United States Department of the Interior

TAKE PRIDE IN AMERICA

OFFICE OF THE SECRETARY
Washington, D.C. 20240

FEB 12 1997

Honorable Wanda Johnson
Chairperson, Burns-Paiute Tribe
HC-71 100 Pasigo Street
Burns, Oregon 97720

Dear Chairperson Johnson:

On December 30, 1996, we received the Tribal-State Compact between the Burns-Paiute Tribe (Tribe) and the State of Oregon (State), dated December 19, 1996. 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.

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 C.F.R. §§ 501.1-577.15 (1995). 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) 632-7003 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 may want to 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,

/S/ Ada E. Deer

Ada E. Deer
Assistant Secretary - Indian Affairs

Enclosures

Identical Letter Sent to: Honorable John Kitzhaber
Governor of Oregon
254 State Capitol
Salem, Oregon 97310

cc: Portland Area Director, w/copy of approved Compact
Supt., Warm Springs Agency w/copy of approved Compact
National Indian Gaming Commission w/copy of approved Compact
Pacific NW Regional Solicitor's Ofc w/copy of approved Compact
Portland United States Attorney w/copy of approved Compact

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE BURNS-PAIUTE TRIBE AND THE STATE OF OREGON

December 12, 1996

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TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE BURNS-PAIUTE TRIBE AND THE STATE OF OREGON

PREAMBLE.

This Compact is made between the State of Oregon (hereinafter "State") and the Burns-Paiute Tribe (hereinafter the "Tribe") and pertains to Class III gaming to be conducted on lands that are held in trust for the Tribes 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 are subject to IGRA.

SECTION 1. TITLE.

THIS Compact is entered into this 19th day of December 1996, by and between The Burns-Paiute Tribe, 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 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 within the Burns-Paiute Tribe Indian Reservation, (hereafter referred to as "Indian Lands");

AND WHEREAS, the Tribe has represented that the gaming location is on land held in trust by the United States for the Tribe since 1972.

AND WHEREAS, IGRA is intended to provide a statutory basis for regulation of gaming by the Tribe adequate to shield them 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 their 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, 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 included in the Tribe's

Reservation at Burns, Oregon, and specifically described in Exhibit I to the Compact. If the size of the Gaming Facility is expanded as otherwise provided in this Compact, the term "Gaming Facility" shall thereafter refer to the expanded facility.

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 employed to work in a gaming area 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. "Management Contract" means any contract, subcontract, or collateral agreement between the Tribe and a contractor or between a contractor and a subcontractor if such contract or agreement provides for the management of all or part of a gaming operation.

N. "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.

O. "Owner" means any person or entity that owns 5% or more of the equity ownership of a company, alone or in combination with another person who is a spouse, parent, child or sibling.

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

1. Is designated as having management responsibility for any part of a 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.

Q. "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. Typical examples of this class of procurement are the acquisition of security systems required to protect the security and integrity of the Class III gaming, financing agreements and consulting agreements for services related to operation of Class III gaming.

R. "Video lottery terminal" or "terminal" means an electrical or electromechanical device, component, or terminal that displays a ticket through the use of a video display screen, and that is available for consumer play upon payment of any consideration, with winners determined by the application of the element of chance and the amount won determined by the possible prizes displayed on the device.

SECTION 4. AUTHORIZED CLASS III GAMING.

A. Only Compact Between Tribe and State. 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, keno as described in Appendix B and house banked blackjack as described in Appendix C and as further limited under subsection E of this section.

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 near Burns, Oregon. Both the Gaming Facility and the land are specifically described in Exhibit I to this Compact. This land is held in 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 they 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 100. 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. Specific Rules Governing House Banked Blackjack

1. Before house banked blackjack is conducted at the gaming facility the Tribal Gaming Commission shall:

   a. Ensure that the Gaming Facility Management develops rules and procedures for a system of internal controls that meets the minimum standards established in Appendix C.

   b. Require the Gaming Facility Management to provide appropriate training for all dealers, supervisors and surveillance personnel involved in house banked blackjack, and for the Tribal Gaming Inspector, according to the minimum training standards established in Appendix C.

   c. Ensure that the Gaming Facility Management establishes a security and surveillance plan that meets the minimum standards established in Appendix C.

   d. Promulgate rules of operation for house banked blackjack that meet the minimum standards established in Appendix C, including rules of play, standards for equipment.

   e. Promulgate a dispute resolution procedure that provides for investigation and review of any player complaint.

2. The Tribe shall establish an initial wager limit of $50 per hand, except that the Tribe may offer a maximum wager limit of $100 per hand on one table. After a period of two months of operation of house banked blackjack in full compliance with the requirements of this subsection, the Tribe may change the initial wager limit from $50 to $75 for three tables, and from $100 to $200 for one table. After any period of six months of operation of house banked blackjack in full compliance with the requirements of this subsection, the Tribe may request a change in these wager limits. The State may refuse to agree to an increase in the initial wager limit if there have been any significant problems with the conduct of house banked blackjack due to noncompliance with the internal controls, the rules of operation of the game or with the terms of this subsection. The amount of any increase in the wager limit must be agreed to by both the State and the Tribe.

3. The Tribe may operate a maximum of four tables of house banked blackjack.

4. This authorization in this Compact for house banked blackjack shall expire on December 31, 1997 unless an amendment authorizing the play of house banked blackjack beyond that date has been negotiated and executed.

