes of this Compact:

**WHEREAS**, the Tribe is a federally recognized Indian Tribe and is the beneficial owner of, and local government for, the Siletz Indian Reservation and for 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 Tribe's public policy, as reflected in the Tribe's Constitution and ordinances adopted by the Tribe, is to exercise and retain its rights to regulate gaming activities upon its lands and reservation for the purposes of encouraging Tribal employment, economic and social development and funding of Tribal services while ensuring the fair and lawful operation of gaming and the prevention of corrupt and criminal influences;

**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 governmental authority over all tribal trust lands, individual trust lands and lands within the Siletz Indian Reservation;

**AND WHEREAS**, the Tribe has represented that the gaming location will be on land described in 25 USC § 2719;

**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 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, 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 taken into trust for the Tribe at Lincoln City, Oregon, 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. 1. Except as provided in paragraph 2 of this subsection, 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 12.D. of this Compact.
2. Notwithstanding paragraph 1 of this subsection, the Tribe and the State may negotiate an additional Class III gaming compact for the land in Northeast Salem that is currently owned by the Tribe, if that land is taken into trust by the Secretary of the Interior for gaming purposes, and the land qualifies for gaming under IGRA. Any negotiations for a compact for the Northeast Salem shall be as provided in Subsection 13.A. of this Compact and IGRA.
- 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, keno as described in Appendix B, and off-race course mutuel wagering as described in Appendix C.

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 built on land located at Lincoln City, Oregon. Both the Gaming Facility and the land are specifically described in Exhibit I to this Compact. The land on which the Gaming Facility will be built is land that has been designated by Act of Congress as "Restored Land" for purposes of 25 USC §2709, and is to be taken into trust for the Tribe by the United States. 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 817. 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.

E. Temporary Gaming Facility.

1. The Tribe is authorized to develop a temporary Gaming Facility on the site designated for the permanent Gaming Facility under the Compact.

2. Type of Facility. The temporary Gaming Facility will consist of a modular building. A diagram of the modular building is attached as Exhibit II to this Compact.
3. Layout of Facility. The total square footage of the temporary Gaming Facility shall be no more than 11,000 square feet. The proposed floor plan for the modular building is attached as Exhibit II to this Compact.
4. Class III Gaming. The only Class III games that will be conducted in the temporary gaming facility will be video lottery terminals as defined in this Compact. The Tribe may install up to 250 video lottery terminals in the temporary Gaming Facility.
5. Duration of Temporary Gaming. Gaming under this subsection may be conducted for a period of no more than one year beginning after the effective date of this Compact and ending before the opening of the permanent Gaming Facility.
6. Access to Temporary Facility. Access to the temporary Gaming Facility shall be provided subject to the conditions imposed in Section 11.B of this Compact. The Tribe shall consult with the Oregon Department of Transportation and appropriate local officials so that access from State Highway 101 will meet appropriate standards. The Tribe is responsible to provide adequate parking off Highway 101 for patrons of the temporary gaming facility.
7. Alcohol Policy. No alcohol will be served in the temporary Gaming Facility.
8. Security. The Tribe shall consult with the Oregon State Police to assure that the security requirements of the Compact are fully satisfied before opening the temporary Gaming Facility.
9. Applicability of Compact Requirements: Except as explicitly provided in this subsection, all terms of this Compact shall apply to the operation of the temporary 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 the Tribal trust land on which the Gaming Facility is located 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.

- E. The State and the Tribe may negotiate a memorandum of understanding under which the Tribe may assume responsibility for background checks to be conducted by Tribal law enforcement officials under terms mutually acceptable to the State and the Tribe. The Tribe may initiate negotiations for a memorandum of understanding under this subsection by written notice to the State. A memorandum of understanding executed under this subsection shall include provisions addressing fees established in a memorandum of understanding under subsection 7.C. of this Compact.

