United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

TAKE PRIDE IN AMERICA

FEB 21 1997

MAR 1997
RECEIVED

Honorable Raymond Butler
Chairman, Otoe-Missouria Tribe
of Indians
Route 1, Box 62
Red Rock, Oklahoma 74651

Dear Chairman Butler:

On January 8, 1997, we received the Tribal State Compact between the Otoe-Missouria Tribe (Tribe) and the State of Oklahoma (State), dated December 6, 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.

OTOE MISSOURIA TRIBE
COPIES TO: EXEC. DIR.
FINANCE
MASTER

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

Sincerely,

Ada E. Deer

Ada E. Deer
Assistant Secretary - Indian Affairs

Enclosures

Identical Letter Sent to: Honorable Frank Keating
Governor of Oklahoma
State Capitol
Oklahoma City, Oklahoma 73105

Bureau of Indian Affairs

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of amendment to approved Tribal-State Compact.

SUMMARY: Pursuant to Section 11 of the Indian Gaming Regulatory Act, 25 U.S.C. § 2710, the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Compacts for the purpose of engaging in Class III (casino) gaming on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through her delegated authority, has approved the Amended and Restated Compact for Regulation of Class III gaming between the Confederated Tribes of the Grand Ronde Community of Oregon and the State of Oregon which was executed on January 10, 1997.

DATES: This action is effective March 11, 1997.

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

Dated: February 26, 1997.

Ada E. Deer,

Assistant Secretary—Indian Affairs.

[FR Doc. 97–5886 Filed 3–10–97; 8:45 am]

BILLING CODE 4310–02–P

Indian Gaming

ACTION: Notice of approved tribal/state compact.

SUMMARY: Pursuant to Section 11 of the Indian Gaming Regulatory Act, 25 U.S.C. § 2710, the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal/State Compacts for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through her delegated authority, has approved the Tribal/State Gaming Compact between the Otoe-Missouria Tribe and the State of Oklahoma, which was executed on December 6, 1996.

DATES: This action is effective March 11, 1997.

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

Dated: February 21, 1997.

Ada E. Deer,

Assistant Secretary—Indian Affairs.

[FR Doc. 97–5885 Filed 3–10–97; 8:45 am]

BILLING CODE 4310–02–P

FILED
DEC 5 1996
OKLAHOMA SECRETARY
OF STATE

TRIBAL STATE COMPACT

Between the

OTOE-MISSOURIA TRIBE OF OKLAHOMA

and the

STATE OF OKLAHOMA

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TRIBAL STATE COMPACT
Between the
OTOE-MISSOURIA TRIBE OF OKLAHOMA
and the
STATE OF OKLAHOMA

THIS TRIBAL STATE COMPACT made and entered, by and between the Otoe-Missouria Tribe of Oklahoma, a federally recognized Indian Tribe, (hereinafter referred to as "Tribe") and the State of Oklahoma ("State"), pursuant to the provisions of the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. § 497, 25 U.S.C. § 2701 et seq..

RECITALS

WHEREAS, the Tribe and the State are separate sovereigns, and each recognizes and respects the laws and authority of the other sovereign; and WHEREAS, the Congress of the United States has enacted into law the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 U.S.C. § 497, 25 U.S.C. § 2701 et seq. (the "Act") which provides in part that a tribal-state Compact may be negotiated between a Tribe and a State to govern the conduct of certain Class III gaming activities on the Indian lands of the Tribe within the State; and WHEREAS, the Tribe exercises governmental authority over the Otoe-Missouria Indian Country, which is located within the State which are "Indian lands" within the meaning of the Act, and within which the gaming activities regulated hereunder shall take place; and WHEREAS, the Tribe and the State have negotiated the terms and conditions of this Compact in good faith so as to provide a regulatory framework for the operation of certain Class III gaming which is intended to (a) insure the fair and honest

operation of such gaming activities; (b) maintain the integrity of all activities conducted in regard to such gaming activities; and (c) protect the health, welfare and safety of the citizens of the Tribe and the State; and WHEREAS, the parties hereto deem it to be in their respective best interests to enter into this Compact; NOW, THEREFORE, in consideration of the mutual undertakings and agreements hereinafter set forth, the Tribe and the State enter into the following Compact.

SECTION 1. TITLE

This document shall be referred to as "The Otoe-Missouria Tribe of Oklahoma-State of Oklahoma Gaming Compact."

SECTION 2. DECLARATIONS

As the basis for this Compact the Tribe and the State have made the following declarations:

(a) A principal goal of Federal Indian policy is to promote tribal economic development, tribal self-determination and strong tribal government;

(b) The State recognizes the positive impact that gaming may provide to the Tribe. The Tribe will utilize revenues generated by gaming to fund programs that provide important governmental services to tribal members and Indian Country residents. These programs include education, health and human resources, housing development, road construction and maintenance, sewer and water projects, police, fire and judicial services, economic development, and any other purpose authorized under the Act.

(c) The State further recognizes that the positive economic

effects of such gaming may extend beyond tribal lands to the Tribes' neighbors and surrounding communities. These economic benefits, which include increased tourism and related economic development activities, will generally benefit all of north central Oklahoma and help to foster mutual respect and understanding among Indians and non-Indians.