F. Principles Governing Gaming Operations Decisions

1. 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. The Tribe and the State agree that both of them have the responsibility to protect the citizens of this State who patronize the Tribe's gaming facility from any breach of security of the gaming operation. Accordingly, all decisions by the Tribe, the Tribal Gaming Commission and the management of the gaming operation, concerning regulation and operation of the 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:

   a. Any and all decisions concerning regulation and operation of the Tribal gaming enterprise, whether made by the Tribe, the Tribal Gaming Commission or the management of the gaming operation, shall reflect the particularly sensitive nature of a gaming operation.

b. In order to maintain the honesty, integrity, fairness and security of the Tribe's gaming operation, the Tribe, the Tribal Gaming Commission and the management of the gaming operation 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.

c. 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, the Tribal Gaming Commission and the management of the gaming operation shall make no decisions that compromise the honesty, integrity, fairness or security of the gaming operation.

d. 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.

2. Procedure for Resolving Disputes Concerning Operational Decisions.

a. 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 paragraph (a) of this subsection, 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.

b. The parties shall meet and confer within 15 days after the Tribe receive the notice.

c. (1) 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.

(2) An arbitrator shall be selected in the following manner:

(a) The parties shall obtain a list of qualified arbitrators from U.S. Arbitration and Mediation of Oregon, or any other arbitration panel agreed to by the parties.

(b) Each party, in turn, shall strike on name from the list, until one name remains. The parties shall draw lots to determine which party makes the first strike.

(3) Upon agreement by both parties, the arbitration proceeding shall be binding.

(4) The parties shall divide the cost of the arbitration proceeding equally between them.

d. 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 15 of this Compact.

e. Expedited Procedures.

(1) 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 sub-paragraphs a. to c. of this paragraph is followed, the State may give written notice to the Tribal Gaming Commission. The written notice shall describe the factual basis for the State's concern. The written notice shall recommend specific action or actions the State believes will prevent substantial harm from occurring. The State and the Tribal Gaming Commission shall meet and confer, in person or by conference call, within 24 hours after the commission, or any member thereof, receives the notice. The Tribal Gaming Commission shall consider the State's recommendation and immediately thereafter shall take such action that addresses the State's concern as is necessary to protect the honesty, integrity, fairness and security of the Tribal gaming operation. Nothing in this subparagraph shall preclude either party from invoking the dispute resolution procedures provided in this Compact after the commission has acted.

(2) The parties shall confer within five days after the Tribe receives the notice.

(3) If the State's concern is not resolved informally within 10 days after the Tribe receives the notice, the State may initiate an action in the United States District Court for the District of Oregon as provided in section 15 of this Compact.

(4) An immediate threat to the honesty, integrity, fairness and security of the Tribal gaming operations includes but is not limited to the following examples:

(a) A criminal indictment is filed against any contractor, or owner or key employee of a contractor, or against any key employee of the Tribal gaming operation;

(b) 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;

(c) A malfunction of gaming equipment hardware or software causes patrons of the Gaming Facility to lose money, and that loss is directly related to the equipment malfunction;

(d) The security of gaming equipment has been impaired by loss, theft, or tampering;

(e) The physical safety or security of patrons is seriously at risk; and

(f) A continuing pattern of failure by the Tribe, the Tribal Gaming Commission or management of the gaming operation to enforce compliance with the provisions of this Compact, or the regulations and internal controls governing the gaming operation.

F. Expansion of Gaming Area. If the Tribe decides to expand the square footage of the Gaming Facility the parties shall enter into an addendum to this Compact in which the precise number of additional video lottery terminals to be located in the expansion shall be established. The limit on the number of

video lottery terminals established in subsection D of this section shall be increased by the number of video lottery terminals that would occupy 15 percent (15%) of the total square footage of the expansion that is devoted to Class II and Class III gaming and related activities, given customary industry spacing of video lottery terminals.

G. Interim Gaming Facility. The Tribe is authorized to develop an interim gaming facility. The development and operation of this facility shall be provided by the terms of this subsection.

1. Location of Interim Facility. The site of the interim gaming facility will be on the site designated for the permanent gaming facility under the Compact, as more specifically described in Exhibit 1.

2. Type of Facility. The interim gaming facility will consist of a temporary building. The Tribe shall provide to the State a diagram of the alignment of the temporary building at least 30 days before opening of the interim gaming facility.

3. Layout of Facility. The total square footage of the interim gaming facility shall be no more than 4,100 square feet. The proposed floor plan for the building shall be provided to the State at least 30 days before opening.

4. Class III Gaming. The only Class III games that will be conducted in the interim gaming facility will be VLT's as defined in this Compact. The Tribe may install up to 100 VLT's in the interim gaming facility. Any reduction in the square footage of the interim gaming facility from that set forth in paragraph 3 above, shall result in a corresponding reduction in the number of VLTs authorized by this paragraph.

5. Duration of Interim Gaming Facility. Gaming in the interim gaming facility pursuant to this subsection may be conducted from the effective date of this Compact until the earlier of the opening of the permanent gaming facility under the Compact or six months after opening of the interim gaming facility.

6. Access to Interim Facility. Access to the interim gaming facility shall be on the same road that is planned for the permanent Gaming Facility.

7. Alcohol Policy. No alcohol will be served in the interim 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 interim gaming facility.

9. Applicability of Compact Requirements. Except as explicitly provided in this subsection all terms of the Compact for Class III Gaming between the Tribes and the State shall apply to the operation of the interim gaming facility.

10. Expiration. The authority to conduct Class III gaming in an interim gaming facility as authorized by this subsection shall expire on the earlier of the date the permanent gaming facility is opened or six months after the opening of the interim gaming facility. The provisions of this subsection shall not apply to the permanent Gaming Facility.

SECTION 5. JURISDICTION.

