United States Department

OFFICE OF THE SECRET
Washington, D.C. 20240

Superseded
New Compact
approved
6/19/97

NOV 2

Honorable Sue M. Shaffer, Chairman
Cow Creek Band of Umpqua
Tribe of Indians
2400 Stewart Parkway, Suite 300
Roseburg, Oregon 97470

Dear Chairman Shaffer:

On October 6, 1992, we received the Tribal-State Compact for Regulation of Class III Gaming Between the Cow Creek Band of Umpqua Tribe of Indians (Tribe) and the State of Oregon (State).

We have reviewed the Compact and conclude that it does not violate the Indian Gaming Regulatory Act (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 notice of our approval, pursuant to Section 11(d)(3)(B) of the IGRA, is published in the FEDERAL REGISTER.

We note that Article VI, Section 4 of the Tribe's Constitution provides that the Board of Directors of the Tribe and other agencies, committees, or bodies of the Tribe are required to obtain the advice and consent of the Tribe's General Council prior to taking any action that would relinquish any tribal criminal or civil jurisdiction to any agency, public or private. Section 5(A)(1) of the Compact, entitled "Jurisdiction," provides for State criminal jurisdiction over offenses committed within the gaming facility and on tribal trust land. Further, Section 5 provides that State criminal laws have the same force and effect at the gaming site as they have on non-tribal lands within the State. If and when the Tribe organizes and operates a tribal police force, Section 5(A)(2) provides that the State's criminal jurisdiction shall be established pursuant to and by a Memorandum of Understanding to be executed by the Tribe and the State law enforcement authorities. Because the state already possesses criminal jurisdiction over tribal lands and members pursuant to Public Law 280, 18 U.S.C. § 1162, we do not view Section 5 of the Compact as a relinquishment of tribal jurisdiction. The Tribe maintains concurrent jurisdiction to the extent allowed under

Federal Law. If the Tribe wishes to relinquish its criminal or civil jurisdiction to any public or private agency, it must obtain the advice and consent of the General Council prior to taking any such action.

Section 6(H)(2)(B) of the Compact, entitled "Contracts with Manufacturers and Suppliers," provides that the State must approve all Class III gaming contracts prior to execution. Section 6(H)(2)(C), however, provides that a background investigation "may" be conducted by the Tribe and State on all Class III gaming contractors. Further, Section 6(H)(2)(E) provides that the State or Tribe "may" deny a Class III gaming contract for any one of ten enumerated reasons. In the IGRA, Congress intended that background investigations generally be conducted to protect the interest of tribes. Use of the permissive "may," rather than the mandatory "shall," in Sections 6(H)(2)(C) and (E) could result in background investigations not being conducted. Our approval of a compact which allowed no background investigations on Class III gaming contractors could be construed as inadequate protection of the tribes' interests or even a breach of trust responsibility.

We contacted the Tribal Attorney, Mr. Dennis J. Whittlesey, and the Oregon Assistant Attorney General, Ms. Pamela L. Abernethy, with these concerns. The Tribal Attorney and the Assistant Attorney General explained that the word "may" in Compact Sections 6(H)(2)(C) and (E) is intended to provide some discretion to the Tribe and the State during the contract approval process. For instance, on very limited goods contracts, the parties may agree that background investigations would not be required. We were assured by both parties that background investigations would regularly be conducted by both the Tribe and the State on most Class III gaming contractors, and that the word "may" in Section 6(H)(2)(E) means that both the Tribe and State "are allowed" to deny a Class III gaming contract for any one of the ten enumerated reasons. Because background investigations will be performed on most Class III gaming contractors, we conclude that Sections 6(H)(2)(C) and (E) do not violate the IGRA or our trust responsibility to Indian tribes.

Please be advised that Section 11(d) of the IGRA requires the Chairman of the National Indian Gaming Commission (NIGC) to approve tribal ordinances authorizing Class III gaming. On July 8, 1992, the NIGC's proposed regulations to govern approval of Class II and Class III gaming ordinances were published in the FEDERAL REGISTER. Once the regulations become final and are in effect, we expect the NIGC will request submission of existing ordinances for review and approval in accordance with the

standards contained in the final regulations. It may be useful for the Tribe to review the proposed regulations to insure that the Tribe's ordinances are consistent with or do not otherwise conflict with NIGC requirements.

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

Sincerely,

/S/ David D. Eden

Assistant Secretary - Indian Affairs

Enclosures

Identical Letter to: Honorable Barbara Roberts
Governor of Oregon
State Capitol
Salem, Oregon 97310-0370

cc: Portland Area Director w/copy of approved Compact
Supt., Siletz Agency w/copy of approved Compact
Kevin Meisner, SOL (2)
National Indian Gaming Commission w/copy of approved Compact
Pacific Northwest Regional Solicitor w/copy of approved Compact
Oregon United States Attorney w/copy of approved Compact

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming; Approved Tribal-State Compact: Cow Creek Band of Umpqua Tribe of Indians, Oregon

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of approved Tribal-State Compact.