(d) The Tribe and the State jointly wish to protect their citizens from any criminal involvement in the gaming activities regulated under this compact.

(e) This compact is intended to assure that gaming is conducted fairly and honestly by the Tribe, its employees and the players.

(f) The Compact shall govern the licensing, regulation, and operation of Class III gaming conducted by the Tribe on tribal lands located within the State as further described in Section 3(F) herein.

SECTION 3. AUTHORIZED CLASS III GAMING.

Subject to the terms and conditions of this Compact, the Tribe may conduct the following types of Class III gaming.

(A) Off-Track Pari-Mutuel Simulcast Horse Wagering which is conducted in conformity with this compact and with Appendix A.

(1) Compliance with Federal Law. All Off-Track Pari-Mutuel Simulcast Horse Wagering under this compact shall be conducted pursuant to all federal laws, including but not limited to the Interstate Horse Racing Act.

(B) Prohibition on Attendance of Minors. No person under 21 years

of age shall be admitted into a gaming area, nor be permitted to place any wager, directly or indirectly; provided, however, that persons over the age of 18 may be employed in the gaming facility provided that they are approved in accordance with the provisions of Section 9 of this Compact and are not employed in the service of alcoholic beverages.

(C) Alcoholic Beverages. The Tribe and/or any licensee of the Tribe shall comply with all applicable local, state and federal laws relating to the sale and consumption of alcoholic beverages in Otoe-Missouria gaming facilities and shall have, upon approval by ABLE, all the rights and liabilities of an ABLE licensee conducting its business off Indian Country. The Oklahoma Alcoholic Beverage Laws Enforcement Commission shall have the same authority over activities relating to the sale and consumption of alcoholic beverages in Otoe-Missouria gaming facilities as it would over a licensee not on Indian Country. The Tribe and/or any licensee of the Tribe shall comply with all state taxing requirements with regard to the sale of alcoholic beverages including but not limited to, the filing of all necessary reports with the Oklahoma Tax Commission. The Tribe and/or any licensee of the Tribe shall in all respects conduct its operation as would a licensee of the Alcohol Beverage Law Enforcement commission which is not located on Indian Country. The Tribe expressly waives, for themselves and for any licensee of the Tribe, its immunity from suit and liability in regard to the failure of the Tribe to pay applicable taxes on the sale of alcohol by the Tribe and for any other purpose concerning

ABLE regulation of liquor.

(D) Tort remedies for Patrons and Resolution of Patron Gaming Disputes. In the event of an alleged personal injury or property damage suffered by a patron of the gaming facility, or in the event of a dispute between a patron and the gaming manager regarding the payment of bet or distribution of winnings, the patron may make a claim against the Tribe as follows.

(1) Any patron having a claim against the Tribe shall present a claim to the Tribe for any appropriate relief including the award of money damages. Claims against the Tribe are to be presented within ninety (90) days of the date the loss occurs. In the event a claim is presented following ninety (90) days after the loss occurs, but within one (1) year after the loss occurs, any judgment in a lawsuit arising from the act which is the subject of the claim shall be reduced by ten (10) percent. A claim against the Tribe shall be forever barred unless notice thereof is presented within one (1) year after the loss occurs. A claim against the Tribe shall be in writing and filed with the appropriate Tribal Chief at the address set out for notices in this Compact. Notices explaining this procedure shall be posted in the gambling facility. Such notices shall explain that this procedure is the exclusive method of making a tort claim or registering a patron dispute about payment of a bet or distribution of winnings. Such notices shall explain that upon denial of

a claim redress must be sought first in the appropriate Tribal Court and shall explain where and how a suit may be filed.

(2) The written notice of claims to the Tribe shall state the date, time, place and circumstances of the claim, the identity of the tribal or gaming employees if known, the amount of compensation or other relief demanded, the name, address and telephone number of the claimant, and the name, address and telephone number of any agent authorized to settle the claim.

(3) A claim is deemed denied if the Tribe fails to approve the claim in its entirety within ninety (90) days of receipt, unless the interested parties have reached a settlement before the expiration of that period. A person may not initiate suit against the Tribe unless the claim has been denied in whole or in part. The claimant and the Tribe may continue attempts to settle a claim, however, settlement negotiations do not extend the date of denial.

(4) No action for any cause arising from personal injury, property damage, or patron gaming dispute shall be maintained unless valid notice has been given and the action is commenced in a court of competent jurisdiction within 180 days after denial of the claim as set forth herein. Neither the claimant nor the Tribe may extend the time to commence an action by continuing to attempt

settlement of the claim.

(5) Upon the exhaustion of any claim against the Tribe properly filed as provided above, the claimant may appeal to the State court for a trial de novo of said appeal.