A. In General.

1. The Tribe and Federal Government shall have criminal jurisdiction over offenses committed by Indians within the Gaming Facility. The criminal laws of the Tribe, and the Federal Government where applicable, shall govern the criminal conduct of Indians at the Gaming Facility. The Tribe has a Police Department, a Tribal Court and an agreement with Harney County for incarceration of Indian offenders.

2. The State has criminal jurisdiction over offenses committed by non-Indians within the Gaming Facility and the Burns Paiute Indian Reservation. The criminal laws of the State shall be applicable to non-Indians and have the same force and effect at the Gaming Facility as they have on non-Tribal lands within the State. The enforcement of criminal laws with respect to non-Indians 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. The State shall make reasonable efforts to enforce the criminal laws applicable to offenses committed by non-Indians within the Gaming Facility and the reservation.

B. Except as provided in a Memorandum of Understanding executed in accordance with the foregoing paragraph 2 of subsection A above, law enforcement officers of the State of Oregon, or officers designated by the State, shall have free access to anywhere within the Gaming Facility for the

purpose of maintaining public order and public safety, conducting investigations related to possible criminal activity and enforcing applicable laws of the State with respect to non-Indians. Any law enforcement activities undertaken by law enforcement officers of the State shall be in compliance with this Compact. The 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. Subject to the provisions of paragraph 1 of subsection B of section 8, the State may station one or more officers, designated in accordance with subsection B of this section, at the Gaming Facility by mutual agreement with the Tribe.

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 -- whether Primary Management Officials, ~~both~~ High Security Employees or 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 and state of issuance;

   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. Provide the results of a drug test and physical examination upon request of either of the parties to this Compact.

k. Any other information required by the Tribe.

3. In addition to the requirements of paragraph 6.A.2. above, prospective Primary Management Officials and 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. If after investigation, the State determines there is cause to disapprove any applicant 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.

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. <u>Background investigation during employment.</u> 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 14 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 submission of the results to the Tribal Gaming Commission. If the employee does not qualify for a permanent license, the Tribe shall immediately revoke the temporary license.

   b. The Tribe may employ Low Security Employees on probation upon 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.

   c. For purposes of this paragraph, if an application is forwarded by mail to the Oregon State Police or the results of a background check by the Oregon State Police are provided to the Tribe by mail, the material is deemed to be submitted three days after the date of mailing.

   d. No temporary license may be granted to a Primary Management Official or to a consultant under this paragraph.

8. 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.

9. Duration of license and renewal. Any employee license shall be effective for not more than three (3) years from the date of issue except that a licensed employee who has applied for renewal may continue to be employed under the expired license until final action is taken on the renewal application in accordance with the provisions of 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.

10. Revocation of license. The Tribe may revoke the license of any employee pursuant to policies determined by the Tribe. If the State notifies the Tribe that an employee does not meet the criteria described in paragraph 6.B.5. below, and the Tribe is satisfied of that fact, the Tribe shall revoke the employee's license.

11. 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. If a contract applicant has been approved by the State for a contract with another Tribe, the level of investigation need not be as intense as for a previously unapproved contract applicant.

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.

e. Notwithstanding subparagraphs a or b of this paragraph, if a Class III Gaming Contract application is required to be denied under subparagraphs a or b of this paragraph, because a person previously associated with the applicant or an employee of the applicant has been convicted of a crime, the Tribe may enter into a contract with the applicant if the applicant has severed its relationship with that person or employee. Before the Tribe may enter into a contract under this subparagraph, the State and the Tribe must agree that the relationship between the applicant and the person or employee has been severed. For purposes of this subparagraph, a relationship is severed if the person or the employee has no continuing connection with the direction or control of any aspect of the business of the applicant, and the person or employee is no longer employed by the applicant in any capacity. The burden of showing to the satisfaction of the Tribe and the State that a relationship has been severed is on the applicant.

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. If the State intends to revoke a Class III Gaming Contract under this provision, the State shall first suspend the contract, and give the Tribe notice of the suspension. The Contractor shall have thirty (30) days in which to correct the situation giving rise to the suspension before the contract may be revoked.

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 five (5) 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, licenses and contracts, 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. Blackjack. The rules and regulations governing the play of house-banked blackjack authorized under this Compact shall be those set forth in Appendix C which is hereby incorporated into and made a 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. The Tribe and the State may provide, in a memorandum of understanding, for exceptions to the requirement that badges be worn in plain view, for confidential compliance personnel.

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 or blackjack 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. No person under the age of eighteen (18) shall be allowed to play keno. 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, city 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 Burns Paiute 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 provided in a memorandum of understanding under this Compact. Nothing in this subsection shall permit the State to impose taxes on the sale of alcohol by the Tribe. If alcohol is served in the Gaming Facility, no alcoholic beverages may be served free of charge or at a reduced price to any patron of the Gaming Facility as an inducement to participate in any gaming. In the event that alcohol is to be served in the Gaming Facility, it will be served only in a lounge or such other specified room and the service of alcohol on the gaming floor shall be prohibited.

