United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

TAKE PRIDE IN AMERICA

FEB 05 1993

Honorable Ernest Stensgar
Chairman, Coeur d'Alene
Tribal Council
Plummer, Idaho 83851

Dear Chairman Stensgar:

On December 22, 1992, we received the 1992 Class III Gaming Compact By and Between the Coeur d'Alene Tribe (Tribe) and the State of Idaho (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.

Notwithstanding our approval of the Compact, be advised that Section 11(d)(1) of the IGRA requires that gaming cannot be conducted without a tribal gaming ordinance approved by the Chairman of the National Indian Gaming Commission (NIGC). On July 8, 1992, the NIGC's proposed regulations to govern approval of Class II and Class III gaming ordinances were published in the FEDERAL REGISTER. The final rule has now been published and becomes effective on February 22, 1993. Existing ordinances should be submitted to the NIGC for review and approval in accordance with the final regulations. Prior to submission, the Tribe should review the ordinance to insure that it is consistent with the NIGC regulations.

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

Sincerely,

/S/ Eddie F. Brown

Assistant Secretary - Indian Affairs

Enclosures

FAX TRANSMITTAL # of pages ▶ 50

To Christine McKay	From Jesse Logan
Dept./Agency	Phone # 202 632 7003
Fax # 307 635 3334	Fax # 202 632 7066

Identical Letter to: Honorable Cecil Andrus
Governor of Idaho
Statehouse
Boise, Idaho 83720

cc: Portland Area Director w/copy of approved Compact
Supt., N. Idaho Agency w/copy of approved Compact
Neil McDonald, SOL(2)
National Indian Gaming Commission w/copy of approved Compact
Pacific Northwest Field Solicitor w/copy of approved Compact
Idaho United States Attorney w/copy of approved Compact

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming

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 in 1992 Class III Gaming Compact By and Between the Coeur d'Alene Tribe and the State of Idaho, enacted on December 18, 1992.

DATES: This action is effective on February 12, 1993.

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

Dated: February 5, 1993.

Eddie F. Brown,

Assistant Secretary—Indian Affairs.

[FR Doc. 93–3337 Filed 2–11–93; 8:45 am]

BILLING CODE 4310-02-M

CLASS III GAMING

CD'A RESOLUTION 22 (93)

WHEREAS, the Coeur D'Alene Tribal Council has been empowered to act for and on behalf of the Coeur D'Alene Tribe pursuant to the Revised Constitution and By-Laws, adopted by the Coeur d'Alene Tribe by referendum November 10, 1984, and approved by the Secretary of the Interior, Bureau of Indian Affairs, December 21, 1984; and

WHEREAS, the Coeur D'Alene Tribe initiated Class III gaming compact negotiations with the State of Idaho on April 15, 1992; and

WHEREAS, the 180 day minimum statutory negotiating period expired October 12, 1992, but the Tribe continued to negotiate at the State's request; and

WHEREAS, because of the impending popular vote on a proposed amendment to the constitution of the State of Idaho (HJR 4) which might adversely impact the Tribe's legal position, the Coeur d'Alene Tribe's attorney was directed to file a declaratory judgment lawsuit in Federal Court against the State of Idaho requesting a declaration of the various rights under Indian Gaming Regulation Act 25 U.S.C. § 2701, et seq., which was filed on November 3, 1992; and

WHEREAS, the State of Idaho has agreed to enter into a partial Class III gaming compact with the Coeur d'Alene Tribe and to resolve disputed issues through a process established in the compact, including a declaratory judgment action;

NOW, THEREFORE, BE IT RESOLVED, the Chairman of the Coeur D'Alene Tribal Council is authorized to sign the Class III Gaming Compact which has been negotiated on behalf of the Coeur d'Alene Tribe with the State of Idaho; and

BE IT FOREVER RESOLVED, that the filing of the declaratory judgment lawsuit against the State of Idaho on November 3, 1992, is formally authorized and approved.

CERTIFICATION

The foregoing resolution was adopted by the Coeur D'Alene Tribal Council at a meeting held at the Joseph R. Garry Administration Building, Tribal Headquarters, on November 12, 1992, with the required quorum present by a vote of 3 FOR 0 AGAINST 1 ABSTAIN