(E) 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 any one person and $2,000,000 for any one occurrence for personal injury, and $1,000,000 for any one occurrence for property damage. The Tribes' insurance policy shall include an endorsement providing that the insurer may not invoke tribal sovereign immunity up to the limits of the policy set forth above. 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 facilities, or any rectification thereon, pursuant to this Compact or tribal ordinances regarding public health, safety and welfare. The Tribe shall provide a defense for the State for any and all claims made against the OSBI (or other designated State agency) or its employees for their performance of any duties as set out in Sections 7 and 8 of this Compact. Should the Tribe fail to

indemnify, defend and hold harmless the State as required herein, the State may employ the Dispute Resolution procedures set out in Section 15 of this Compact to their conclusion, including an award of damages caused by the Tribe's failure.

(F) Gaming Locations. All Class III gaming authorized under this Compact shall be conducted in one or more Gaming Facilities located on Otoe-Missouria Tribal Lands defined as Indian lands pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. § 2703(4).

The Tribe shall at all times maintain a current list of locations of gaming facilities by building or location with sufficient specificity that the State may readily locate and inspect them at any time. No gaming shall be conducted on any lands other than that designated in this paragraph.

SECTION 4. DEFINITIONS

For purposes of this Compact:

(a) "Act" means the Indian Gaming Regulatory Act, Pub.L.-100-497, 25 U.S.C. § 2701 et seq.

(b) "Class III Gaming" means all forms of gaming that are not Class I gaming or class II gaming, as defined in sections 4(6) and 4(7) of the Act, 25 U.S.C. §§ 2703(6) and (7), as permitted in this Compact.

(c) "Commission" means the National Indian Gaming Commission established pursuant to 25 U.S.C. § 2704.

(d) "Compact" means this Otoe-Missouria Tribe of Oklahoma-State of Oklahoma Gaming Compact.

(e) "Gaming Employee" means any natural person employed in the operation or management of the gaming operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the gaming facility regarding any Class III activity, including but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance personnel; cashier supervisors; shift bosses; cage personnel; collection personnel; gaming consultants, management companies and their principals; and shall additionally include any other natural person whose employment duties require or authorize access to restricted areas of the gaming operation not otherwise opened to the public.

(f) "Gaming Facility" means the room or rooms in which Class III Gaming as authorized by this Compact is conducted on Otoe-

Missouria Tribal Lands as more specifically defined in Section 3(F) of this Compact.

(g) "Gaming Operation" means the enterprise owned by the Tribe on Otoe-Missouria Tribal Lands as more specifically defined in Section 3(F) of this Compact for the conduct of Class III gaming in any gaming facility.

(h) "Gaming services" means the providing of any goods or services to the Tribe directly in connection with the operation of Class III gaming in a gaming facility, including equipment, maintenance or security services for the gaming facility.

(i) "Indian Country" or "Otoe-Missouria Tribal Lands" means Indian lands as defined by 25 U.S.C. §§ 2703(4)(A) and (B), which are further described in Section 3(F) herein.

(j) "Management Company" means the entity which operates a gaming enterprise on Otoe-Missouria lands pursuant to the terms of a management contract.

(k) "Management Contract" means a management contract within the meaning of 25 U.S.C. §§ 2710(d)(9) and 2711.

(l) "OSBI" means the Oklahoma State Bureau of Investigation. The OSBI shall be the state agency responsible to monitor compliance of Class III Gaming as authorized by this compact. Should the Oklahoma legislature or the Governor deem it best to create a state gaming agency to monitor Oklahoma Indian gaming or to designate some agency other than the OSBI as the state monitoring agency, notice shall be given to the tribe as required by Section 18 of this compact. Thereafter, responsibilities

delegated to the OSBI in this compact shall be deemed transferred to the newly designated agency.

(m) "Pari-mutuel system of wagering" means a form of wagering on the outcome of simulcast horse races in which those who wager purchase tickets of various denominations on a horse or horses and all wagers for each race are pooled together and held by the gaming operation for distribution. The pari-mutuel system of wagering uses an electric totalizer or similar equipment which automatically registers the wagers made on each horse and prints and issues a ticket representing each wager.

(n) "Principal" means with respect to any enterprise: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who own more than three percent of the shares of the corporation, if a corporation; and (v) each person other than a banking institution who has provided financing for the enterprise constituting more than three percent of the total financing of the enterprise.

(o) "Simulcast" means the live audio and visual transmission of a horse race, or series of horse races, simultaneously with the occurrence of the race or races at a track.

(p) "State" means the State of Oklahoma, its authorized officials, agents and representatives.

(q) "Tribal Gaming Agency" means the Otoe-Missouria Gaming

Commission or such other agency of the Tribe as the Tribe may from time to time designate by written notice to the State as the single Tribal agency primarily responsible for regulatory oversight of class III gaming as authorized by this compact. No employee of the gaming operation or Principal as defined by Section 4(n) of the Compact may be a member or employee of the Tribal Gaming Agency.

(r) "Tribal Law Enforcement Agency" means the police force of the Otoe-Missouria Tribe of Oklahoma established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Tribes Tribal Lands. Members of the Tribal Law Enforcement Agency shall attend police officer training as prescribed by the Oklahoma Council on Law Enforcement and Training Center, the Federal Indian Police Academy or receive comparable training. The Tribe shall supply to the state information on the background and training of its police officers, including name, social security number, prior law enforcement experience and training, military service and any arrest record and record of gaming related discipline from any jurisdiction.