## **SECTION 6. PRINCIPLES GOVERNING GAMING OPERATIONS DECISIONS**

- A. The Tribe and the State agree that maintaining the honesty, integrity, fairness and security of the Tribe's gaming operation is essential both to the success of the enterprise, and to satisfy the interests of the State and of the Tribe. Accordingly, all decisions by the Tribe concerning operation of their Gaming Facility, including those decisions expressly placed within the Tribe's discretion under the terms of this Compact, shall be consistent with each of the following principles:
1. Any and all of the Tribe's decisions concerning operation of the Tribal gaming enterprise shall reflect the particularly sensitive nature of a gaming operation.
  2. In order to maintain the honesty, integrity, fairness and security of the Tribe's gaming operation, the Tribe shall work diligently and take all reasonably necessary affirmative steps to prevent cheating and theft, and to protect the gaming operations from the influence or control by any form of criminal activity or organization.
  3. The honesty, integrity, fairness and security of the Tribe's 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 Tribe shall make no decisions that compromise the honesty, integrity, fairness or security of the gaming operation.

4. Regulation and operation of the Tribe's 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 Tribe's gaming operation.

**B. Procedure for Resolving Disputes Concerning Operational Decisions.**

1. If the State, in good faith, believes that any decision by the Tribe 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 subsection A of this section, or any other requirement of this section, the State may give written notice to the Tribe. 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 Tribe 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 operations, and believes that substantial harm will result during the time that would pass if the procedure established in paragraphs 1 to 3 of this subsection is followed, the State may give written notice to the Tribe. The written notice shall describe the factual basis for the State's concern.
- b. The parties shall confer within 5 days after the Tribe 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 operations 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;
  - (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.

6. The provisions of this section, shall provide the exclusive method for resolving disputes as to the Tribe's 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 and High Security Employees to be employed in the Gaming Facility shall be licensed by the Tribe 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 Tribe 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;
  - j. Any other information required by the Tribe.

3. In addition to the requirements of paragraph 2 of this subsection, prospective High Security Employees and Primary Management Officials shall provide a set of fingerprints.
4.
  - a. The Tribe shall forward the applicant information for each prospective High Security Employee and Primary Management Official to the State, along with the State required portion of the application fee as described in subsection C of this section. The Oregon State Police shall conduct a background investigation on all prospective Primary Management Officials and High Security Employees, and provide a written report to the Tribal Gaming Commission 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.
  - b. The Tribe may request the State to perform a background investigation on any prospective Low Security Employee. Upon such request, the Oregon State Police shall conduct a background check as provided in subparagraph a. of this paragraph. The Tribe may contract for background investigation services for Low Security Employees from a private contractor, if the contractor is acceptable to the State.
5.
  - a. The Tribe shall deny a gaming license to any prospective High Security Employee or Primary Management Official who has committed any of the following crimes under the law of any jurisdiction, or is the subject of a civil judgment in any jurisdiction that is based upon facts that constitute the elements of any of the following crimes:
    - (1) Aggravated murder; murder in the first degree
    - (2) Assault (in the first or second degree)
    - (3) Kidnapping in the first degree
    - (4) Rape in the first degree
    - (5) Sodomy in the first or second degree
    - (6) Unlawful sexual penetration in the first degree
    - (7) Sexual abuse in the first or second degree
    - (8) Any crime related to child pornography
    - (9) Forgery in the first degree
    - (10) Possession of a forgery device

- (11) Unlawful factoring of a credit card transaction
- (12) Falsifying business records
- (13) Sports bribery or receiving a sports bribe
- (14) Making a false financial statement
- (15) Obtaining execution of a document by deception
- (16) Theft by extortion
- (17) Arson in the first degree
- (18) Computer crime
- (19) Robbery in the first or second degree
- (20) Bribery
- (21) Bribing a witness
- (22) Perjury
- (23) Any theft accomplished by manipulation of records; e.g., embezzlement
- (24) Promotion of unlawful gambling
- (25) Conviction of any crime if the original charge was promotion of unlawful gambling, and a lesser charge was plea-bargained.
- (26) Tax evasion