SUMMARY: Pursuant to 25 U.S.C. 2710, of the Indian Gaming Regulatory Act of 1988 (Pub. L. 100–497), the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal-State Compacts for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority has approved the Tribal-State Compact for the Conduct of Class III Gaming Between the Cow Creek Band of Umpqua Tribe of Indians and the State of Oregon, which was enacted on October 2, 1992.

DATES: This action is effective November 30, 1992.

ADDRESSES: Office of Tribal Services, Bureau of Indian Affairs, Department of the Interior, MS/MIB 4603, 1849 "C" Street, NW., Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Hilda Manuel, Interim Staff Director, Indian Gaming Management Staff, Bureau of Indian Affairs, Washington, D.C., 20240, (202) 219–0994.

Dated: November 20, 1992.

Ron Eden,

Acting Assistant Secretary—Indian Affairs.

[FR Doc. 92–28850 Filed 11–27–92; 8:45 am]

BILLING CODE 4310–02–M

Cow Creek Band of Umpqua Tribe of Indians

RESOLUTION 92-19

WHEREAS, The Board of Directors of the Cow Creek Band of Umpqua Tribe of Indians, pursuant to Article VII, Section 1, of the Tribal Constitution approved July 17, 1991 by the Bureau of Indian Affairs, is the official governing body of the Tribe, authorized to act in behalf of the Tribal Council, and

WHEREAS, The Board of Directors have, by previous resolution, formed a Tribal Gaming Task Force Negotiating Team for the express purpose of obtaining a Class III Gaming Compact with the State of Oregon, and

WHEREAS, The attorney for the State and the attorney for the Tribe, by mutual consent, have a completed document, and

WHEREAS, The final Class III Tribal/State Compact was presented to the Board of Directors for their review, and

WHEREAS, The Board approved the Compact as presented, now

THEREFORE BE IT RESOLVED that the Tribe accepts the Class III Gaming Compact between the State of Oregon and the Cow Creek Band of Umpqua Tribe of Indians, and

BE IT FURTHER RESOLVED that the Tribal Chairman, Sue Shaffer, be authorized to sign the negotiated compact.

By: Sue M. Shaffer
Sue M. Shaffer, Chairman
Board of Directors

CERTIFICATION:

This resolution was adopted by a vote of the Board of Directors at a regularly scheduled meeting, with a Quorum present, on the 27th day of September, 1992 by a vote of 7 FOR, 0 AGAINST, and 0 ABSTAINING.

By: Wallace J Rondeau
Wallace Rondeau, Jr.
Vice-Chairman

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE COW CREEK BAND OF UMPQUA TRIBE OF INDIANS AND THE STATE OF OREGON

PREAMBLE.

This Compact is made between the State of Oregon and the Cow Creek Band of Umpqua Tribe of Indians and pertains to Class III gaming to be conducted on lands which were taken into trust for the Tribe and formally designated as the Tribe's Reservation prior to enactment 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 the fact that its lands were taken into trust and designated a Reservation prior to IGRA's enactment.

SECTION 1. TITLE.

THIS Compact is entered into this 2nd day of October, 1992, by and between Cow Creek Band of Umpqua Tribe of Indians, a federally recognized Tribe of Indians (hereinafter "the Tribe"), and the State of Oregon (hereinafter "State").

SECTION 2. FINDINGS.

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

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

AND WHEREAS, the public policy of the State is reflected in the Constitution, statutes and administrative rules of the State, and the Constitution provides that the "Legislative Assembly has no power to authorize, and shall prohibit, casinos from operation in the State";

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

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 governments;

AND WHEREAS, the Tribe exercises authority over Tribal trust land acquired by the Cow Creek Band of Umpqua Tribe of Indians Reservation prior to the enactment of the Indian Gaming Regulatory Act;

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

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

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

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 games are lawful on Indian lands if (1) the state permits such games for any purpose by any person, organization or entity, (2) the games are authorized by tribal ordinance and (3) the games are 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 Indian 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 conducted on Indian land as set forth in this Compact;

AND WHEREAS, Congress recognized a role of 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 Indian lands;

AND WHEREAS, the Tribe is authorized to act through Resolutions adopted by its Board of Directors;

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.

(1) "Age-controlled area" means an area restricted to persons who are at least 18 years old.

(2) "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.

(3) "Certification" means the inspection process used by the Oregon State Lottery to approve video lottery game terminals and games.

(4) "Controlling interest" means fifteen percent (15%) of the equity ownership of a company.

(5) "Display" means the visual presentation of video lottery game features shown on the screen of a video lottery terminal.

(6) "Gaming Facility" means the building existing as of the date of execution of this Compact which is located on the Tribe's Reservation at Canyonville,

Oregon, known as the "Evergreen Site" and specifically described in Exhibit 1 to the Compact, and the square footage of any expansion devoted to the play of Class II and III games.

(7) "High Security Employees" are those with responsibility for the management or operation of the Class III gaming activities or who have access to gaming terminals or cash.

(8) "Low Security Employees" are those with no responsibility for management or operation of the Class III gaming activities and no access to inside gaming terminals or cash.

(9) "Major Procurement" means any and all contracts for (a) the printing of tickets used in any Class III gaming, (b) any goods or services involving the receiving or recording of number selections in any Class III gaming, (c) any goods, services, or products involving the determination of winners in any Class III gaming, or (d) video devices.