(s) "Tribe" means the Otoe-Missouria Tribe of Oklahoma, its authorized officials, agents and representatives.

Section 5. REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE TRIBAL GAMING OPERATION.

(a) Adoption of regulations for Operation and Management.

(1) The Tribal Gaming Agency has adopted the regulations set forth in Appendix A to govern the operation and management of the gaming operation conducted under the authority of this compact.

The regulations ensure that the interests of the Tribe and the State relating to Class III gaming are preserved and protected. The regulations shall maintain the integrity of the gaming operation and shall reduce the dangers of unfair or illegal practices in the conduct of the Class III gaming operation.

(2) Any additional regulations to govern the operation and management of the Tribal gaming operation shall be the standards set forth by the Tribal Gaming Agency and approved by the OSBI. The OSBI shall not unreasonably withhold approval of said standards.

(b) Additional Operational Requirements Applicable To Class III Gaming.

The following additional requirements shall apply to the gaming operation conducted by the Tribe:

(1) To ensure integrity, the Tribal gaming operation shall maintain the following logs as written, or computerized records which shall be available for inspection by the OSBI in accordance with Section 7(b) of this Compact: a surveillance log recording all surveillance activities in the monitoring room of the gaming facility; pay-out logs from all gaming activities; maintenance logs in relation to all gaming equipment; and a security log recording all unusual occurrences for which the assignment of a Tribal Gaming Agency employee is made.

(2) The Tribal Gaming Agency shall establish a list of persons barred from the gaming facility because their criminal history or association with career offenders or career offender organizations which pose a threat to the integrity of the gaming

activities of the Tribe. The Tribal Gaming Agency shall employ its best efforts to exclude persons on such list from entry into its gaming facility. The Tribal Gaming Agency shall send a copy of its list to the OSBI for informational purposes upon request by the OSBI.

(3) The Tribal Gaming Agency shall require an investigative audit of the Tribal gaming operation, not less than annually, by an independent certified public accountant. Such audit shall be at the expense of the Tribe or the Gaming Operation. The results of the independent audit shall he made available to the OSBI, as shall the auditors' workpapers upon request.

(4) Summaries of the rules of each method of wagering and odds paid to winning bets shall be visibly displayed in the gaming facility. Complete rules shall be available in pamphlet form in the gaming facility.

(5) The Tribal gaming operation shall provide the Tribal Gaming Agency and the OSBI with a description of its minimum requirements for supervisory staffing for each type of wagering allowed in the gaming facility, and in the event that the Tribal Gaming Agency or the OSBI regards such supervisory staffing as inadequate to protect the integrity of the wagering, the Tribal Gaming Agency or the OSBI shall promptly notify the Tribal gaming operation of the minimum requirements which will be acceptable for supervisory staffing for each type of wagering allowed in the gaming facility and the Tribal gaming agency shall take the necessary steps to meet said minimum requirements in a timely

manner.

SECTION 6. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS.

(a) Tribal Gaming Agency. 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, shall be that of the Tribal Gaming Agency. As part of its responsibilities, the Tribal Gaming Agency shall perform the following functions:

(1) the enforcement of the Gaming operation, including the facility, of all relevant laws;

(2) the physical safety of personnel employed by the establishment;

(3) the physical safety of patrons in the establishment;

(4) the physical safeguarding of assets transported to and from the gaming facility and cashier's cage department;

(5) the protection of the patrons and the establishment's property from illegal activity;

(6) the protection of the patrons rights under the Indian Civil Rights Act, 25 U.S.C. § § 1302-1303;

(7) the detention of persons who may be involved in illegal acts for the purpose of notifying the tribal, federal, state, county or local law enforcement authorities;

(8) the recording of any and all unusual occurrences within the gaming facility. Each incident, without regard to materiality, shall be assigned a sequential number and, at a minimum, the following information shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:

(A) the assigned number;

(B) the date;

(C) the time;

(D) the nature of the incident;

(E) the person involved in the incident; and

(F) the Tribal Gaming Inspector

(b) Inspectors. The Tribal Gaming Agency shall employ qualified inspectors or agents under the authority of the Tribal Gaming Agency. Said inspectors shall be independent of the Tribal gaming operation, and shall be supervised and accountable only to the Tribal Gaming Agency.

(c) Reporting of violations. A Tribal gaming inspector shall be present in the gaming facility 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, and of gaming rules and regulations. Any violation(s) of the provisions of this Compact, Tribal Gaming Ordinances, or of gaming rules and

regulations 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 Agency and to the OSBI.

(d) Investigation and Sanctions. The Tribal Gaming Agency 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 Agency determines are necessary. The Tribal Gaming Agency shall be empowered by Tribal ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against a gaming employee, Principal, or any other person directly or indirectly involved in, or benefiting from, the gaming operation, but not upon patrons.

(e) Reporting to OSBI. The Tribal Gaming Agency shall forward copies of all investigation reports and final dispositions to the OSBI whether or not such investigations are finally closed.