- b. The Tribe shall deny a gaming license to any prospective High Security Employee or Primary Management Official who has associated in a business relationship, whether as a partner, joint venturer or employer, with any other person who has been convicted of one of the crimes listed in subparagraph a. of this paragraph. The Tribe shall deny a gaming license to any prospective High Security Employee or Primary Management Official who was employed by any other person who has been convicted of one of the crimes listed in subparagraph a. of this paragraph, if the prospective employee or official was in any way involved in or aware of the criminal activity as it occurred.
- c. The Tribe 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 Tribe 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 Tribe or the State during a background or security investigation.
- d. The Tribe may deny a gaming license to any prospective High Security Employee or Primary Management Official for any reason the Tribe deems sufficient. Such decisions to grant or deny a gaming license shall be consistent with the principles set forth in subsection A of section 6 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 Tribe shall include, but need not be limited to, the following:
- (1) The applicant has been convicted of any crime (other than a crime listed in subparagraph a. of this paragraph) in any jurisdiction;
  - (2) The applicant has associated with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affect the general credibility, honesty, integrity, security, fairness or reputation of the Tribe's gaming operation; or
  - (3) There is any aspect of the applicant's past conduct that the Tribe determines would adversely affect the honesty, integrity, security or fairness of Tribal gaming operation.
- e. The Tribe shall deny employment to any prospective Low Security Employee who does not meet the criteria established in sub-subparagraphs (1) to (5) of this subparagraph. The Tribe may deny employment to any Low Security Employee applicant who does not meet the criteria established in sub-subparagraphs (6) to (26) of this subparagraph or in subparagraphs c. or d. of this paragraph. Decisions to grant or deny employment shall be consistent with the principles set forth in subsection A of section 6 of this Compact.

- f. The Tribe may reject an application if the applicant has not provided all of the information requested in the application.
- 6. Denial of employment or a license by the Tribe is final.
- 7. Waiver of Disqualifying Criteria.
  - a. If a prospective Primary Management Official, High Security Employee or Low Security Employee is disqualified for licensing or employment under the provisions of paragraph 5. above, and the Tribe believes that there are mitigating circumstances that justify waiver of the disqualifying factor, the Tribe may give written notice to the State asking to meet and confer concerning waiver of the disqualification. The Tribe and the State shall meet within 15 days after written notice is given.
  - b. In order to waive disqualification of licensing or employment of any prospective Primary Management Official, High Security Employee or Low Security Employee, both the Tribe and the State must agree on the waiver.
  - 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 a crime;
    - (2) The applicant's age at the time of conviction;
    - (3) The severity of the offense committed;
    - (4) The overall criminal record of the applicant;
    - (5) The applicant's present reputation and standing in the community;
    - (6) The nature of the position for which the application is made.

8. 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 Tribe determines that the employee does not meet the criteria established in sub-subparagraphs 7.A.5.a.(1) to (5) above.
9. Background investigation during employment. The Tribe may request the State to conduct additional background investigations of any gaming employee at any time during the term of employment. The State shall report to the Tribe any cause for the dismissal of any employee under the criteria established in paragraph 5 of subsection A above, and furnish the Tribe with copies of all relevant information. The Tribe shall review the State's report and supporting materials and if the Tribe concludes that good cause for dismissal is shown under the criteria established in paragraph 5 of subsection A above, the subject employee may be dismissed. An employee shall be dismissed if the Tribe would have been required to deny employment to that employee under the provisions of paragraph 5 of subsection A above.
10. 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 2 to 5 of subsection A 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.

11. Revocation of license. The Tribe may revoke the license of any employee pursuant to policies determined by the Tribe. The Tribe shall revoke the license of any employee upon occurrence of an event that would have prohibited the Tribe from hiring the employee under the criteria described in paragraph 5 of subsection A above.
12. 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 any proposed Class III Gaming Contract to the State for review and comment, and for a background investigation of the contract applicant. The Tribe may contract for background investigations on Minor Procurement Contracts, if the contractor is acceptable to the State.
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. All Class III Gaming Contract applicants, and any owner or key employee of an applicant, shall provide all personal and business information required by the State to conduct its background investigation.
5. The Tribe shall not enter into any Class III Gaming Contract that does not grant the State or the Tribe access to the contractor's business and financial records.