(10) "Minor Procurement" means any procurement related to Class III gaming which is neither a Major Procurement or a Sensitive Procurement.

(11) "Primary Management Official" means:

(a) the person having management responsibility for the management contract;

(b) any person who has authority --

(i) to hire and fire employees, or

(ii) to set or otherwise establish working policy for the gaming operations; or

(c) the chief financial officer or other person who has financial management responsibility.

(12) "Sensitive Procurement" means those procurement actions or contracts, other than "Major Procurements," which may either directly or indirectly affect the integrity, security, honesty, and fairness of the operation and administration of Class III gaming. A typical example of this class of procurement is the acquisition of security systems required to protect the security and integrity of the Class III gaming.

(13) "Video lottery terminal" or "terminal" means an electrical or electro-mechanical device, component, or terminal which displays a ticket through the use of a video display screen, and which is available for consumer play upon payment of any consideration, with winners determined by the application of the element of chance and the possible prizes displayed on the device.

SECTION 4. AUTHORIZED CLASS III GAMING.

A. The parties intend that this Compact shall be the only Compact between the Tribe and State and that 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(B) of this Compact.

B. Authorized games.

(1) Subject to the provisions of this Compact, the Tribe may engage in only the following Class III games: video lottery games of chance as described in Appendix A and keno as described in Appendix B.

(2) This section shall be construed consistent with federal classification of gaming activities. Notwithstanding any provision of this Compact, any gaming activity classified by federal regulation as Class II activity shall not be subject to the provisions of the Compact.

C. Gaming Location. The Gaming Facility authorized by this Compact shall be located on the Tribe's Reservation at Canyonville, Oregon, known as the "Evergreen Site" and specifically described in Exhibit A to this Compact, held in trust for the Tribe by the United States prior to enactment of IGRA. 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 off-Reservation lands, the Tribe does not hereby abrogate any rights it may have under Section 20 of IGRA.

D. Size of gaming floor. The size of the gaming floor for the play of Class III video games authorized by this Compact shall not exceed 15 percent (15%) of the total square footage of the gaming facility. The Tribe shall provide usual and customary spacing between machines. In the event of future expansion, the same percentage shall apply.

SECTION 5. JURISDICTION.

A. In General.

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

(2) If the Tribe organizes a tribal police force for the Indian Lands, the State shall have criminal jurisdiction over offenses committed by or against Indians and nonIndians within the gaming facility and on the Indian Lands. The criminal laws of the State shall have the same force and effect on the Indian Lands as they have on nonIndian lands within the State. Once a tribal police force is in operation on the Indian Lands, the state's criminal jurisdiction at the Reservation shall be established pursuant to and by a Memorandum of Understanding to be executed by the Tribe and state law enforcement authorities.

B. Except as provided in a Memorandum of Understanding executed in accordance with the foregoing subsection 5(A)(2), law enforcement officers of the State of Oregon, or officers designated by the State, shall have free access to anywhere within the gaming facility and on Tribal trust land for the purpose of maintaining public order and public safety, conducting investigations related to possible criminal activity and enforcing applicable

criminal laws of the State. The Tribe, or individuals acting on its behalf, shall provide State law enforcement officers or officers designated by the State access to locked and secure areas of the gaming facility in accordance with the regulations for the operation and management of the gaming operation.

C. State law enforcement may station one or more officers at the gaming facility by mutual agreement with the Tribe.

D. Nothing in this agreement shall be construed to affect the civil or criminal jurisdiction of the State under Public Law 280.

SECTION 6. LICENSING AND CONTRACTING.

I. Licensing of Gaming Employees.

A. 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.

B. All prospective employees -- both High Security Employees and Low Security Employees -- shall provide to the Tribe and State application fees and the following information:

(1) Full name, including any aliases by which applicant has ever been known;

(2) Social security number;

(3) Date and place of birth;

(4) Residential addresses for the past five years;

(5) Employment history for the past five years;

(6) Driver's license number;

(7) All licenses issued and disciplinary actions taken by any State agency or tribal gaming agency;

(8) All criminal proceedings, except for minor traffic offenses, to which the applicant has been a party;

(9) A current photograph.

C. In addition to the requirements of Subsection 6(I)(B) above, prospective High Security Employees shall provide a set of fingerprints.

D. The Tribe shall forward the applicant information to the Oregon State Police, along with the State required portion of the application fee as described in Section 6(III). The Oregon State Police shall conduct a background investigation and provide a written report to the Tribe, approve or disapprove 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 the Oregon State Police disapproves for failure to meet the criteria established in Section 6(II)(E) below, no license shall be issued or employment approved by the Tribe.

E. (1) The Tribe shall not employ any Low Security Employee who does not meet the criteria established in Section 6(II)(E) below.

(2) The Tribe shall deny a gaming license to any High Security Employee or Primary Management Official who does not meet the

criteria established in Section 6(II)(E) below. Denial of a license by the Tribe is final.

F. Background investigation during employment. The Tribe or the State may conduct additional background investigations of any gaming employee at any time during the term of employment. If after investigation, the State determines there is cause for the dismissal of any employee under the criteria established in Section 6(II)(E), 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 Section 6(II)(E) below the subject employee shall be dismissed.