(f) Meetings. In order to develop and foster a positive and effective relationship in the enforcement of the provisions of this Compact, representatives of the Tribal Gaming Agency and the OSBI shall meet, not less than on an annual basis, to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Tribal Gaming Agency. The OSBI prior to or during such meetings shall disclose to the Tribal Gaming Agency any concerns suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any

person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

SECTION 7. STATE MONITORING OF COMPACT PROVISIONS.

(a) Monitoring. The OSBI shall, pursuant to the provisions of this Compact, have the authority to monitor the Tribal gaming operation to ensure that the operation is conducted in compliance with the provisions of this Compact. In order to properly monitor the Tribal gaming operation, agents of the OSBI shall have reasonable access to all areas of the gaming facility during normal operating hours without giving prior notice to the Tribal gaming operation; provided, however, that the monitoring activities of these agents shall not interfere with the normal functioning of the Tribal gaming operation; and provided further that before agents of the OSBI shall be entitled to enter the non-public areas of the Tribal gaming facility, they shall provide proper photographic identification to the Tribal gaming inspector then on duty or to any authorized representative of the management company. Should the Tribal gaming inspector fail to allow the OSBI access to the Tribal gaming facility upon presentation of proper identification such failure to comply with this provision of the Compact shall authorize the State to forego the dispute resolution procedures specified in Section 15 and proceed immediately to seek judicial relief. Such relief may include, but shall not be limited to the closure of the gaming facility or the termination of this Compact.

(b) Access to Records. Agents of the OSBI shall have authority to review during normal business hours, all records maintained by

the Tribal Gaming operation and may copy same.

(c) Tribal Gaming Agency Notification. At the completion of any inspection or investigation by the OSBI, an investigative report shall be forwarded to the Tribal Police, provided that said report will not contain information which can not be disclosed pursuant to state law. The Tribal Police shall be apprised of all pertinent non-confidential information regarding any violation of federal, state of tribal gaming laws.

SECTION 8. CRIMINAL JURISDICTION.

(a) Tribal Criminal Jurisdiction. In enforcing the terms and provisions of this Compact, the Tribe shall exercise criminal jurisdiction over Indian people in accordance with applicable Federal law; and provided further that the state shall exercise such jurisdiction only in emergency situations or in the event that the Tribe fails to exercise such responsibility.

(b) State Criminal Jurisdiction. In enforcing the terms and provisions of this Compact, the State shall exercise criminal jurisdiction over non-tribal Indians and non-Indians pursuant to in accordance with applicable Federal law.

(c) Federal Criminal Jurisdiction. Nothing contained herein shall be deemed to modify or limit existing federal criminal jurisdiction over the tribal gaming operation authorized under this Compact.

SECTION 9. BACKGROUND INVESTIGATIONS OF GAMING EMPLOYEES

(a) Background Investigations Prior to Employment.

(1) The Tribe, prior to hiring a prospective gaming

employee, shall obtain sufficient information and identification from the applicant to permit a thorough background investigation of the applicant. The information obtained shall include:

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

(B) Social security number;

(C) Date and place of birth;

(D) Residential addresses for the past five years;

(E) Employment history for the past five years;

(F) Driver's license number;

(G) All licenses issued and disciplinary charges filed, whether or not discipline was imposed, by any state or tribal gaming agency;

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

(I) A set of fingerprints;

(J) A current photograph; and

(K) Military service history.

(L) Any other information necessary to conduct a thorough background investigation.

This information shall be provided in writing to the OSBI, who may conduct the background investigation and provide a written report to the Tribal Police in a timely manner from the receipt of the request.

(2) The Tribe may employ on a probationary basis prospective gaming employee who represents in writing that he or she meets the standards set forth in this Section until such time as the written report on the applicants' back ground investigation is completed.

(3) The Tribe shall not employ as a gaming employee and shall terminate any probationary gaming employee, if the report on the applicant's background investigation finds that the applicant:

(A) has been convicted of any felony, gaming offense or larceny;

(B) has knowingly and willfully provided materially important false statements or information on his employment application; or

(C) has been determined to be a person whose prior activities, criminal record if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

Should the OSBI object to employment of any individual by the Tribe based upon the criteria set out herein, it may object in writing to the employment of that individual. The Tribe shall have discretion

to employ a contested individual over the objection of the OSBI, but the dispute regarding employment of such an individual shall be subject to the dispute resolution provisions of this Compact.

(b) Background Investigations of Gaming Employees During Employment. The Tribe, shall retain the right to conduct such additional background investigations of any gaming employee at any time during the term of that person's employment. Any gaming employee found to fall within the provisions of Section 9 (a)(3) above shall be dismissed.

(c) Identification Cards. The Tribal Gaming Agency shall require all gaming employees to wear in plain view, identification cards issued by the Tribal Gaming Agency which include photo, first name and a four digit identification number unique to the individual which shall include a Tribal seal or signature, and a date of expiration.

SECTION 10. MANAGEMENT CONTRACT

The Tribe may enter into a management contract for the operation and management of all or any part of the Tribal Gaming operation, pursuant to the requirements and provisions of the Act. The Tribe shall provide the Tribal Gaming Agency and the OSBI with copies of the Proposed management contract as submitted to the Commission, all correspondence and other documentation submitted to the Commission in connection with the management contract, including background investigations of gaming management, and the statement of approval or disapproval of the management contract from the Chairman of the Commission.