Ernest L. Stensgar

ERNEST L. STENSGAR, CHAIRMAN
COEUR D'ALENE TRIBAL CHAIRMAN

Margaret R. Jose

MARGARET R. JOSE, SECRETARY
COEUR D'ALENE TRIBAL COUNCIL

1992 CLASS III GAMING COMPACT

* * *

By and Between

THE COEUR D'ALENE TRIBE

and

THE STATE OF IDAHO

TABLE OF CONTENTS

		Page
ARTICLE 1.	TITLE	1
ARTICLE 2.	RECITALS	1
ARTICLE 3.	PURPOSE	2
ARTICLE 4.	DEFINITIONS	3
ARTICLE 5.	PARTIES AND AUTHORITY	7
ARTICLE 6.	AUTHORIZED CLASS III GAMING	8
ARTICLE 7.	REGULATION OPERATION AND MANAGEMENT OF GAMING	13
ARTICLE 8.	TRIBAL GAMING BOARD	14
ARTICLE 9.	MANAGEMENT CONTRACTOR	16
ARTICLE 10.	LICENSING REQUIREMENTS	17
ARTICLE 11.	SECURITY	20
ARTICLE 12.	OPERATIONAL REQUIREMENTS	20
ARTICLE 13.	ACCOUNTING AND CASH CONTROLS	21
ARTICLE 14.	AUDITS	21
ARTICLE 15.	STATE ENFORCEMENT OF COMPACT PROVISIONS	22
ARTICLE 16.	REPORTING	23
ARTICLE 17.	PRIVILEGES AND CONFIDENTIALITY	23
ARTICLE 18.	JURISDICTION	24
ARTICLE 19.	TAXATION	26
ARTICLE 20.	PAYMENTS AND REIMBURSEMENTS	26
ARTICLE 21.	DISPUTE RESOLUTION	27
ARTICLE 22.	RESERVATION OF RIGHTS	29
ARTICLE 23.	SEVERABILITY	29
ARTICLE 24.	NOTICES	29

ARTICLE 25. SUCCESSORS..... 30

ARTICLE 26. ENTIRE AGREEMENT..... 30

ARTICLE 27. MULTIPLE ORIGINALS..... 30

ARTICLE 28. GOVERNING LAW..... 30

ARTICLE 29. DURATION AND RENEGOTIATION..... 31

ARTICLE 30. EFFECTIVE DATE..... 31

1992 CLASS III GAMING COMPACT

By and Between the

COEUR D'ALENE TRIBE

and the

STATE OF IDAHO

This Tribal-State Compact is made and entered into by and between the Coeur d'Alene Tribe ("Tribe"), a federally recognized Indian Tribe, and the State of Idaho ("State") pursuant to the provisions of the Indian Gaming Regulatory Act. Pub. L. 100-497, 102 Stat. 2425, codified at 25 U.S.C. § 2701 *et seq.* and 18 U.S.C. §§ 1166-1168 (the "Act"). Whereby, the parties herein do promise, covenant and agree as follows:

ARTICLE 1. TITLE

These Articles of Compact collectively comprise, and may be cited as, "The 1992 Class III Gaming Compact By and Between The Coeur d'Alene Tribe And The State Of Idaho" or the "Compact."

ARTICLE 2. RECITALS

2.1 The Tribe and the State recognize and respect the laws and authority of the respective sovereigns.

2.2 On April 15, 1992, the Tribe, acting in accordance with the Act, filed a request with the State to enter into negotiations for the purpose of negotiating and entering into a Tribal-State Compact governing the conduct of the Tribe's Class III gaming activities.

2.3 The Tribe intends through this Compact to enhance the economic development of the Tribe, provide employment to their citizens, maintain public confidence and trust that gaming by the Tribe is conducted honestly, competitively, and free from criminal and corrupt influences, and to otherwise govern the conduct and operation of gaming in furtherance of the public interest of the Tribe and the State.

2.4 In the spirit of cooperation, the parties hereby set forth in joint effort to implement the terms of this Compact in good faith.

2.5 The parties recognize that gaming may provide positive financial impacts to the Tribe. The Tribe may utilize gaming-generated financial resources to fund programs that provide vital services to Tribal citizens. These programs may include education, health and human resources, housing, road construction and maintenance, sewer and water projects, economic development and self-sufficiency.

2.6 The Tribe, through this Compact and the regulations provided for herein, shall attempt in good faith to address the legitimate and common concerns of both parties.

2.7 The parties deem it in their respective best interests to enter into this Compact.

ARTICLE 3. PURPOSE

The purposes of this Compact are:

3.1 To assure that the Tribe is the primary beneficiary of the gaming operation;

3.2 To protect the health, welfare, and safety of the public;

3.3 To assure that the profits derived from Class III gaming are accurately reported, are transferred to the rightful parties and are used for the purposes intended;

3.4 To assure that expenses of Class III gaming are legitimately incurred and accurately reflect the value of the property obtained or the services rendered;

3.5 To assure honesty and financial integrity of all activities conducted;

3.6 To assure that Class III gaming is completely and fairly regulated on an on-going basis;

3.7 To deter crime or the potential for any crime to occur and to shield any such gaming activity from any involvement by organized crime or other corrupting influences;

3.8 To protect, preserve, and enhance the economic and general welfare of the public and the citizens of both the Tribe and the State;

3.9 To enhance and further develop the official government-to-government relationship between the Tribe and the State and to mutually recognize and re-emphasize the governmental powers of each of them.