6. Criteria for Denial of Contract Application.

- a. The Tribe shall deny a Class III Gaming Contract application for a Major or Sensitive Procurement if the applicant, or any owner or key employee of the applicant has been convicted of a crime, or is the subject of a civil judgment based upon facts that constitute the elements of a crime described in subparagraph a of paragraph 5 of subsection A above.
- b. The Tribe shall deny a Class III Gaming Contract application for a Major or Sensitive Procurement if the applicant, or any owner or key employee of the applicant, has associated in a business relationship, whether as a partner, joint venturer or employer, with any other person who has been convicted of one of the crimes listed in subparagraph a of paragraph 5 of subsection A above. The Tribe shall deny a Class III Gaming Contract for a Major or Sensitive Procurement if the applicant, or any owner or key employee of the applicant, was employed by any other person who has been convicted of one of the crimes listed in subparagraph a of paragraph 5 of subsection A of this section, if the applicant, owner or key employee was in any way involved in or aware of the criminal activity as it occurred.
- c. The Tribe shall deny a Class III Gaming Contract application for a Minor Procurement if the applicant, or any owner or key employee of the applicant, has been convicted of a crime described in sub-subparagraphs (1) to (5) of subparagraph a of paragraph 5 of subsection A of this section, or is the subject of a civil judgment based upon facts that constitute the elements of a crime described in sub-subparagraphs (1) to (5) of subparagraph a of paragraph 5 of subsection A of this section.
- d. The Tribe shall deny a Class III Gaming Contract application if:
  - (1) The applicant fails to disclose any material fact to the Tribe 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 Tribe or the State during a background or security investigation.
- e. The Tribe may deny any Class III Gaming Contract application for any reason the Tribe deems sufficient. In determining whether to deny a Class III Gaming Contract application, the factors to be considered by the Tribe shall include, but need not be limited to the reasons described in section 7.A.5. above.
- f. The Tribe may deny any Class III Gaming Contract application if:
  - (1) 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;
  - (2) The applicant demonstrates inadequate financing for the business proposed under the type of contract for which application is made. In determining whether financing is adequate, the Tribe shall consider whether financing is from a source that meets the qualifications of paragraph 5 of subsection A of this section, or paragraph 6 of subsection B of this section and whether that financing is in an amount to ensure the likelihood of success in the performance of the contractor's duties and responsibilities; or
  - (3) 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.
- g. In evaluating whether to deny a contract related to Class III gaming based on subparagraph e or f of paragraph 6 of subsection B of this section, 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.
- h.
- (1) 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, National Indian Gaming Commission, or foreign country, that has jurisdiction to approve that activity, and such ownership, manufacture, possession, operation, or income is disclosed to the Tribe.
  - (2) No person applying for a Class III Gaming Contract shall own, operate, own an interest in, or gain income or reimbursement in any manner from off-track pari-mutuel wagering in any jurisdiction unless that activity is approved and certified by another state racing regulatory body, gambling or gaming control agency, Indian Tribe, National Indian Gaming Commission, or foreign country, that has jurisdiction to approve that activity, and such ownership, operation, or income is disclosed to the Tribe.
- i. The Tribe may reject an application if the applicant has not provided all of the information requested in the application.

- j. If a contract application is required to be denied because of the findings of a background investigation of a key employee of the applicant, the Tribe may enter into the contract if the contractor dismisses the key employee before entering into the contract. This subparagraph shall not apply to any person who is a member of the board, chief executive officer, chief financial officer or the owner of a controlling interest in the applicant.

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 and the State each may 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.

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 4 of this subsection.

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 6 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 Tribe and 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.
- E. Nothing in this Compact shall grant any right to any person or entity having a contractual or employment relationship with the Tribe.

**SECTION 8. 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. Pari-Mutuel Wagering. The operation of off-race course mutuel wagering authorized under this Compact shall be in accordance with the rules and regulations set forth in Appendix C. Appendix C is hereby incorporated into and made part of this Compact.
- C. Identification badges. The Tribe shall require all employees to wear, in plain view, identification badges issued by the Tribe that include photo and name.