G. Temporary licensing.

(1) The Tribe may issue a temporary license to High Security Employees 30 days after submission of the application to the state police. The temporary license shall expire and become void upon completion of the background check and award or denial of a permanent license.

(2) The Tribe may employ Low Security Employees 10 days after submission of the application to the state police for a period of 30 days or until the background investigation is completed, whichever is later.

H. 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 Subsections 6(I)(B)-(E). 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.

I. Revocation of License.

The Tribe may revoke the license of any employee pursuant to policies determined by the Tribe. The State may revoke the license of any employee only upon determination that the employee no longer meets the criteria described in Section 6 (II)(E).

J. The Tribe shall maintain a procedural manual for employees which includes rules and regulations of conduct and disciplinary standards for breach of procedures.

II. Contracts with Manufacturers and Suppliers.

A. 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.

B. The Tribe will 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 Section 6(II)(E). 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 which can be rebutted for good cause shown. Should the parties fail to agree, then disputes shall be resolved in accordance with Section 15 of the Compact.

C. A background investigation may be conducted by the Tribe and State on all Class III 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.

D. The Tribe and the State shall not approve any manufacturer or distributor that does not grant the State or the Tribe access to its business and financial records.

E. Criteria for Denial of Contract Application.

(1) Unless otherwise specified, the State or the Tribe may deny a Class III game contract application for any of the following reasons:

a) A conviction for any felonious crime in any jurisdiction;

b) A conviction for any gambling offense in any jurisdiction;

c) A civil judgment based in whole or in part upon conduct which constituted a pattern of racketeering activity under state or federal law;

d) An omission of any material fact not disclosed to the State or Tribe or their authorized agents during initial or subsequent background or security investigations;

e) A misstatement or untrue statement of material fact as determined by the Tribe or the State;

f) 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;

g) Any aspect of the applicant's past conduct which the Tribe or the State determines would adversely affect the integrity, security, honesty or fairness of Tribal gaming; or

h) By reason of ownership of any interest whatsoever in the manager's contract by a person who is unqualified or disqualified to hold a Tribal contract, regardless of the qualifications of the person who seeks approval as a contractor.

i) A person who demonstrates inadequate financing for the business proposed under the type of contract for which application is made. The Tribe and State shall consider

whether financing is from a source that meets the qualifications in subdivisions (1), (2), and (3) of this section and is in an amount to ensure the likelihood of success in the performance of the contractor's duties and responsibilities.

j) No person applying for a Class III game contract shall own, manufacture, possess, operate, own interest in, 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.

(2) In evaluating whether to deny a contract related to Class III gaming based on Subsections 6(II)(E)(1)(a), (b) and (c), the State and the Tribe may consider the following factors:

a) The nature and severity of the conduct that constituted the offense or crime;

b) The time that has passed since satisfactory completion of the sentence, probation imposed, or payment of fine;

c) The number of offenses or crimes; and

d) Any extenuating circumstances that affect or reduce the impact of the offense or crime on the security, integrity, honesty, and fairness of the Tribal gaming enterprise.

F. Revocation of Class III Contract.

(1) The Tribe may revoke any contract pursuant to policies and procedures determined by the Tribe.

(2) 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 Section 6(II)(E) and that the Class III contractor shall consent to the State's right to review and revoke all Class III gaming contracts.

G. Contractor Reporting Requirements.

(1) All contractors shall submit to the Tribe and State any financial and operating data requested by the Tribe and State.

(2) The Tribe shall specify the frequency and a uniform format for the submission of such data.

(3) The Tribe, State, or their agents reserve the right to examine contractor tax records and the detailed records from which the tax reports are compiled.

H. Termination of Contract.

(1) No contract shall be in effect for a term longer than seven (7) years.

(2) 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:

a) Contractor is discovered to have made any statement, representation, warranty, or certification in connection with the

contract which is materially false, deceptive, incorrect, or incomplete.

b) Contractor fails to perform any material requirements of the contract or is in violation of any material provision therefor, and fails to cure same within ten (10) days' written notice of such failure.

c) Tribe or the State determines satisfactory performance of the contract is substantially endangered or can reasonably anticipate such occurrence or default.

d) Contractor, or any officer or employee of Contractor or any owner of fifteen percent (15%) or more of the equity ownership in Contractor is convicted of a felony or a gambling-related offense which reflects on Contractor's ability to perform honestly in carrying out the contract.

e) The Contractor jeopardizes the integrity, security, honesty, or fairness of the Tribal gaming operation.

f) Upon transfer of controlling interest of the Contractor.

III. Fees for Approval of Licenses and Contracts.

A. The State shall be reimbursed its costs for approval of employees and licenses, in accordance with the terms of this Compact.

B. 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.

C. 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 Subsection 6(III)(D) below.

D. 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.

IV. Management Contracts.

A. The Primary Management Official shall furnish the State at all times with a current copy of its management agreement with the Tribe which allows it to conduct Class III gaming on the tribal trust land.

B. 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.

B. Identification badges. The Tribe shall require all employees to wear, in plain view, identification badges issued by the Tribe which include photo and name.