ARTICLE 4. DEFINITIONS

For purposes of this Compact:

4.1 "Act" means the federal Indian Gaming Regulatory Act, Pub. L. 100-497, 25 U.S.C. § 2701 *et seq*. and 18 U.S.C. §§ 1166-68.

4.2 "Board" or "Charitable Gaming Board" means the Coeur d'Alene Tribal Charitable Gaming Board, the single Tribal agency primarily responsible for regulatory oversight of Class III gaming as authorized in this Compact.

4.3 "Class III gaming" means that type of gaming defined in Section 4(8) of the Act, 25 U.S.C. § 2703(8).

4.4 "Gaming code" means the laws, rules and regulations adopted by the Tribe as amended from time to time governing gaming activities at Tribal gaming facilities.

4.5 "Gaming employee" means any natural person employed in the operation or management of the gaming operation, whether employed by the Tribe or by any enterprise providing onsite services to the Tribe within the gaming facility, excluding persons providing maintenance, janitorial or other such ancillary non-gaming services.

4.6 "Gaming facility" or "gaming facilities" means all buildings, improvements and facilities used or maintained in connection with the conduct of Class III gaming on Indian lands as authorized by this Compact.

4.7 "Gaming operation" means the gaming enterprise owned by the Tribe on Indian lands for the conduct of Class III gaming.

4.8 "Governor" means the Governor of the State of Idaho.

4.9 "Indian lands" means Indian lands as defined in the Act, as well as lands within the State which meet the requirements of 25 U.S.C. § 2719. The determination of whether the beds, banks, and waters of navigable watercourses within the Coeur d'Alene Reservation constitute

Indian lands shall be governed by the outcome in Coeur d'Alene Tribe *et al.* v. State of Idaho, USDC #CIV91-0437-N-HLR, or other federal court decision.

4.10 "License" means an approval or certification issued by the Board to any natural person or enterprise to be involved in the gaming operation or in the providing of gaming services to the gaming operation.

4.11 "Licensee" means any natural person or enterprise that has been approved and licensed by the Board to be involved in the gaming operation or in the providing of gaming services in the gaming operation.

4.12 "Management Contract" means a contract for the development and management of a Class III gaming operation, as provided in Article 9 of this Compact, and approved pursuant to the Act.

4.13 "Management Contractor" means any person, corporation or entity that enters into a development and management contract with the Tribe pursuant to Article 9 of this Compact.

4.14 "Off-track pari-mutuel wager" means a wager placed by a patron and accepted by the gaming operation's pari-mutuel book on a race or races offered as part of an interstate or intrastate common pari-mutuel pool, whether or not the wager is actually included in the total amount of such wagering pool.

4.15 "Pari-mutuel" means a system of wagering on a race or sporting event whereby the winners divide the total amount

wagered, in proportion to the amount individually wagered, after deducting commissions, fees and taxes.

4.16 "Regulations" means the gaming regulations promulgated by the Tribe pursuant to this Compact.

4.17 "State" means the State of Idaho, its authorized officials, agents and representatives.

4.18 "State gaming agency" means the Idaho agency designated by the Governor by written notice to the Tribe as the single state agency primarily responsible for oversight of Class III gaming as authorized by this Compact.

4.19 "State lottery" means;

.1 The scratch-off game in which a player purchases a paper ticket that has groupings of numbers or symbols that are covered with a material that can be scratched off, thereby exposing the numbers or symbols. The player wins a prize if his ticket contains a pre-set combination of numbers or symbols; and

.2 The numbers game commonly known as lotto in which a player purchases a paper ticket containing a series of numbers (often 5, 6 or 7 numbers) and wins a prize if all or some of these numbers are selected at a random drawing; and

.3 The pull-tab game in which a player purchases a paper product that, when pulled apart, reveals a grouping of numbers or symbols. A player wins a prize if his ticket contains a pre-set combination of numbers or symbols; and

.4 Any other type of game that the State hereafter conducts as a lottery game.

4.20 "Track" means an in-state or out-of-state facility licensed to operate horse or other racing where pari-mutuel wagering on races is conducted.

4.21 "Tribal Council" means the Coeur d'Alene Tribal Council which possess all governmental authority of the Coeur d'Alene Tribe.

4.22 "Tribal law enforcement agency" means the police force of the Tribe, established and maintained by the Tribe, pursuant to the Tribe's powers of self-government, to carry out law enforcement on Indian lands.

4.23 "Tribe" means the Coeur d'Alene Tribe of Indians, its authorized officials, agents and representatives.

ARTICLE 5. PARTIES AND AUTHORITY

5.1 The Governor has authority to execute this Compact on behalf of the State pursuant to Idaho Constitution, art. IV, sec. 5, and Idaho Code §§ 67-802 and 67-4002.