- D. 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.
- E. Prohibition on attendance and play of minors. No person, under the age of twenty one (21) shall be allowed to play any video lottery game of chance operated under this Compact, other than a Tribal member who is at least eighteen (18) years of age. If any person under the age of twenty one (21) other than a Tribal member who is at least eighteen (18) years of age, plays and otherwise qualifies to win any video lottery prize or compensation, the prize or compensation shall not be paid. No person under the age of eighteen (18) shall be allowed to play keno or place or collect pari-mutuel bets. No person under the age of eighteen (18) may work in the gaming area. No person under the age of twenty-one (21) may sell alcohol within the Gaming Facility.
- F. 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.
- G. Alcohol Policy. No alcohol shall be served in the Gaming Facility unless authorized by the Tribe as permitted by Federal law. Currently, the Tribe does not legally permit the sale or possession of alcohol within the Siletz Indian Reservation. If Tribal law is changed to permit sales at the Gaming Facility, the Tribe shall notify the State. Service of alcohol shall be in compliance with State laws and Oregon Liquor Control Commission licensing regulations as negotiated in a memorandum of understanding under this Compact. Nothing in this subsection shall permit the State to impose taxes on the sale of alcoholic beverages by the Tribe. If alcohol is served in the Gaming Facility, no alcoholic beverages may be served free or at a reduced price to any patron of the Gaming Facility as an inducement to participate in any gaming.

- H. Liability for damage to persons and property. During the term of this Compact, the Tribe shall maintain public liability insurance in an amount that is reasonable and consistent with prudent business practice, with limits of not less than \$250,000 for one person and \$1,000,000 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 9: 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 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 Tribe may request removal of a State law enforcement officer or monitor on the basis of malfeasance, abuse of authority, or conduct disrespectful of Tribal institutions or culture. Effective performance of the officer's or monitor's duties shall not be a basis for disapproval. 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 documents containing financial information, proprietary ideas, plans, methods, data, development, inventions or other proprietary information regarding the gambling enterprise of the Tribe, games conducted by the Tribe, or the operation thereof provided to the State by the Tribe, any copy thereof and any information derived therefrom, shall be deemed confidential and proprietary financial information of the Tribe and is hereby acknowledged by the State to have been submitted to the State by the Tribe voluntarily and in confidence, and with the expectation that the records will be regarded as confidential. The State agrees that the disclosure of such documents shall be protected 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 an appropriate judicial order under 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 10. 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 7.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 16 of this Compact.

#### **SECTION 11. 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. Transportation Issues.
  - 1. The Tribe shall provide a traffic impact study, prepared by a qualified traffic engineer registered in the State of Oregon. The study shall evaluate the effect of the proposed Gaming Facility, and any related development proposed by the Tribe as part of the same site, on the state highway system and any city street or county road that may be used by customers as access to the Gaming Facility. The traffic impact study shall determine the impacts of the proposed Gaming Facility and related development on the level of service of the affected highway(s), road(s) or street(s).

2. A determination whether the Gaming Facility shall be served directly by a state highway or by a city street or county road shall be made by the State and appropriate local officials on a consistent basis with other proposed developments.
  - a. If the Gaming Facility is to be served directly by a state highway, the Tribe shall apply for and obtain a road approach permit under Oregon Administrative Rules, Chapter 734, Division 50, and shall construct the approach and any other necessary improvements in accordance with that permit. A road approach permit shall not be denied because of the proposed use of the Tribe's land. The Tribe shall provide and maintain access from its Gaming Facility onto the highway 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. The allocation of costs shall be as provided in Oregon Administrative Rule 734-50-020(1), which provides that the costs of constructing the road approach shall be borne by the permit applicant.
  - b. If the Gaming Facility is to be served directly by a city street or county road, and indirectly by a state highway, the Tribe shall comply with applicable city or county street or road improvement requirements and satisfying any requirements the State imposes on the county or city relating to access to a state highway.
3. If the Tribe plans additional development of the Gaming Facility site, the Tribe shall advise the appropriate state or local transportation planning officials of the planned development by submitting a master plan. In planning street, road or highway improvements, the Tribe, state and local transportation planning officials shall plan for improvements using the master plan. Construction of street, road or highway improvements may be completed in phases if practicable.
4. Traffic improvements shall be those necessary to maintain the level of service of the affected highway(s), road(s) or street(s), and to provide safe access to and from the Gaming Facility. For state highways, traffic improvements shall be consistent with the

requirements of the State Highway Plan, including improvements necessary to mitigate traffic congestion, and to conform to the Oregon Department of Transportation access management policies. If the Oregon Department of Transportation determines that highway improvements are necessary, the department shall confer with the Tribe concerning the planning, design and construction of those improvements.