C. No credit extended. All gaming shall be conducted on a cash basis. Except as provided herein, no person shall be extended credit for gaming and no operator shall permit any person or organization to offer such credit for a fee. This restriction shall not apply to credits won by players who activate play on video games of chance after inserting coins or currency into the games. This section shall not restrict the right of the Tribe or any other person to offer check cashing or install and accept bank card or credit card transactions in the same manner as is permitted at any retail business in the State.

D. Prohibition on attendance of minors. No person under the age of eighteen (18) shall participate in any gaming operation or be allowed on the gaming floor authorized by this Compact during actual hours of operation. If any person under the age of eighteen (18) plays and otherwise qualifies to win any prize or compensation, the prize or compensation shall not be paid.

E. Prohibition of firearms. With the exception of federal, state, county or local law enforcement agents or officers, no person shall possess firearms within the gaming facility.

F. Prohibition of alcohol. No alcohol shall be served in the Gaming Facility.

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

SECTION 8: INSPECTION AND ENFORCEMENT OF GAMING REGULATIONS.

A. Tribal Gaming Commission.

(1) The 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 within Cow Creek Tribal Lands, shall be that of the Tribal Gaming Commission. 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:

(i) the assigned sequential number of the incident,

(ii) the date,

(iii) the time,

(iv) the nature of the incident,

(v) the person involved in the incident, and

(vi) 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 a list of persons barred from the gaming facilities because of their criminal history or association with career offenders or career offender organizations poses a threat to the honesty, security and integrity of gaming operations, and furnish to state law enforcement as updated;

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 cashiers cage in accord 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 Violations. 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 violation(s) 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 TGC and forwarded 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 are 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, laws of the Tribe, or applicable laws of the State.

B. State Enforcement of Compact Provisions.

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

(2) Access to Records. The State is authorized hereby to review and copy, during normal business hours, all records maintained by the Tribal gaming operation. Provided, that any copy thereof and any information derived therefrom, shall be deemed confidential and proprietary financial information of the Tribe to the extent provided under ORS § 192.410 to § 192.505. Any records or copies removed from the premises shall be returned to the Tribe after use. Nothing in this subsection precludes the State or the Tribe from disclosing information subject to the Rules of Civil Procedure or Evidence in connection with litigation, a prosecution or a criminal investigation.

(3) Investigation Reports. After the completion of any inspection or investigation report, the State shall provide a copy of the report to the Tribal Gaming Agency.

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 Section 6(III) 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 Section 9 assessments, such dispute shall be resolved pursuant to Section 15 of this Compact.

SECTION 10. APPLICATION OF STATE REGULATORY STANDARDS.

A. Health and safety standards. Tribal ordinances and regulations governing health and safety standards applicable to the gaming facilities shall be at least as rigorous as standards imposed by the laws and regulations of the

State. The Tribe agrees to cooperate with any State agency generally responsible for enforcement of such health and safety standards in order to assure compliance with such standards. Tribal ordinances and regulations governing water discharges from the gaming facilities 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 Indian lands would preempt such State standards, then such federal standards shall govern.

B. Traffic standards. The Tribe shall provide access from any gaming facilities located on the Tribal trust land onto the public road known as "Old Highway 99" which are adequate to meet standards of the State Highway Division or shall enter into agreements with the State Highway Division for the provision of such access by the State, including provisions for compensation by the Tribe for some portion of the costs incurred by the State in constructing such improvements to the public highway, including traffic control signals, as may be necessary.

SECTION 11. TERMINATION; AMENDMENTS.

A. Termination.

This Compact shall become effective upon execution by the State and ratification by the Tribe and appropriate federal approval. This Compact shall remain in effect until such time as (a) terminated by written

agreement of both parties or (b) the State amends its Constitution or laws to criminally prohibit within the State any conduct of the Class III gaming authorized by this Compact, whether for profit or not for profit or (c) the federal government amends or repeals IGRA so that a Compact is no longer required for the Tribe's exercise of Class III gaming.

B. Amendments.

(1) This Compact shall not be amended unless one of the following conditions occur:

a) The State becomes a party to another Tribal-State Compact which authorizes a tribe other than the Cow Creek Band of Umpqua to engage in any Class III gaming activity or scope of gaming activity not permitted under the terms of this Compact.

b) February 1, 1995.

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 which corresponds specifically to Appendices A and B of this Compact, but in such case this Compact shall be amended only to the extent of the specific rule or regulation.

(2) Subsection 11(B)(1) does not authorize the Tribe to renegotiate the terms of this Compact applicable to forms of gaming authorized by

Section 4 of this Compact, except to the extent that the State voluntarily consents to such renegotiation or as is otherwise provided for in this Compact.

(3) Pursuant to Subsection 11(B)(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. Such request to renegotiate shall be in writing and shall be sent by certified mail to the Governor of the State or the Chairman of the Tribe at the appropriate office identified at Section 14 below. If a request is made by the Tribe, it shall be treated as a request to negotiate pursuant to IGRA. All procedures and remedies available under IGRA shall thereafter apply with the exception that the 180 day period for negotiation set forth at 25 U.S.C. 2710(d) shall be 100 days.

SECTION 12. DISCLAIMERS AND WAIVERS.