H. 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:

   a. Ensure compliance with all relevant laws;

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

   c. Safeguard the assets transported to and from the gaming facility and cashier's cage department;

   d. Protect patrons and property from illegal activity;

   e. Detain persons suspected of crimes for the purpose of notifying the law enforcement authorities;

   f. 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:

      (1) The assigned sequential number of the incident;

      (2) The date;

      (3) The time;

      (4) The nature of the incident;

      (5) The person involved in the incident; and

      (6) The security employee assigned;

g. Maintain logs relating to surveillance, security, cashier's cage, credit, machine (showing when video machines opened), and machine location;

h. 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;

i. Obtain an annual audit by a Certified Public Accountant;

j. 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;

k. Maintain a cashier's cage in accordance with industry standards for security;

l. Employ and train sufficient security personnel; and

m. 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 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. The Tribe agrees that the State monitoring function includes at a minimum the activities identified in the Compact, the amendments and the memorandum of understanding entered into pursuant to this Compact, and that the actual, reasonable and necessary cost of monitoring activities shall be assessed to the Tribe as provided in the memorandum of understanding entered into pursuant to this Compact. In addition to the State's regular monitoring functions, the Tribe agrees that the State may conduct the following activities, which shall also be assessed to the Tribe:

a. A joint pre-opening review of the Gaming Facility, which shall be conducted jointly by the Tribe and the State, to assure compliance with the Compact requirements governing gaming operations.

b. A comprehensive annual review, which shall be pre-planned and conducted jointly with the Tribal Gaming Commission, of the gaming operation to verify compliance with the requirements of this Compact and with the regulations and internal controls adopted by the Tribal Gaming Commission, including at a minimum review in the following areas: administrative controls (gaming management internal controls),

gaming operations controls, drop boxes, station inventories, surveillance department controls, cashier cage controls, count room controls (security and surveillance), accounting department controls (security), general controls (compact regulatory requirements), blackjack controls, VLT controls, accounts payable, employee identification, gaming chip inventory for gaming floor and cage, physical examination of all class III gaming cards, chips, e-proms, paper stock, printers, keno balls, fill slips, video gaming devices, keno controls, off-track betting and security department controls;

c. Periodic review of any part of the gaming operation in order to verify compliance with the requirements of this Compact and with the regulations and internal controls;

d. Investigation of possible violations of this Compact or other gaming regulatory matters, whether discovery during the action, review or inspection by the State during its monitoring activities, or otherwise

2. As provided in Section 5 of this Compact, the Tribe's law enforcement agency is responsible for investigation of criminal law violations by Indians on the Reservation. The Tribe and the State agree that the Tribe's criminal law jurisdiction does not prevent the State from investigating possible violations of this Compact or other gaming regulatory matters. The Tribe and the State agree that their respective law enforcement agencies shall cooperate in any investigation that involves or potentially involves both criminal and gaming regulatory violations.

3. 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.

4. Investigation Reports. After completion of any inspection or investigation report, the State shall provide a copy of the report to the Tribal Gaming Commission.

C. The State desires the Tribe to install an on-line accounting system for its video lottery terminals. The Tribe agrees **that it will** include an on-line accounting system for video lottery terminals in the permanent Gaming Facility **if the Tribe installs more than 100 video lottery terminals. If the Tribe proposes to install more than 100 video lottery terminals** the State agrees that **the requirement for an on-line accounting system may be waived if** it is not economically or technically feasible [*for the Tribe to do so*]. The State agrees to meet and confer with the Tribe [*once*] **if** the Tribe's plans for the permanent Gaming Facility [*are developed*] **include installation of more than 100 video lottery terminals,** to review any economic or technical issues raised by the Tribe. The burden shall be on the Tribe to demonstrate to the State's satisfaction that it is not economically or technically feasible for the Tribe to install an on-line accounting system.

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, environmental and safety standards. Tribal ordinances and regulations governing health, environmental 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, environmental and safety standards in order to assure compliance with such standards. However, the Tribe shall have the exclusive regulatory jurisdiction over the enforcement of health, environmental and safety standards applicable to the Gaming Facility. The Tribe shall use its regulatory jurisdiction to assure that health, environmental and safety standards are met. Tribal ordinances and regulations governing water discharges from the Gaming Facility shall be at least as rigorous as standards generally imposed by the laws and regulations of the State relating to public facilities; provided, however, that to the extent that federal water discharge standards specifically applicable to the Tribal lands would preempt such State standards, then such federal standards shall govern. For purposes of this subsection, "health, environmental and safety standards" include but are not limited to building codes, sanitation, food handling, water quality, solid waste disposal, workplace safety and fire protection. Compliance with the requirements of this subsection may be demonstrated by certification or other documentation of an appropriate state or local government agency.

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. The Tribe shall not be responsible for improvements to affected high-ways, roads or streets unless the improvements are necessary to correct traffic impacts attributable to 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. 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 15 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 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 Burns-Paiute Tribe to engage in any Class III gaming activity or scope of gaming activity not permitted under the terms of this Compact;

   b. Eighteen months 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;

   e. The State negotiates substantial changes to the regulatory provisions of other Tribal-State Class III Gaming Compacts. Any negotiations under this sub-paragraph will take into consideration the size and scope of the Tribal gaming operation.

2. Paragraph 11.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 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 waive 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.

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
Tribal Gaming Section
400 Public Service Building
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

Chairperson, Tribal Council
Burns-Paiute Tribe
HC 71, 100 Pasigo Street
Burns, Oregon 97720-9303

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

John Kitzhaber, Governor

Date: 12/19/96, 1996

BURNS-PAIUTE TRIBE

Wanda Johnson, Chairperson

Date: Dec. 17, 1996

APPROVED BY THE ASSISTANT SECRETARY - INDIAN AFFAIRS

By: Ada E. Deer
ADA E. DEER

Date: Feb 12, 1997

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE BURNS-PAIUTE TRIBE AND THE STATE OF OREGON

Appendix A

I. VIDEO LOTTERY GAMES

APPLICATION FOR CERTIFICATION OF A VIDEO LOTTERY TERMINAL

Section 177-100-070

(1) A manufacturer shall not distribute a video lottery game or terminal for placement at the Gaming Facility unless the manufacturer and the game have been approved and the terminal has been certified by the State of Oregon. Only approved manufacturers may apply for certification of a video lottery terminal.

(2) The manufacturer shall supply the Tribes and the State with a guideline and time table for accomplishing tasks involved in the acceptance and testing of the video lottery terminals. This includes all system functionality and communication of all information to and from the video lottery terminals, if any.