5. A transportation impact study for the north end of Lincoln City has been prepared by a qualified traffic consulting firm. The study identifies significant traffic impacts expected to result from proposed development in the area. The plan recommends improvements to remedy these impacts and distributes the costs of those improvements among the State, city, county and individual developers based on the impacts attributable to each. The Tribe may participate in this study and recommended improvements as a way to mitigate the impact of the Gaming Facility on the overall transportation system in north Lincoln City. If the Tribe participates in the study and road improvements under this paragraph, the requirements of paragraph 1 above are deemed satisfied.
  6. The Tribe shall pay the reasonable cost of necessary street, road or highway improvements determined to be necessary on the basis of the traffic impact study and Oregon Department of Transportation requirements. If the Tribe disputes the amount of costs to be paid by the Tribe, the Tribe may initiate the dispute resolution procedure established under section 16 of this Compact.
- 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 12. 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 16 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 for all purposes by all persons by 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 12.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 Siletz Indians 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, B or C of this Compact, but in such case this Compact shall be subject to amendment only to the extent of the specific rule or regulation; or
  - e. The federal government amends IGRA or enacts any other federal law that changes the conditions under which Class III gaming may be conducted on tribal lands, but continues to require a state-tribal gaming compact.
2. Paragraph 12.D.1. above does not require the State to renegotiate the terms of this Compact that apply to those forms of gaming previously authorized by Section 4 of this Compact, unless the State voluntarily consents to such renegotiation or as is otherwise provided for in this Compact.
3. Pursuant to paragraph 12.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 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 Chair of the Tribe at the appropriate office identified at Section 14 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 13. DISCLAIMERS AND WAIVERS.**

- A. Gaming at Another Location or Facility.
1. Except as provided in paragraph 4.A.2 above and paragraph 2 of this subsection, 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.
  2. Notwithstanding paragraph 1 of this subsection, the Tribe may request negotiations under IGRA after a period of two (2) years from the effective date of this Compact for its land in Northeast Salem if that land is taken into trust by the Secretary of the Interior for gaming purposes, and the land qualifies for gaming under IGRA.
- 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. Governing Law. The provisions of this Compact shall be construed consistently with the Indian Gaming Regulatory Act and the laws of the State of Oregon.
- G. Location Eligible for Class III Gaming. The State has negotiated and executed this Compact pursuant to the process established under 25 USC §2710(d)(3), with knowledge that the Gaming Location identified in Exhibit I is not currently held in trust by the United States for the benefit of the Tribe. This Compact is effective only at the time the United States takes the land described in Exhibit I to this Compact into trust for the Tribe. Operation of this Compact is dependent upon the described land being taken into trust no later than September 1, 1995. Operation of this Compact is further dependent upon a determination by the Secretary of the Interior that the Gaming Location is eligible to be used by the Tribe for the purpose of gaming as described in 25 USC §2719. 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, this Compact shall no longer authorize gaming at that location.

#### **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:

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

Tribal Council  
Confederated Tribes of  
Siletz Indians of Oregon  
P.O. Box 549  
Siletz, OR 97380

#### **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. 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 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 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 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. 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) to the extent authorized by law.

### 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  
SILETZ INDIANS OF OREGON

  
Barbara Roberts, Governor

  
Delores Pigsley, Chair

Date: Nov. 14, 1994      Date: November 10, 1994

APPROVED BY THE ASSISTANT SECRETARY - INDIAN AFFAIRS

By:   
ADA E. DEER

Date: MAR 14, 1995