A. Gaming at Another Location or Facility. The Tribe hereby waives any right it may have under IGRA to negotiate a Compact for Class III gaming at any other location or facility for a period of three (3) years.

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 agency, or to interfere in any manner with the Tribe's selection of its governmental officers including members of the Tribal gaming agency. 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 shall be served by first class mail at the following addresses:

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

Sue Shaffer
Chairperson
Cow Creek Band of Umpqua Tribe
of Indians
2400 Stewart Parkway, Suite 300
Roseburg, OR 97470

SECTION 14. SEVERABILITY.

In the event that any section or provision of this Compact is held invalid, or its application to any particular activity 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. The notice shall identify the specific provision of the agreement 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 the notice set forth

in Section 13, 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 positions 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 A shall be construed to waive, limit or restrict any remedy which 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 §1166 of IGRA.

EXECUTED as of the date and year above-written.

STATE OF OREGON

Barbara Roberts

Barbara Roberts, Governor

Date: Oct. 2 ,1992

COW CREEK BAND OF UMPQUA TRIBE OF INDIANS

Sue M. Shaffer

Sue Shaffer, Chairperson

Date: Oct. 2 ,1992

ASSISTANT SECRETARY - INDIAN AFFAIRS

By: Ron Eden

Date: Nov. 20, 1992

Tribal-State Compact for Regulation of Class III Gaming: Cow Creek Band of Umpqua Tribe of Indians

Exhibit 1

EXHIBIT "A"

PARCEL 1

BEGINNING at the corner of Sections 21, 22, 27 and 28, Township 30 South, Range 5 West, Willamette Meridian, Douglas County, Oregon; thence South 21.93 chains to a rock corner, thence East 23.38 chains to a point in the County Road leading to Canyonville; thence North 11½° West 5.23 chains; thence North 29° West 9.39 chains; thence North 45° West 11.15 chains; thence North 83½° West 6.06 chains; thence North 87° West 3.60 chains to the point of beginning, situate in Douglas County, Oregon, save and except that portion of the above described land used as a part of the Pacific Highway and the county roads.

EXCEPTING that portion deeded to Daniel R. Baird and wife by deed recorded September 16, 1948, filed No. 82440, described as: Beginning at an iron pipe on the Easterly right of way line of the Pacific Highway at a point which is North 30° 33' West 280.1 feet from the Northwest corner of the Canyonville, Oregon, Masonic Cemetery, said beginning point being 1414.2 feet North and 450.0 feet East of the quarter section corner between Sections 27 and 28, Township 30 South, Range 5 West, Willamette Meridian thence running North 30° 33' West 198.2 feet along said highway line to an iron pipe; thence East 236.4 feet to an iron pipe; thence South 39° 35' East 216.8 feet to an iron pipe; thence South 89° 09' West 276.0 feet to the place of beginning.

ALSO EXCEPTING that portion deeded to Albert Guest and Ella May Guest, husband and wife recorded September 16, 1948, file No. 82438, described as: Beginning at a point on the North line of the Canyonville Masonic Cemetery, said beginning point being 1175.8 feet North and 908.3 feet East of the quarter section corner between Sections 27 and 28, Township 30 South, Range 5 West, Willamette Meridian; thence running from said beginnir point North 0° 31' West 247 feet, thence North 89° 09' East 200.0 feet; thence South 0° 31' East 247.0 feet to the North line of said cemetery property, thence South 89° 29' West 200.0 feet to the place of beginning.

ALSO EXCEPTING that portion deeded to Albert Guest and Ella May Guest, husband and wife recorded September 16, 1948, File No. 82436, described as: Beginning at the Northwest corner of said cemetery to a point which is on the East right of way line of the Pacifi Highway and 1173.0 feet North and 592.3 feet East of the quarter section corner betweer Sections 27 and 28, Township 30 South, Range 5 West, Willamette Meridian; thence runnir North 30° 33' West 280.1 feet along the Easterly right of way line of the Pacific Highway to a point; thence North 89° 09' East 451.2 feet; thence South 0° 31' East 247.0 feet to a point on the North line of said cemetery; thence South 89° 29' West 316.0 feet along the North line of said cemeter to the point of beginning.

ALSO EXCEPTING that portion deeded to Sidney Ward and Florence L. Ward, husband and wif recorded December 19, 1947, in Volume 149 Deeds, Page 588, described as: Beginning at an iron pipe on the west line of the James Clark Donation Land Claim No. 51, in Townshi 30 South, Range 5 West, Willamette Meridian; said beginning point being 1275.0 feet So of an iron bar set at the Northwest corner of Sections 27, said township and range; the running South 88° 56' East 391.0 feet to an iron pipe at the Westerly line of the Paci Highway; thence South 28° 53' East 231.0 feet along the said highway line to an iron p on the North line of the Russell property, thence North 88° 56' West 517 feet along a fence line to an iron pipe at the Southwest corner of the Swanson property, thence Nor along a fence line 200 feet to the place of beginnin, and situated in Sections 27, Tow ship 30 South, Range 5 West, Willamette Meridian, Douglas County, Oregon.

continued. . . . . .