5.2 The Coeur d'Alene Tribal Council has authority to execute this Compact on behalf of the Tribe pursuant to:

.1 The sovereign powers of the Tribe as well as Tribal/federal agreements and executive orders; and

.2 Article VII, Section 1(a) of the Tribe's 1947 Constitution and ByLaws, as amended.

ARTICLE 6. AUTHORIZED CLASS III GAMING

6.1 **Disputed Issues.** The parties have been unable to agree upon the types of Class III games permitted by the Act to be

played by the Tribe and whether restrictions on the scale of operations are allowed under the Act.

.1 The State takes the following positions:

a) Types of Games. Under the applicable laws of the State before and after passage of HJR 4 (1992), the Act permits only state lottery, pari-mutuel betting on racing, and the simulcast thereof as authorized Class III games in Idaho.

b) Restrictions. The Act permits the State to negotiate reasonable restrictions and requirements for the conduct and operation of gaming in furtherance of the public interest, including negotiated limits upon the scale of operations of other Class III games, should they be allowed.

.2 The Tribe takes the following positions:

a) Types of Games. Under either Section 20, Article III, of the Idaho Constitution and the applicable Laws of the State or the amendment to Section 20, Article III, of the Idaho State Constitution by HJR 4, 51st Idaho Leg. Special Session (1992), the Act permits the Tribe to engage in all games that contain the elements of chance and or skill, prize and consideration.

b) Restrictions. The Act prohibits a state from imposing restrictions on the scale of operation of allowable games which reduce either the revenue to the Tribe, or the potential for Tribal economic

development. Scale of operation restrictions include state-imposed limits on the number of gaming machines and gaming tables as well as limits on the size of prizes and bets.

.3 Both the Tribe and the State acknowledge that these legal issues should be resolved and concluded. In recognition of this, the Tribe and the State agree in this Compact to resolve issues that can be agreed upon and agree to establish a process for resolving the disputed matters.

6.2 **Gaming Authorized.** Following approval of this Compact as provided in the Act, the Tribe may operate in its gaming facilities located on Indian lands the following types of games.

.1 Lottery: those lottery games defined as "State lottery" in Article 4.19.

.2 Pari-mutuel betting:

a) on the racing of horses;

b) on the racing of dogs;

c) on the racing of mules; and

d) on the simulcast of a, b, or c.

.3 Any additional type of game involving chance and/or skill, prize and consideration that may hereafter be authorized to be conducted in the State.

6.3 **No Restrictions on Authorized Gaming.** Except as otherwise provided in this Compact, gaming authorized in Article 6.2.1 and 6.2.2 shall not be subject to any State restrictions,

including the Tribe's advertising or promotion of the authorized games or any intrastate or interstate aspects of the permitted games. Provided, this section is not intended to permit gaming except on Indian lands as defined in Article 4.9.

6.4 **Judicial Remedy.** The Tribe and the State agree that the ultimate issues of what gaming the Tribe may conduct under the Act and what restrictions on the operations, if any, may be imposed, are ultimately questions of law.

.1 It is the Tribe's position that the Act has vested exclusive jurisdiction in the United States District Courts to resolve disputes under the Act.

.2 The State does not consent to jurisdiction of the federal court over any claim under the Act. However, the Tribe and the State agree that, in lieu of a "bad faith" claim under the Act, either party may file suit for declaratory judgment in the United States District Court for the District of Idaho naming the other as a defendant and seeking a declaration of the legal issues disputed in this Article 6. Both parties agree to seek the necessary legal authority, merge declaratory judgment actions, or take other steps as may be necessary to participate in such an action on its merits. This agreement shall not in any way prejudice any right to appeal or seek review of any judgment.

.3 The parties agree to expedite any appeal or review of any final order or judgment entered in such declaratory judgment action.

6.5 **Post Declaratory Judgment.** Upon the conclusion of all legal proceedings in a declaratory judgment action brought pursuant to Article 6.4, including the conclusion of all appeals or review, the appropriate provisions below shall apply:

.1 In the event the court(s) determines that no additional types of games are permitted in Idaho under the Act, the Tribe's gaming shall be limited to the gaming authorized in Article 6.2.

.2 In the event the court(s) determines that additional types of games are permitted in Idaho under the Act, the Tribe may conduct such games as are consistent with that judgment upon conclusion of negotiations and/or arbitration as provided for in Article 6.6.1.