Information provided to the OSBI shall include the result of the background check conducted of primary management officials and key employees now required, or which may become required, by federal statute or regulations. Should the Tribe request, the OSBI shall conduct the background investigation on the same terms as for gaming employees as set out in this compact. If the State finds the management company, any of its principals as defined herein, or any primary management official or key employee is objectionable under the criteria set out in Section 9 (a)(3) of this compact, it may object in writing to the involvement of such company or individual in gaming. The Tribe shall have discretion to contract with such a management company or permit the employment of such individual by said management company over the objection of the State, but the dispute involving such company or individual shall be subject to the dispute resolution provisions of this compact.

In the event the Tribe elects to have a privately retained agency conduct the investigation of its management company, the investigation shall be at least as strenuous as if conducted by the OSBI and shall include information required, or which may become required by federal statute or regulation and information required by Section 9(a) of the compact. The Tribe shall provide the OSBI with all information that is provided to the Federal Bureau of Investigation.

SECTION 11. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE.

The Tribe realizes that Oklahoma has incurred expenses in negotiating this compact and will incur expenses related to the obligations undertaken under this compact. Accordingly, the parties agree as follows:

(a) Payments. The Tribe agrees to reimburse Oklahoma for the actual amount of time and expenses of personnel as assessed by Oklahoma in accordance with Section 11 paragraph (3) (c) (iii) of the IGRA related to this compact. The Tribe further agrees to establish an escrow fund at a bank of their choosing with an initial contribution of twenty-five hundred dollars ($2,500) and to replenish said account as necessary to make the payments called for herein. The Tribe agrees that the balance in the escrow account shall never drop below one thousand dollars ($1,000).

(b) Procedure. The Tribal payments referenced above shall be made to an escrow account from which Oklahoma may draw as hereinafter provided. Oklahoma shall bill the Tribe the reasonable and necessary costs related to obligations undertaken under this compact. The costs for such services shall be that established by Oklahoma either by agency rule or by statute or, where the cost of services (including more extensive background checks, other investigations, monitoring or similar matters) is not

established by rule or by statute, the costs shall include employee's time, reasonable out of pocket expenses, including benefits and travel expenses at the statutory rate. Oklahoma shall send invoices to the Tribe for these services and shall thereafter be permitted to withdraw the billed amounts from the escrow account under the circumstances hereinafter provided. Payments for reimbursement to the State shall be made to the Office of the Governor pursuant to 60 O.S. § 383-85. Reimbursement for services provided by the State shall be retained by the Office of the Governor. Reimbursement for other services provided by the OSBI shall, pursuant to Oklahoma State Statutes, 74 O.S. § 150.19a, be transmitted to the OSBI to defray the cost of services as required under this compact. Reimbursement for other services provided by the State shall, pursuant to 60 O.S. § 384-85, be transmitted by the Office of the Governor to the Director of State Finance who shall allot said reimbursement to the OSBI or any successor agency to defray the cost of services as required under this compact.

(c) Escrow Draws. No draws shall be made from the escrow account until impediments to the Tribe engaging in the gaming authorized by this compact have been removed. Should it be determined that the Tribe can not engage in the gaming authorized by this compact, all monies in the

escrow account, including any interest, shall be refunded to the Tribe. When all impediments to the ability of the Tribe to engage in the gambling authorized by this compact are removed, Oklahoma shall immediately be entitled to withdraw from the escrow account the amounts billed.

SECTION 12. PUBLIC HEALTH AND SAFETY.

(a) Compliance. The construction, maintenance and operation of the Tribal gaming facility shall comply with all federal and tribal standards and with all other local building codes and standards as would apply if the construction were taking place off of Tribal Lands and within the State of Oklahoma.

(b) Emergency Service Accessibility. The Tribal Gaming Agency shall make provisions for adequate emergency accessibility and service to insure the health and safety of all gaming patrons. Upon the finalization of emergency access plans for all tribal gaming facilities the Tribe shall forward copies of said plans to the State.

SECTION 13. USE OF NET REVENUES.

The net revenues derived from Class III gaming authorized under this Compact shall not be used by the Tribe for purposes other than:

(a) to fund tribal government operations or programs;

(b) to provide for the general welfare of the Tribe and its members;

(c) to promote tribal economic development;

(d) to donate to charitable organizations;

(e) to help fund operations of local government agencies;

(f) any other purposes permitted under the Act; or

(g) making payments to the State of Oklahoma as required by this Compact.

SECTION 14. TRIBAL AUTHORITY IN THE EVENT THAT THE STATE DECLINES TO EXERCISE JURISDICTION.

(a) Default, Authority of Tribal Gaming Agency. In the event that the OSBI declines to exercise all or any portion of the authority vested in the OSBI pursuant to this Compact, then the Tribal Gaming Agency shall exercise such authority and carry out the responsibilities set forth therein until and unless the OSBI advises the Tribe in writing that it is prepared to exercise such authority.

(b) Default Authority of Tribal Law Enforcement Agency. In the event that the State declines to exercise law enforcement responsibilities vested in it pursuant to this Compact, then the Tribe, in conjunction with the federal government, shall carry out such responsibilities until and unless the State agrees to exercise such responsibility.