ALSO EXCEPTING that portion conveyed to the State of Oregon, by and through its State Highway Commission, as recorded in Volume 188, Page 254, Deed Records of Douglas County, Oregon, described as a parcel of land lying in the Northwest quarter of the Northwest quarter (NW¼NW¼) of Section 27, Township 30 South, Range 5 West, W.M., Douglas County, Oregon, and being a portion of the following described propert that tract of land which was conveyed by that certain deed to Nick J. Meyer, et al, recorded in Book 160, Page 496 of Douglas County Records of Deeds. The said parcel being described as follows:

A triangular piece of ground being all that part of the above described property lying West of the Easterly right of way line of the present Pacific Highway.

ALSO EXCEPTING that portion sold to O. D. and Anna Havely, as recorded in Volume 192 Page 340, Deed Records of Douglas County, Oregon, described as follows:
Beginning at a point on the North line of the Canyonville Masonic Cemetery, said beginning point being 1175.8 feet North and 1108.3 feet East of the quarter section cor between Sections 27 and 28, Township 30 South, Range 5 West, Willamette Meridian, sai point being the Southeast corner of the lands sold to Albert Guest and Ella May Guest husband and wife, as recorded September 16, 1948, Recorder's No. 82438 of the Deed Re of Douglas County; thence North 0° 31' West 112 feet; thence North 89° 09' East 380 f thence South 11° 30' East 112 feet to a point on the North line of said cemetery prop thence South 89° 29' West along said cemetery, masonci, line 400 feet to the point of beginning, in Section 27, Township 30 South, Range 5 West, Willamette Meridian, Dougl County, Oregon.

ALSO EXCEPTING that portion sold to Robert H. Young and wife, as recorded in Volume 2 Recorder's No. 222404, Deed Records of Douglas County, Oregon, described as follows:
Beginning at a 3/4" pipe at the Northeast corner of property described in deed to Rob. H. Young and Alice Joanne Young, husband and wife, as recorded the 10th day of Novemb. 1951, in Volume 200 at page 442, Recorder's No. 131152 of the Deed Records of Douglas County, Oregon; thence South 89° 09' West along the North line of said Young property 110 feet to a point marked by a 3/4" pipe; thence North 0° 31' West 50 feet to a poin marked by a 3/4" pipe; thence North 89° 09' East 101 feet to a point marked by a 3/4' pipe; thence South 11° 25' East to the place of beginning, the Northeast corner of pro erty described in deed to the said Youngs wherein O. D. Havely and Anna Havely were the grantors all in Section 27, Township 30 South, Range 5 West, Willamette Meridian, Douglas County, Oregon.

The above property being situated in Section 27, Township 30 South, Range 5 West, Will amette Meridian, Douglas County, Oregon.

PARCEL 2

BEGINNING on the North line of the Canyonville Masonic Cemetery, said beginning point 1175.8 feet North 1108.3 feet East of the quarter section corner between Sections 27 a 28, Township 30 South, Range 5 West, Willamette Meridian, said point being the Southea corner of the Guest property as recorded September 16, 1948, Recorder's No. 82438, of Deed Records of Douglas County, Oregon; thence North 0° 31' West 112 feet; thence Nort 89° 09' East 270 feet to a point marked by a 3/4" pipe; thence South 11° 30' East 112 feet to a point marked by a 3/4" pipe on the North line of said Cemetery property Sout 89° 29' West along said Masonic Cemtery North line 270 feet to the point of beginning, in Section 27, Township 30 South, Range 5 West, Willamette Meridian, Douglas County, Oregon

continued. . . . . .

TOGETHER WITH an easement for the purpose of installing and maintaining a 2" water transmission pipeline and pump for the pumping & transmission of water from Canyon Creek to & for the benefit of lands of the grantees lying Westerly of the West end of said easement over and across a strip of land six feet in width, the Northerly line of which is described as follows, to wit:

Beginning at a point which is South 87° 00' East 237.6 feet and South 83° 00' East 400.0 feet and South 41° 46' East 735.9 feet from the Section Corner common to Sections 21, 22, 27 & 28, of Township 30 South, Range 5 West, Willamette Meridian, Douglas County, Oregon which beginning point is marked by an iron pipe; thence North 62° 06' East 420.2 feet to a 3/4" iron pipe; thence continuing North 62° 06' East 60.2 feet to the said Canyon Creek. TO HAVE & TO HOLD the said easement unto the said grantees, their heirs & assigns forever. The above-identified water transmission line shall be buried not less than two feet from the surface of the ground as shall any electrical transmission line for the operation of a pump at the end of the easement area on the bank of said Canyon Creek.

The above described easement was modified by instrument, Modification of Easement, dated June 27, 1978 and recorded August 3, 1978 in Book 686, Page 510, Recorder's No. 78-15087 records of Douglas County, Oregon.