6.6 **Post Declaratory Judgment--Procedure.**

.1 Upon the conclusion of all legal proceedings in a declaratory judgment action brought pursuant to Article 6.4, including the conclusion of all appeals or review, and in the event additional types of games are permitted in Idaho pursuant to such declaratory judgment action, the parties agree to expedited negotiation of any issues which are proper subjects of negotiation under the Act consistent with the judicial resolution. Such issues shall be negotiated for thirty

(30) days. For purposes of this section, "day" shall mean calendar day. If agreement cannot be reached, such issues shall be submitted to binding arbitration in accordance with this Article. Either party shall serve written notice of intent to arbitrate on the other party on the final day of negotiation. Both parties shall immediately identify a list of five (5) names of individuals available as prospective arbitrators. Each party shall, within five (5) days of notice of intent to arbitrate, select a person from the list of the other party as an arbitrator. Within ten (10) days, these two individuals shall select a third arbitrator from a list of not less than five (5) nominees from an independent arbitrators' or alternative dispute resolution organization. The State and the Tribe agree that, from the date of the selection of arbitrators, the arbitration process shall be expedited to permit its completion within ninety (90) days. The arbitrators shall be required to submit their decision within said ninety (90) day period. The arbitrators shall have authority to issue such orders and decisions as shall be reasonably necessary or desirable to bring about an expeditious decision. The Tribe agrees not to conduct games pursuant to Article 6.5.2 until the completion of arbitration. However, if conclusion of the arbitration process is delayed for any reason, the arbitrators may permit gaming on such

terms as they determine pending conclusion of arbitration. Arbitration expenses will be billed equally to the respective parties. No judicial review of an arbitration decision will be permitted. Arbitration decisions shall have the same effect as if a part of this Compact, incorporated in full herein.

.2 To ensure integrity, the Tribe agrees that if additional games are permitted pursuant to the declaratory judgment, such games shall be conducted in accordance with the operational, security, cash control and other standards established in this Compact together with additional negotiated standards as restrictive as those of the Nevada Gaming Commission for that particular game. Such restrictions shall be negotiated and/or arbitrated in the manner provided in Article 6.6.1.

6.7 **Post Compact Meetings**

The Tribe and the State agree to meet every six (6) months in an effort to enhance good relations and to facilitate the orderly operation of the matters addressed in this Compact. The first such meeting shall take place not later than April, 1993.

ARTICLE 7. REGULATION OPERATION AND MANAGEMENT OF GAMING

The Tribal Council shall regulate, operate and manage authorized Class III gaming in accordance with the terms of this Compact, the Gaming Code and regulations. The Tribal Council shall take legislative action adopting the terms of this Compact and

regulations into Tribal Law. The Tribal Council may adopt, amend or repeal such regulations or codes, consistent with the policy, objectives, purposes and terms of this Compact.

ARTICLE 8. TRIBAL GAMING BOARD

8.1 The Tribe, through its Tribal Council, shall have sole proprietary interest in and ultimate responsibility for the conduct of all gaming conducted by the Tribe. Consistent with this Compact, the Tribal Council shall determine the type of Class III gaming authorized and retain responsibility for entering into management contracts or the selection of gaming operators.

8.2 The Tribal Council shall establish the Tribal Charitable Gaming Board. The Board shall consist of five (5) members with staggered three (3) year terms, appointed by and under the direct authority of the Tribal Council. Board members may be removed for cause. The Board shall be composed of not less than three (3) Tribal members of which at least one shall also be a member of the Tribal Council. Members of the Board and their immediate family members shall not have any financial interest in the gaming regulated by the Board or in any business supplying equipment or services for such Class III gaming activities. Any Board member shall not consider any matter before the Board involving immediate family members. "Immediate family member" as used in this Article means a Board member's spouse or the father, mother, brother, sister, grandparent, and child or stepchild of a Board member.

8.3 The Board shall have exclusive jurisdiction over the regulation and supervision of all authorized Class III gaming. The Board shall the have powers and duties as prescribed by the Tribal Council which shall be exercised consistently with the Act and this Compact, including the following:

.1 Propose regulations, rules and bylaws consistent with the Act, Gaming Code and this Compact for the operation and management of all Class III gaming and facilities.

.2 Adopt standards for and issue licenses to Class III gaming facilities and operations which require licensing.

.3 To enter all gaming offices, facilities or other places of business to determine compliance with this Compact, Gaming Code, regulations and other applicable law.

.4 Conduct investigations of alleged violations of this Compact, the Gaming Code, regulations and other applicable law.

.5 Take appropriate disciplinary action for violations of this Compact, Gaming Code or regulations, including the assessment of fines, or the conditioning, suspending or revocation of licenses or to institute appropriate legal action for enforcement or both.

.6 Provide for adequate security at all authorized gaming facilities.

.7 Determine appropriate methods for receipt of gaming revenue, specification of payouts and disbursements as provided in this Compact.

.8 Shut down or confiscate all equipment and gaming supplies failing to conform to required standards or regulations.

.9 Perform all other acts reasonably necessary to fulfill the purpose and execute the provisions of this Compact, the Charitable Gaming Code and regulations.

8.4 Prior to appointing the Board the Tribal Council shall conduct a background investigation of the proposed Board which shall meet the requirements for Management Contractor background investigations set forth in Article 10.