SECTION 15. DISPUTE RESOLUTION

In the event that either party to this Compact believes that the other party has failed to comply with any requirement of this Compact or applicable regulations thereunder, or in the event of any disagreement or dispute as to the proper interpretation of the

terms and conditions of this Compact, the following procedures may be invoked but shall not be construed as to prevent either party from seeking immediate judicial relief:

(a) Voluntary Resolution. The party asserting noncompliance or seeking an interpretation shall serve written notice on the other party. The notice shall identify the specific Compact provision alleged to have been violated or in dispute and shall specify in detail the factual basis for the alleged noncompliance or the Compact provision for which interpretation is sought. Thereafter, the Governor and Tribal Chief, or their designated representatives, shall meet within thirty (30) days in an effort to resolve the dispute.

(b) Non-Binding Arbitration. If a dispute arises among the parties that is not resolved within 30 days, either party may refer it to non-binding arbitration. If referred to arbitration, each party shall name an arbitrator. The two named arbitrators will name a third arbitrator. If the two named arbitrators cannot agree on a third arbitrator, then the third arbitrator will be named by the American Arbitration Association. The expenses of arbitration shall borne equally by the parties. A party asserting noncompliance or seeking an interpretation under this section shall be deemed to have certified that to the best of their knowledge, information, and belief formed after reasonable inquiry that the averment is warranted and made in good faith, and is not made for any improper purpose, such as to harass or to cause unnecessary delay or needless increase of the cost of resolving the dispute. If the dispute is found to have been initiated in violation of this

subsection, the Arbitrator, upon request or upon its own initiative, shall impose upon the party in violation, an appropriate sanction, which may include a decision for the violating party to pay to the other parties the amount of the reasonable expenses incurred because of the initiation of the dispute.

(c) Declaratory Judgement. If either party considers itself aggrieved by the arbitration decision, that party may bring a declaratory judgement action in the United States District Court for the Northern District of Oklahoma. If the dispute involves a material breach of this compact and is not cured, the court could declare that the compact is terminated. Although this remedy is consistent with § 2710 (d) (3) (C) (v) and § 2710(d) (7) (A) of the Act, nothing herein shall be construed to authorize any other equitable remedy nor to authorize a money judgement other than for damages for failure to indemnify and hold the state harmless as required by Section 3(E) of this Compact; or in regard to the failure of the Tribe to pay taxes on the sale of alcohol by the Tribe as required in Section 3(C) of this Compact; or for payment of services rendered by the State pursuant to this Compact as required in Section 11 of this Compact. The Tribe specifically waives its immunity from suit and liability for any suit authorized in this subsection.

SECTION 16. RESERVATION OF RIGHTS UNDER THE ACT

(a) Additional Compacts. The State and Tribe agree that by entering into this Compact, the Tribe shall not be deemed to have waived its right to initiate and pursue the procedures provided by

the Act if the State should refuse to enter into a Compact after the Tribe as made a written request with respect to other forms of Class III gaming, and neither the State nor the Tribe shall be deemed to have waived any rights, arguments or defenses applicable to such a procedure.

(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, whether conducted within or without the gaming facilities, or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribe on its lands.

(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 the reimbursement of expenses expressly authorized pursuant to Section 11 of this Compact and taxes on liquor as authorized by Section 3(c) of this Compact. However, to the extent that the Tribe is required under federal law to withhold federal income tax from the gaming winnings of non-tribal patrons, the Tribe does agree to withhold state individual income tax from gaming winnings of non-tribal patrons in the amounts set forth in applicable Oklahoma law. The Tribe shall withhold 4% of all winnings subject to withholding which shall be defined as proceeds of more than $1,000 from any wagering transaction. Proceeds from a wager shall be determined by reducing the amount received by the amount of the wager. In addition, the Tribe shall require every person who is to receive a payment of winnings which are subject to withholding to furnish the Tribe a statement, made under penalties

of perjury, containing the name, address, and taxpayer identification number of the person receiving the payment and of each person entitled to any portion of such payment. The Tribe shall monthly remit amounts withheld hereunder together with a copy of the statement by the recipient of the winning subject to withholding to the Oklahoma Tax Commission.In addition, to the extent that the Tribal Gaming operation is responsible for filling out IRS Form W-2G to report gaming winnings, a copy of said form shall also be provided to the Oklahoma Tax Commission.

(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.

SECTION 17. SEVERABILITY

Each provision, section, and subsection of this Compact shall stand separate and independent of every other provision, section, or subsection. In the event that a court of competent jurisdiction shall find any provision, section, or subsection of this Compact to be invalid the remaining provisions, sections, and subsections of the Compact shall remain in full force and effect, unless the invalid provision materially alters the relationship between the parties. In the event of such an alteration, the parties shall negotiate to comply, as nearly as possible, with the original intent of this Compact.