(3) The manufacturer must provide a person to work with the Tribes and the State as needed in establishing, planning, and executing acceptance tests. Manufacturer assistance may also be requested in trouble-shooting communication and technical problems that are discovered when video lottery terminals are initially installed.

(4) The manufacturer must submit terminal illustrations, schematics, block diagrams, circuit analysis, technical and operation manuals, program source codes and hexadecimal dumps (the compiled computer program represented in base 16 format), and any other information required by the Tribes and the State for purposes of analyzing and testing the video lottery terminal.

(5) Testing of video lottery terminals will require working models of a video lottery terminal, associated required equipment, documentation described above to be transported to locations the Tribes and the State designate for testing, examination and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the video lottery terminals. The

testing, examination, and analysis of the video lottery terminals may include entire dismantling of the video lottery terminal and some tests that may result in damage or destruction to one or more electronic components of the video lottery terminal. The Tribes or the State may require that the manufacturer provide specialized equipment or the services of an independent technical expert to test the video lottery terminal.

(6) All video lottery terminal manufacturers must submit all hardware, software, and test equipment necessary for testing of their video lottery terminals.

(7) Hardware that does not meet the standards of the Compact, its appendices, the Tribes and the State shall not be acceptable.

TRIBAL GAMING INVENTORY DECAL

Section 177-100-080

(1) Each video lottery terminal certified for placement in the Gaming Facility shall display a Tribal Gaming Inventory Decal and must conform to the exact specifications of terminal prototypes tested and certified by the State.

(2) No persons other than authorized Tribal or State personnel or their agents may affix or remove a Tribal Gaming Inventory Decal. The placement of the Tribal Gaming Inventory Decal represents that the terminal has been certified, inspected, and approved for operation in the State. The placement of the Tribal Gaming Inventory Decal on any equipment by the Tribal Gaming Commission represents that the terminal has been certified, inspected and approved for operation in the State and shall constitute documentation that the certification has been and will be kept on file by the Tribes. No persons other than authorized tribal personnel may affix or remove the Tribal Gaming Inventory Decal.

(3) No terminal may be transported off Tribal land until the Tribal Gaming Inventory Decal has been removed.

(4) A terminal shall not be moved out of the Gaming Facility without prior notification to the State.

EXTERNAL TERMINAL SPECIFICATIONS

Section 177-100-090

(1) Terminals may publicly display information only on screen or housing that has been approved by the Tribes.

(2) All information required for external display must be kept under glass or another transparent substance and at no time may stickers or other removable devices be placed on the terminal face.

(3) Age restriction shall clearly be shown on the face of the terminal ("No person under 21 years of age may play").

(4) Coin drops and non-video slot machines are prohibited.

(5) Casino-style attract features shall be restricted but not prohibited.

PROCUREMENT OF TERMINALS

Section 177-100-095

(1) Terminals to be located and operated within the State of Oregon shall be procured only by the Tribes.

(2) The Tribes shall select and procure terminals from approved manufacturers pursuant to the Tribal-State Compact.

LOCATION OF AND ACCESS TO TERMINALS

Section 177-100-100

The terminals must be located in an area that is at all times monitored by the owner, manager, or employee of the manager to prevent access or play of video lottery terminals by persons under the age of 21.

DUTIES OF PRIMARY MANAGEMENT OFFICIAL

Section 177-100-110

(1) No Primary Management Official or any employee of the Primary Management Official shall own or operate any gray machines.

(2) The Primary Management Official shall not provide any form of financial assistance, or grant credit to enable players to play video lottery games.

(3) The Primary Management Official shall attend all meetings, seminars, and training sessions required by the Tribes.

(4) The Primary Management Official shall supervise its employees and their activities to ensure compliance with these rules.

(5) The Primary Management Official shall assume responsibility for the proper and timely payment to players of video lottery game prizes.

DUTIES OF MANUFACTURERS

Section 177-100-130

Manufacturers, their representatives and agents shall have the following duties and constraints:

(1) Promptly report to the Tribes any violation or any facts or circumstances that may result in a violation of these rules.

(2) Provide immediate access to all records and the entire physical premises of the business for inspection at the request of the Tribes, the State or their auditors.

(3) Provide the Tribes or State with keys to the logic area of each approved video lottery terminal model upon request.

TRANSPORTATION OF VIDEO LOTTERY TERMINALS WITHIN, INTO OR THROUGH THE STATE

Section 177-100-160

(1) No person shall ship or transport video lottery terminals within or into the State, without first obtaining a written authorization or notification of approval from the State. Transporting or shipping within the State means the starting point and termination point of a trip are both within the boundaries of the State. Transportation or shipping into the State means the starting point is outside the State and terminates in the State.

(2) No person shall ship or transport video lottery terminals through the State without first obtaining a written authorization from the nearest port of entry immediately upon arrival in the State.

(3) The written authorization required under Subsections (1) and (2) of this rule shall include:

(a) The serial number of each terminal being transported;

(b) The full name and address of the person or establishment from which the terminals are obtained;

(c) The full name and address of the person or venue to whom the machines are being sent or transported; and

(d) The dates of shipment or transport within, into or through the State.

(4) The written authorization shall accompany, at all times, the terminal or terminals in transport.

II. GENERAL VIDEO LOTTERY GAME RULES

AUTHORIZED VIDEO LOTTERY GAMES

Section 177-200-000

(1) Video lottery terminals may offer any video lottery game that satisfies the elements of prize, chance and consideration as described in Op. Atty. Gen. No. 6336, September 25, 1989.

(2) A video lottery terminal may offer one or more of the authorized video games.