ARTICLE 9. MANAGEMENT CONTRACTOR

9.1 The Tribe may enter into management contracts for the development and management of gaming authorized by and consistent with this Compact and in accord with regulations, the Act and the Gaming Code. The management contract shall be submitted to the Bureau of Indian Affairs or the Chairman of the National Indian Gaming Commission for approval. The Tribal Council shall not allow a management contractor to operate gaming authorized by this Compact if the Bureau of Indian Affairs or the Chairman of the National Indian Gaming Commission has disapproved the Management contractor or management contract.

9.2 The Board shall submit copies of the proposed management contract to the State together with the completed background

investigation, concurrent with submission to the National Indian Gaming Commission. The State may submit its views regarding approval of such contract to the Board, the Bureau of Indian Affairs or the National Indian Gaming Commission.

ARTICLE 10. LICENSING REQUIREMENTS

10.1 The Board shall be responsible for issuing the necessary facility or personal licenses.

10.2 All gaming employees shall be licensed by the Board. Such licenses are privileges which shall be granted and shall remain in effect only if the applicant establishes to the satisfaction of the Board that the applicant clearly meets all licensing requirements. The Board shall promulgate specific licensing requirements for gaming employee applicants which shall include at least the following mandatory minimum requirements. The applicant must:

.1 be at least 18 years of age, unless Tribal or State liquor regulations require otherwise;

.2 be of good moral character;

.3 possess creditworthiness and integrity in past financial transactions;

.4 not have been convicted of an offense related to gambling, fraud, misrepresentation or deception, drugs, or a felony within the past ten (10) years;

.5 not be a person whose prior activities, reputation or associations pose a threat to the public interest, or the effective regulation of gaming, or create or enhance the danger of unsuitable, unfair, or illegal

practices or methods or activities in the conduct of gaming;

.6 not be employed in any capacity which would create a conflict of interest between the applicant and the gaming operation;

.7 not have had a gaming license denied, suspended or revoked by any State or Tribe;

.8 be trainable or qualified to perform the duties required.

The Board shall consider the experience, character, and general fitness of the applicant and the veracity and completeness of the information submitted with the application.

10.3 Failure to satisfy any of the foregoing requirements shall render the applicant ineligible to manage, operate or participate in gaming operations.

10.4 The Board shall revoke an existing license upon the happening of any event which would have rendered the licensee ineligible for the license at the time of application or upon the failure of a licensee at any time to satisfy the Board that the licensee meets all requirements. For this purpose, the Board may require a licensee to be reconsidered at any time. A license shall be revoked if the licensee is in violation of this Compact, regulations or directives of the Board.

10.5 Any applicant seeking a license shall first submit to a background check to be conducted by the Board or its

designee to ensure that applicants are eligible for a license. The Board may issue a temporary license for a period of three (3) months pending completion of the background investigation for all individuals except the management contractor.

10.6 If a management contractor is used by the Tribe, the Board shall conduct a thorough background investigation of the management contractor prior to issuing a permanent or temporary license.

10.7 Background investigations of primary management officials and key employees shall be as thorough as investigations performed upon management contractors.

10.8 Background investigations may be conducted by Tribal law enforcement personnel, BIA police, the Federal Bureau of Investigation, or the State as may be agreed to by the Tribe and such entity. The gaming operation shall obtain sufficient information and identification from the applicant on forms to be furnished by the Board to permit a thorough background investigation together with such fees as may be required by the State and the Tribe. The information obtained shall include, at a minimum, name (including any aliases), current address, date and place of birth, criminal arrest and conviction record, Social Security number, two sets of fingerprints, sex, height, weight, and two current photographs. This information shall be provided in writing to the designated agency which shall conduct the background

investigation and the provide a written report to the Board and the State gaming agency regarding each application.

10.9 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. At any time, any gaming employee who does not establish that he or she satisfies all of the criteria set forth above shall be dismissed.

ARTICLE 11. SECURITY

11.1 Each gaming operator shall be required to employ an adequate security force and shall submit a security plan to the Board for its approval. The gaming operator shall file a written report with the Board detailing any incident in which an employee or patron or other person is suspected of violating a provision of this Compact, the Gaming Code or regulations within (24) twenty-four hours of its occurrence.

11.2 The Board shall require gaming operators to employ security and surveillance standards at least as stringent as those set forth in Appendix A. The Board may adopt stricter standards which shall be provided to the State.

11.3 The Board shall have access to all or any part of the security system or its signal at all times.

ARTICLE 12. OPERATIONAL REQUIREMENTS

All authorized Class III gaming shall be conducted in accordance with this Compact including the operational requirements set forth in Appendix B. The Board may adopt stricter standards

which shall be provided to the State within fourteen (14) days of their adoption.