SECTION 18. NOTICES

All notices required or authorized to be served under this Compact shall be served by certified mail (return receipt requested), commercial overnight courier service or by personal delivery, at the following addresses:

Governor
State Capitol, Room 212
Oklahoma City, Oklahoma 73105

Chairman, State-Tribal Relations Committee
State Capitol
Oklahoma City, Oklahoma 73105

Attorney General
State Capitol, Room 112
Oklahoma City, Oklahoma 73105

Attention: Director
Oklahoma State Bureau of Investigation
6600 North Harvey
Suite 300
Oklahoma City, Oklahoma 73116

Tribal Chairman
Otoe-Missouria Tribe of Oklahoma
Route 1, P.O. Box 62
Red Rock, Oklahoma 74651

SECTION 19. DURATION, RENEGOTIATION AND EFFECT ON RIGHT TO REQUEST COMPACTS UNDER THE IGRA

(a). Effective Date. After this compact is signed by the Governor of Oklahoma, or his named designee, approved by Oklahoma's Joint Committee on State-Tribal Relations if deemed necessary, and adopted by the Tribe, it shall become effective when notice of approval by the Secretary of the Interior has been published in the Federal Register.

(b) Term. This compact shall have a three-year automatically renewable term from the effective date. At the end of each term, the three-year term will automatically renew except that either

party may give notice of its intent to terminate at any time during the three year term except during the final thirty (30) days preceding the end of the term.

(c). Duration. This compact shall remain in full force and effect until one of the following shall occur:

(1) Expiration of the term, provided notice to terminate has been given as set forth in Section 19(b); or

(2) This compact is terminated by mutual consent of the parties; or

(3) The Tribe duly adopts an ordinance or resolution revoking Tribal authority to conduct Class III gaming in Indian country as provided for under § 2710 (d) (2) (D) of the Act; or

(4) Pursuant to a final, non-appealable judgement by a court of competent jurisdiction determines that:

(a) This compact is invalid, or

(b) A party has committed a material breach of this compact and the breach has not been cured.

SECTION 20. AMENDMENTS

The State or the Tribe may request negotiations to amend or modify this Compact. The amendment or modification request may entail include requests for approval of gaming activities that are found to be legitimately within the scope of the IGRA at a date after the immediate compact is approved by the State. In the event of a request for negotiation to amend or modify this Compact, this Compact shall remain in effect until amended or modified, but such a request shall not serve to extend the term of this Compact. Such requests shall be served pursuant to Section 18 of this Compact. If

such a request is made by the Tribe, it shall be treated as a request to negotiate pursuant to the Act. The parties shall have 180 days to negotiate, and all further procedures and remedies available under the Act shall thereafter apply. The Tribe and the State may mutually agree to extend the 180 day period without prejudice to the rights of either party under this Section. Any amendment to this Compact shall be in writing and must be approved by the Secretary.

SECTION 21. SUCCESSORS AND ASSIGNS.

This Compact shall be binding upon the successors and assigns of he parties hereto.

SECTION 22. GOVERNING LAW.

This Compact shall be governed by and construed in accordance with the laws of the United States, the State of Oklahoma, and the laws of the Tribe as applicable.

SECTION 23. JUDICIAL ENFORCEMENT.

(a) Where Brought. Any judicial action brought to enforce the terms of an arbitration decision rendered under Section 15 of the Compact shall be brought only in the United States District Court for the Northern District of Oklahoma; provided however, that if the United States District Court should first determine that it lacks subject matter jurisdiction over such a cause of action, an enforcement action may then be instituted in the courts of the State of Oklahoma or the Otoe-Missouria Tribal Court.

(b) Limited Waivers of Immunity. The Tribe and the State hereby expressly waive their sovereign immunity from suit solely for the limited purpose of permitting judicial enforcement of an

Arbitration decision rendered under this Compact, and for purposes authorized by Section 15(c) of this Compact.

SECTION 24. ENFORCEMENT OF THIS COMPACT

While neither party waives its sovereign immunity from suit, the parties recognize that under the Indian Gaming Regulatory Act, parties to a compact may commence an action in Federal district court for breach of a compact. Nothing in this Compact shall be construed to be a relinquishment of either party's right to seek Federal court enforcement of this Compact. If the parties voluntarily enter into binding arbitration in order to settle a dispute arising under this compact, either party's failure to comply with the arbitration decision shall be deemed a breach of this Compact.

SECTION 25. WAIVER OF IMMUNITY AS TO EMPLOYEES, CONTRACTORS OR SUPPLIERS.

The Tribe hereby waives its sovereign immunity from suit and liability as to any alleged claim brought against the Tribe by an aggrieved employee of the Tribe, or a contractor or supplier to the Tribe, to the same extent as would the State of Oklahoma in a situation involving a contract suit seeking to recover appropriated State funds.

SECTION 26. AUTHORITY TO EXECUTE.

Each of the undersigned represents that he or she is duly authorized and has the authority to execute this agreement on behalf of the party for whom he or she is signing.

APPROVED:

STATE OF OKLAHOMA

_____
GOVERNOR

ATTEST: _____
Secretary of State

OTOE-MISSOURIA TRIBE OF OKLAHOMA

_____
CHAIRMAN OF THE OTOE-MISSOURIA TRIBE

Approved by the Joint Committee on State-Tribal Relations

_____ December 3, 1996
CHAIRMAN Date