GAME REQUIREMENTS

Section 177-200-010

(1) Each game must display the amount wagered and the amount awarded for the occurrence of each possible winning occurrence based on the number of tickets wagered.

(2) Each game must provide a method for players to view payout tables.

TICKET PRICE

Section 177-200-015

Except as limited by the terms of the Compact, the price of a ticket for all video lottery games shall be determined by the Tribes.

PAYMENT OF PRIZES

Section 177-200-020

No payment for prizes awarded on a terminal may be made unless the cash slip meets the following requirements:

(1) It is fully legible and meets all the Tribes' security requirements.

(2) It must not be mutilated, altered, unreadable, or tampered with in any manner.

(3) It must not be counterfeit in whole or in part.

(4) It has been presented by a person authorized to play under these rules.

METHOD OF PAYMENT

Section 177-200-030

The Primary Management Official shall designate employees authorized to redeem cash slips during the Tribes' business hours of operation. Prizes shall be immediately paid in cash or by check when a player presents a cash slip for payment meeting the requirements of these rules. No prizes may be paid in tokens or chips.

REQUIREMENTS FOR RANDOMNESS TESTING

Section 177-200-050

Each video lottery terminal must have a random number generator that will determine the occurrence of a specific card or a specific number to be displayed on the video screen. A selection process will be considered random if it meets the following requirements.

(1) Each card position, symbol position or, in the case of Keno, each number position satisfies the 99 percent confidence limit using the standard "Chi-squared analysis." "Chi-squared analysis" is the sum of the squares of the difference between the expected result and the observed result. "Card position" means the first card dealt, second card dealt, in sequential order. "Number position" means first number drawn, second number drawn in sequential order, up to the 20th number drawn.

(2) Each card position, symbol position, or number position does not produce a significant statistic with regard to producing patterns of occurrences. Each card or number position will be considered random if it meets the 99 percent confidence level with regard to the "run test" or any similar pattern testing statistic. The "run test" is a mathematical statistic that determines the existence of recurring patterns within a set of data.

(3) Each card position, symbol position, or number position is independently chosen without regard to any other card or number drawn within that game play. The test is the "correlation test." Each pair of card or number positions is considered random if they meet the 99 percent confidence level using standard correlation analysis.

(4) Each card position, symbol position, or number position is independently chosen without reference to the same card or number position in the previous game. This test is the "serial correlation test." Each card or number position is considered random if it meets the 99 percent confidence level using standard serial correlation analysis.

(5) The random number generator and selection process must be impervious to influences from outside devices including, but not limited to, electromagnetic interferences, electrostatic discharge and radio frequency interfaces.

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE BURNS-PAIUTE TRIBE AND THE STATE OF OREGON

Appendix B

KENO DESCRIPTION

DEFINITIONS

Section 177-99-000

For the purposes of Keno, the following definitions apply unless the context requires a different meaning or is otherwise inconsistent with the intention of the rules adopted by the Oregon State Lottery Commission.

(1) "Exchange ticket" means the ticket issued to replace a consecutive game ticket that is validated before the last game on the ticket.

(2) "Game" means the opportunity provided to a player to win a prize.

(3) "Game slip" means the form used to indicate a player's selections.

(4) "Spot" means the amount of numbers a player may play per game.

(5) "Winning numbers" means the twenty (20) numbers from one (1) to eighty (80) which are randomly selected for each game.

(6) "Keno runner" means an individual who picks up and delivers the Keno tickets that are written by customers in the gaming facility.

(7) "Keno writer" means an individual stationed at the Keno counter who processes received tickets from either the customer or Keno runner.

GAME DESCRIPTION

Section 177-99-010

A Keno ticket has the numbers 1 through 80 on it. For each game a player may select from 1 to 20 numbers or spots. Twenty numbers are selected or drawn

randomly. Prizes are awarded based on the total amount of winning numbers matched by a player for the number of spots played for that game.

PLAY RULES

Section 177-99-020

(1) To play, a player must use a game slip.

(2) The player must mark the amount of spots to be played. A player can pick from one (1) to twenty (20) spots per game slip. A player may also play a "way ticket." A way ticket is the equivalent of playing multiple Keno tickets, but marking only one ticket.

(3) The player must mark the number of dollars to be wagered per game and/or per way.

(4) The player may then select the spots to be played by one of two methods. The player may mark the player's own selections on the game slip; if this method is used, the number of spots marked on the game slip must equal the number of spots that were selected to play. The other method of play is to select "Quick Pick", the number of spots randomly generated by the computer will match the number of spots indicated by the player.

(5) The player shall indicate the number of consecutive games to be played: 1, 2, 3, 4, 5, 10, 20, 50 or 100.

(6) The player shall present the completed game slip and the amount wagered either to a Keno runner or directly to the Keno counter for processing by the Keno writer. The cost of the ticket is equal to the amount wagered times the number of ways you are playing the ticket times the number of consecutive games indicated by the player. For example, if $2 per game is wagered on a regular (one-way) ticket for 5 consecutive games, the total cost is $10. If the same ticket is played "3 ways" the cost is $30.

(7) Minimum and maximum wagers will be set by the Tribal Gaming Commission.

CANCELLATION OF TICKETS

Section 177-99-030

A game ticket may be canceled or voided provided it is canceled from the system prior to the start of the game.

DETERMINATION OF WINNERS

Section 177-99-040

(1) Keno tickets will be sold only during the hours of operation of the gaming facility. The selection of winning numbers shall take place at established intervals.

(2) Winning number combinations shall be generated at the established intervals through the use of a computer-driven random number generator or conventional Keno blower mechanism. The number generating device shall meet the requirements of the Tribal-State Compact pertaining to contracts with manufacturers and suppliers, security, terminal specifications, equipment testing, procurement, duties of manufacturer and requirements for randomness testing.