ARTICLE 13. ACCOUNTING AND CASH CONTROLS

The Board shall require gaming operators to employ accounting and cash control procedures at least as stringent as those contained in Appendix C of this Compact. These control procedures may be modified by mutual agreement of the parties.

ARTICLE 14. AUDITS

14.1 The Tribe shall undertake an independent audit of all books, records, gaming and cash control procedures of all authorized Class III gaming activities at least once in each fiscal year. Such audit shall be conducted by an independent certified public accountant with experience in auditing gaming operations. The audit shall include review of all records necessary to ensure compliance with this Compact, the Gaming Code, and regulations. All audits shall conform to applicable American Institute of Certified Public Accountants standards. Consistent with Article 17.3, the Tribe shall provide copies of such audits to the State within (30) thirty days of receipt by the Tribe. The State may conduct a review of such audit to ensure compliance with this Compact and the integrity of the Tribe's gaming operations. This review may include consultation with the certified public accountant to ensure proper auditing procedures and methods were employed in a manner sufficient to assure compliance with this Compact, the Gaming Code and regulations.

14.2 In the event the State disputes the sufficiency of the accounting and audit practices utilized by the Tribe pursuant to this Compact, the State shall inform the Tribe of its concerns and, if adequate assurance of compliance with the State's request is not given, the matter may be resolved pursuant to Article 21.

ARTICLE 15. STATE ENFORCEMENT OF COMPACT PROVISIONS

15.1 The State gaming agency, pursuant to the provisions of this Compact, shall have the authority to monitor Class III gaming operations to ensure compliance with the provisions of this Compact, the Gaming Code and regulations. In order to provide for proper monitoring of gaming operations, agents of the State gaming agency previously identified as such in writing to the Board shall have unrestricted access to all areas of Class III gaming facilities during normal operating hours without notice; provided, however, that the monitoring activities of these agents shall be in the presence of one member of the Board and/or gaming manager and shall not interfere with the normal functioning of the gaming operation. Said agent shall provide proper identification to the Tribe.

15.2 At the completion of any inspection or investigation by the State gaming agency, copies of the inspection or preliminary investigative report shall be forwarded to the Board within five (5) working days of its completion.

ARTICLE 16. REPORTING

The Tribe shall provide the State gaming agency with a copy of its current Gaming Code, regulations and amendments thereto, audit reports conducted pursuant to Article 14, results of all equipment tests, management contracts, background investigation results, information regarding violations of this Compact or regulations including completed investigative reports and final dispositions. All copies shall be provided to the State within a reasonable time but no later than (60) sixty days after receipt by the Tribe.

ARTICLE 17. PRIVILEGES AND CONFIDENTIALITY

17.1 All financial information, proprietary concepts, ideas, plans, methods, data, developments, inventions or other proprietary information regarding the gaming operations of the Tribe shall be deemed confidential and proprietary information of the Tribe and shall be protected from third party or public disclosure without the express written approval of the Tribe, or unless it is subpoenaed in connection with a judicial or administrative proceeding, or pursuant to court order.

17.2 In the event any person, entity, or government requests confidential information as described in Article 16.1 by judicial process or otherwise, the State shall immediately notify the Tribe and provide copies of all such requests to the Tribe, as well as allow the Tribe sufficient time to respond to such requests.

17.3 It is the parties' understanding that all records provided to the State by the Tribe under this Compact shall be exempt from public disclosure pursuant to Idaho Code §9-340(2) and (5) and Idaho Code §9-203(5). In the event it is determined by court order that the records are not exempt from public disclosure, the State shall thereafter have the right to inspect but not copy records subject to disclosure.

17.4 The Tribe shall have the right to inspect and copy all State records concerning the Tribe's Class III gaming other than records protected by State law.

ARTICLE 18. JURISDICTION

18.1 The Tribe shall be responsible for addressing and solving all law enforcement problems arising from its Class III gaming activities on Indian lands. Whenever the Tribe has reason to believe that any person or entity has violated this Compact, the regulations, the Charitable Gaming Code or other law applicable to a Class III gaming activity, the Tribe shall request that appropriate law enforcement authorities investigate the violation.

18.2 The Tribe shall have exclusive civil jurisdiction over all civil matters or disputes relating to or arising from gaming conducted pursuant to this Compact to the extent permitted by federal law.

18.3 The Tribe shall exercise exclusive criminal jurisdiction over Indians.

18.4 In enforcing the terms and provisions of this Compact, the State shall exercise criminal jurisdiction over non-Indians.

The State and the Tribe, to the extent permitted by law, agree to enter into such cross-deputization agreements as may be necessary and proper to facilitate cooperation between State and Tribal law enforcement personnel. The State will encourage local agreements with the Tribe.

18.5 Nothing contained herein shall be deemed to modify or limit existing federal criminal jurisdiction over the gaming operation authorized under this Compact.