SUBJECT TO:

(1) The rights of the public in and to that portion of the premises herein described lying within the limits of public roads or highways.
(2) Easement for ingress and egress, and other uses apparent upon the ground, over the Southerly portion of the vacated Stage Coach Road County Road No. 172, as disclosed by Minor Land Partitions No. 3-112 and 6-93 as on record in the County Surveyor's Office of Douglas County, Oregon.
(3) Easement, created by instrument, including the terms and provisions thereof in favor of the Pacific Telephone and Telegraph Company, for poles, wires and fixtures, as recorded in Volume 84, Page 132, of the Deed Records of Douglas County, Oregon.
(4) Easements created by instruments, including the terms and provisions thereof, in favor of the California Oregon Power Company for pole lines for transmission of electricity and related facilities as recorded in Volume 100, Page 325; Volume 151, Page 232; Volume 183, Page 343; Volume 223, Page 632; and Volume 291, Page 898, records of Douglas County, Oregon.
(5) An easement created by instrument, including the terms and provisions thereof, in favor of Pacific Power and Light Company for electric transmission, and distribution lines, as recorded in Book 570, page 898, recorder's #75-6565, records of Douglas County, Oregon.
(6) An easement created by instrument, including the terms and provisions thereof, in favor of California-Pacific Utilities Company, a corporation, for constructing and maintaining telephone lines and poles, as recorded in book 596, page 263, recorder's #76-5029, records of Douglas County, Oregon.
(7) Limited access provisions contained in deed to the State of Oregon, by and through its State Highway Commission, provides that no right or easement of right of access to, from or across the State Highway other than expressly therein provided for shall attach to the abutting property as recorded 1-11-51 in Volume 188, Page 254, Records of Douglas County, Oregon.
(8) Dividing Line Agreement recorded 9-20-83 in Book 860, Page 84, between the Estate of Edith L. Allen and Charles C. Allen; and Isabelle C. Grunst, affecting the Northeasterly line of subject property.

The same line, being a part of the Northeasterly line of the property, has two different bearings in the public record; according to a Boundary Deed Recorded in Volume 249, Page 261, from Lyman, et ux, to Allen, et ux.

Tribal-State Compact for Regulation of Class III Gaming: Cow Creek Band of Umpqua Tribe of Indians

Appendix A

I. VIDEO LOTTERY GAMES

DEFINITIONS

Section 177-100-010

[Definitions are in the Compact.]

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 on the reservation unless the manufacturer has 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. Any manufacturer approved for Oregon State Lottery shall automatically be approved for the Tribe's gaming enterprise.

(2) The manufacturer shall supply the Tribe and State with a guideline and time table for accomplishing tasks involved in the acceptance 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 Tribe and 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 Tribe and 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 equipment, and documentation described above transported to locations the Tribe and 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 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 which does not meet the standards of the Compact, its appendices or of the Tribe or 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 specifications of terminal prototypes tested and certified by the State.

(2) No persons other than authorized tribal or State personnel or agents may affix or remove a Tribal Inventory Gaming Decal. The placement of the Tribal Inventory Gaming Decal represents that the terminal has been certified, inspected, and approved for operation in the State. The placement of the Tribal Gaming Inventory Number 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 Tribe. No persons other than authorized tribal personnel may affix or remove the Tribal Gaming Inventory Number.

(3) No terminal may be transported out of the State until the Tribal Inventory Gaming Decal has been removed.

EXTERNAL TERMINAL SPECIFICATIONS

Section 177-100-090

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

(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 18 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 only be procured by the Tribe.

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

LOCATION AND NUMBER OF TERMINALS

Section 177-100-100

(1) Terminals shall be placed only in an age-controlled area. The following requirements shall apply:

(a) The terminals must be located in an area which is under the control of the owner, manager, or an employee of the manager.

(b) The terminals must be located in an area that restricts access to persons who are at least 18 years of age.

(c) The terminals must be located in an area which 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 18. The final determination as to what constitutes an acceptable age-controlled area shall reside with the Tribe.

(d) A terminal shall not be moved out of the gaming facility without prior notification to the State.

DUTIES OF GAMING FACILITY MANAGER

Section 177-100-110

(1) No Manager or any employee of the Manager shall own or operate any gray machines.

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

(3) Manager shall attend all meetings, seminars, and training sessions required by the Tribe.

(4) Manager shall supervise its employees and their activities to ensure compliance with these rules.

(5) Manager 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 Tribe 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 Tribe, the State or their auditors.

(3) Provide the Tribe 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 which 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 also display the amount wagered and the amount awarded for the occurrence of each possible winning occurrence based on the number of tickets wagered.

(2) 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 Tribe.

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 Tribe's 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 manager shall designate employees authorized to redeem cash slips during the Tribe's 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

(1) 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.

(a) 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.

(b) Each card, 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.

(c) Each card, 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.

(d) Each card, 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.

(e) The random number generator and selection process must be impervious to influences from outside devices including, but not limited to, electromagnetic interferences, ESD, RF interfaces.

Tribal-State Compact for Regulation of Class III Gaming: Cow Creek Band of Umpqua Tribe of Indians

Appendix B

I. 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 by the Lottery for each game.

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

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

GAME DESCRIPTION

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 (2) 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 which 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 of $10. If the same ticket is played "3 ways" the cost is $30.

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

CANCELLATION OF TICKETS

Section 177-99-030

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

DETERMINATION OF WINNERS

(1) Keno tickets will be sold during the hours of operation of the bingo hall and/or video lottery section. 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-driver 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

(1) Published payoff schedules are 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

(1) After the numbers are drawn, the supervisor 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.