(3) The Tribal Gaming Commission shall establish the procedures for the operation and security of the numbers generation equipment.

PRIZE STRUCTURE

Section 177-99-050

(1) Published payoff schedules shall be made available to the public at all times throughout the facility and in a conspicuous place immediately adjacent to the game.

(2) A player is eligible to receive only the highest prize per game played on a ticket.

TICKET VALIDATION REQUIREMENTS

Section 177-99-060

(1) After the numbers are drawn, the manager will review all inside (house copy) tickets and pull all winning tickets.

(2) A master ticket to verify winners will be produced. The master ticket will have the winning numbers hole punched. This facilitates the verification of the customer's tickets.

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE BURNS-PAIUTE TRIBE AND THE STATE OF OREGON

APPENDIX C

HOUSE BANKED BLACKJACK

I. DEFINITIONS

As used in this Amendment and Appendix the following definitions shall apply:

Blackjack. "Blackjack" is a card game in which the object of the game is to accumulate cards with a total count nearer to 21 than that of the dealer.

Industry Standard. "Industry standard" refers to standards accepted or approved by the Nevada Gaming Control Board and the Nevada Gaming Commission. If the Nevada Gaming Control Board and Nevada Gaming Commission have no accepted or approved standard, "industry standard" refers to the commonly used practice in the gaming industry in the State of Nevada.

II. ADOPTION OF RULES FOR HOUSE BANKED BLACKJACK

A. The Tribal Gaming Commission shall adopt rules to govern the conduct of house banked blackjack at the gaming facility. Current copies of the game rules in effect shall be provided to the State. The rules shall include:

1. Procedures of play
2. Minimum and maximum permissible wagers
3. Payout on each form of wager
4. Procedures to be followed on occurrence of irregularities in play
5. Prohibitions on side betting between and against player and against the house
6. Hours of operation

Summaries of the rules for the method of play and payouts on winning bets shall be visibly displayed in the gaming facility and betting limits applicable to any gaming station shall be displayed at such gaming station.

B. The Tribal Gaming Commission shall also adopt specifications (may be provided by the equipment manufacturer or supplier) applicable to gaming equipment for:

1. Physical characteristics of chips; and

2. Physical characteristics of the following:

   a. Cards (including procedures for receipt and storage)
   b. Blackjack tables
   c. Blackjack layouts
   d. Dealing shoes (including procedures for receipt and storage
   e. Such other equipment as may be required for use in the game.

C. The Tribal Gaming Commission shall establish and provide to the State for review the rules and procedures for use of drop boxes at each gaming station to include: security, transportation to and from gaming stations, storage, counting and recording contents.

D. The Tribal Gaming Commission shall establish and provide to the State the duties, responsibilities and operating procedures for supervisors, pit bosses, floor managers, security and surveillance personnel.

III. INTERNAL CONTROLS

The Tribal Gaming Commission shall develop rules, policies, procedures and regulations for house banked blackjack, consistent with industry standards, that include provisions for the following:

1. Dealer Qualifications and Training Procedures
2. Shuffling,Cutting and Dealing Procedures
3. Specific Game Procedures & Rules
4. House Bank Rules (stake/chair or table rental if any)
5. Bet/Wager Limit By Table or Game
6. Card Inventory, Security, and Storage
7. Replacing Decks
8. Destruction of Used Decks
9. Qualifications and Training for Floor Supervisors and Pit Bosses
10. Chips
    a. Denominations
    b. Storage and Security

c. Table Inventory
d. Replacement Procedures (changing chip design)
e. Payment Procedures for Replaced Chips

11. Accepting Tips by Dealers
12. Federal and State Tax Reporting
13. Distributing gaming chips to gaming stations
14. Procedures for opening and closing gaming stations
15. Procedures for removing chips and coins from gaming stations
16. Table Identification

IV. TRAINING

A. The Tribal Gaming Commission shall require each blackjack supervisor, each pit boss, each blackjack dealer and all surveillance personnel to be trained either by a training school, academy or college recognized under industry standards or through an in-house training program such that the supervisor, pit boss, dealer or surveillance employee has the knowledge and skills required under industry standards for the job function that employee performs.

B. If blackjack dealers are trained through an in-house training program, the Tribes and State must agree that the training program meets the following minimum standards:

1. A minimum of 96 hours of instruction.
2. The instruction shall consist of a combination of lecture and laboratory.
3. The instruction shall be provided by an instructor licensed by the Tribal Gaming Commission.
4. The curriculum must be designed to provide students with the knowledge and skills necessary to satisfy entry level requirements common in the industry.

C. Each blackjack supervisor, pit boss and surveillance officer, shall receive training sufficient to meet industry standards in the areas of game protection, player money management and betting, card counting, and detection of other cheating methods.

D. The Tribal Gaming Commission may license blackjack trainers. At a minimum those licensees shall demonstrate sufficient skills, and meet minimum requirements that are consistent with industry standards, in the area of house banked blackjack. The Gaming Commission shall impose appropriate requirements

for trainer licensing, such as graduation from a training school, academy or college recognized by the industry as having expertise in the areas of casino management and house banked blackjack, or an acceptable substitute of actual experience and references and a demonstrated ability to teach blackjack dealing skills and/or blackjack theory and games protection.

E. Training standards and programs shall be submitted to the State for review and comment. If the State determines that the Tribes' training standards or programs do not meet industry standards, or that the standards are not met in dealer or supervisor training, dispute resolution may be initiated.

V. SURVEILLANCE SYSTEMS

A. SURVEILLANCE SYSTEMS (GENERAL)

1. The purposes of a gaming facility surveillance system is to safeguard assets, to deter, detect and prosecute criminal acts, and to maintain public confidence and trust that Tribal gaming is conducted honestly and free of criminal elements and activity.

2. The Tribal Gaming Commission shall develop a surveillance system plan, and install, maintain and operate the gaming facility surveillance system in accordance with the standards set forth in this Appendix. The surveillance system plan shall be approved by the Tribal Gaming Commission if it satisfies the minimum standards.

3. The Tribal Gaming Commission shall submit the surveillance system plan to the State for review within 30 days after the date of execution of this amendment.

4. The plan shall include a description of all equipment utilized in the surveillance system; a blueprint or diagram that shows all of the areas to be monitored and the placement of surveillance equipment in relation to the activities being observed; a description of the procedures utilized in the operation of the gaming facility surveillance system; a description of the qualifications, training, and procedures of surveillance personnel; organizational reporting structure for surveillance personnel; and any other information required by the standards set forth in this Appendix.

5. The State shall review the proposed surveillance system plan and advise the Tribal Gaming Commission whether the minimum standards are satisfied. The

State shall review the installation of the surveillance system when a review and inspection is performed. The State shall advise the Tribal Gaming Commission whether the surveillance system has been installed, maintained, and operated according to the minimum standards. The Tribe agrees that the surveillance system will be altered as necessary to meet the minimum standards. If the Tribe currently has a surveillance system in place, the surveillance plan may use a combination of current equipment and new to meet the standards, if there is no compromise of picture and recording quality.

6. In addition to the access granted under section 8.B. of the Compact, the State may review the operation of the surveillance system at least twice each year during an announced compliance audit. The State shall have access at any time to all surveillance records, tapes, reports and monitoring rooms at any time for the purpose of monitoring compliance with minimum standards and to confirm gaming integrity or security.

7. At the completion of any random or scheduled inspection the State will report its findings concerning the surveillance system to the Tribal Gaming Commission. The Tribe and the State agree that the results of the inspection are for the internal use of the Tribe and the State. To the extent allowed under Oregon law, the State agrees not to disclose the inspection results to anyone other than the Tribal Gaming Commission unless such disclosure is necessary for resolution of a dispute pursuant to the procedures in Section 15 of the Compact, or to provide evidence for a criminal prosecution.

8. The Tribe shall separate management of the functions of security and surveillance within the gaming facility.

9. The State shall perform a background investigation on all personnel employed as surveillance personnel, as provided in section 6 of the compact.

B. SURVEILLANCE SYSTEMS MINIMUM STANDARDS

1. SURVEILLANCE SYSTEM EQUIPMENT

a. The surveillance system equipment must be able to identify each player, the dealer, and be of sufficient resolution and clarity to read individual cards and money denomination.

b. The surveillance system shall be a combination of fixed cameras and pan-tilt-zoom (PTZ).

c. The cameras and monitors may be either black and white, color or a combination of both. (The State recommends, but does not require, a combination of black/white and color.)

d. The primary surveillance room and monitors must have override capabilities.

e. Gaming Facility management shall establish communications systems on the gaming floor that are capable of immediately alerting surveillance personnel.

f. Telephones on the gaming floor shall have the capability of a direct line or extension to the surveillance personnel.

g. Surveillance personnel in the surveillance room shall have radio communication with security personnel if security officers have radio communication with each other.

h. Surveillance equipment shall include a means by which surveillance personnel may observe and videotape all money transfers between the cashier and the gaming floor as transfers occur. The surveillance plan shall provide a means by which surveillance personnel can verify the locations, table number, time, date, and amount of transfers, and to whom the transfers were made.

i. All monitors being recorded must display time and date on screen

j. All fixed cameras will be continuously taped/all PTZ cameras will have the capability for taping of what is being monitored.

2. SURVEILLANCE SYSTEM EQUIPMENT LOCATIONS. At a minimum, surveillance cameras must provide:

a. Main cashier
   (1) Overview of cage working area
   (2) Ability to identify patrons and employees
   (3) PTZ or fixed camera allowing identification of cash transactions at each cash drawer
   (4) Camera over file window

b. Soft count room
   (1) Clear view of entire count room
   (2) Camera directly over count table to identify dollar amounts
   (3) Clear view of vault
   (4) Clear view of drop box
   (5) Ability to read counting scale/meter

c. Hard count room (if used)
   (1) Clear view of entire count room
   (2) Clear view of wrapping and/or counting machine

d. Pit
   (1) Ability to determine chip value and card value
   (2) Clear view of playing surface
   (3) Ability to identify patron, employee and table number

e. Card Game Tables
   (1) Fixed camera at each table
   (2) Same view and identification requirements as pit cameras

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE BURNS-PAIUTE TRIBE AND THE STATE OF OREGON

EXHIBIT I

DESCRIPTION OF GAMING LOCATION

That certain parcel of land near Burns, Oregon, consisting of ten acres, described as the northwest quarter of the northwest quarter of the northwest quarter, section 13, township 23 South, range 30 East, Willamette Meridian, Harney County, Oregon, which was conveyed on March 2, 1928, by warranty deed from the Egan Land Company, an Oregon corporation, to the United States of America.

DESCRIPTION OF GAMING FACILITY

The Gaming Facility shall be a building of approximately 25,000 square feet, consisting of the following major areas: Bingo Hall, Class III Gaming Room, Kitchen, and dining areas, Administration area, and public areas. The Tribe agrees to provide the State with a more specific description of the Gaming Facility after the Tribe has developed a specific building plan.

The Gaming Facility will be as illustrated in this Exhibit, or an alternate design similar in all material respects.