18.6 Both the Tribe and State and their respective agencies and instrumentalities shall have the power to arrest on Indian lands in Idaho and to detain any person whatsoever for any suspected violation of this Compact, or any law, rule or regulation of any governmental authority respecting gaming on Indian lands. Upon identification of the appropriate authority under this Compact for the prosecution of such suspected offense, the arresting governmental sovereign shall release such detained person to the custody of the sovereign or sovereigns which are empowered to prosecute the suspected offender under this Compact, applicable law, rule or regulation.

18.7 The jurisdiction held by the State does not obligate the State to take any action on Indian lands pursuant to its jurisdiction. The jurisdiction held by the State shall not be construed as creating an obligation between the State and the Tribe or between the State and any third party which would require the State to exercise its jurisdiction on Indian lands.

ARTICLE 19. TAXATION

19.1 Except as provided in Article 20, nothing in this Compact shall be deemed to authorize the State or any political subdivision thereof to impose any tax, fee, charge or assessment upon the Tribe or the gaming operation. Nothing in this Compact shall authorize or permit the collection and payment of any Idaho tax or contribution in lieu of taxes or fees on or measured by gaming transactions, gaming devices permitted under this Compact, gross or net gaming revenues, or the Tribe's net income.

19.2 Nothing in this Article is intended to affect the State's right to tax income as permitted by law.

ARTICLE 20. PAYMENT AND REIMBURSEMENTS

20.1 The gaming operation shall compensate the State for actual expenses reasonably incurred relating to any background investigations conducted by the State at the request of the Tribe. Fees payable under this Article shall be in accordance with the State fee schedule and be the same as the costs to the State for conducting similar background investigations for its Class III gaming operations. The fees shall be paid at the time a criminal background investigation is requested.

20.2 The gaming operation shall contribute five percent (5%) of net revenues from authorized Class III gaming for the financial support of education. This sum is to be divided equally between Tribal and public education in the region on or near the Reservation. The Tribe may elect to contribute

additional sums for these or other educational purposes. Disbursements of these funds shall be at the sole discretion of the Tribe.

ARTICLE 21. DISPUTE RESOLUTION

21.1 This section controls resolution of all disputes other than those expressly provided for in Article 6. Resolution of such Article 6 disputes shall be governed solely by the dispute resolution provisions of Article 6.

21.2 Except as provided in Article 6, if either party believes that the other party has failed to comply with any requirement of this Compact, it shall invoke the following procedure:

.1 The party asserting the non-compliance shall serve written notice on the other party. The notice shall identify the specific statutory, regulatory or Compact provision alleged to have been violated and shall specify the factual basis for the alleged non-compliance. The State and the Tribe shall thereafter meet within ten (10) working days in an effort to resolve the dispute.

.2 If the dispute is not resolved to the satisfaction of the parties within sixty (60) days after service of the notice set forth in Article 21.2.1, either party may pursue binding arbitration to enforce or resolve disputes concerning the provisions of this Compact.

21.3 Except as provided in Article 6, both parties consent to binding arbitration as provided herein. Once a party has

given notice of intent to pursue binding arbitration and the notice has been sent to the non-complaining party, the matter in controversy may not be litigated in court proceedings. A panel of three (3) arbitrators shall be selected by the American Arbitration Association. The arbitrators may declare the parties' rights under the terms of this Compact and grant relief permitted by law. An arbitration decision shall be made within one hundred twenty (120) days of the selection of the arbitrators unless extended by the arbitrators. Arbitrators shall have the power to issue orders and decisions as may be necessary to enforce participation by the parties and as may be necessary or desirable to bring about an expeditious and reasonable decision. The arbitrators shall bill their fees equally to the respective parties. No former or present employee of the State, Tribal member, or former or present Tribal employee may be designated as an arbitrator. No judicial review of an arbitration decision will be permitted. The parties may, by written agreement, permit a decision by a single arbitrator. Arbitration decisions shall have the same effect as if a part of this Compact, incorporated in full herein.

21.4 Nothing in this Article 21 shall be construed to preclude, limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution, whether binding or non-binding, including, but not limited to, arbitration, mediation, mini-trials or judicial

resolution firms; provided, however, that neither party is under any obligation to agree to such alternative methods of dispute resolution.

ARTICLE 22. RESERVATION OF RIGHTS

22.1 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 facility or gaming facilities, or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribe.

22.2 Except as set forth in this Compact, nothing shall be deemed to authorize the State or any political subdivision thereof to regulate in any manner the government of the Tribe, including the Board, or to interfere in any manner with the Tribe's selection of its government officers, including members of the Board.

ARTICLE 23. 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 this Compact and the remaining applications of such section or provision shall continue in full force and effect.

ARTICLE 24. NOTICES

Unless otherwise indicated differently, all notices, payments, request, reports, information or demands which either party may desire or be required to give the other party hereto, shall be in writing and shall be personally delivered or sent by telefax or

first class certified or registered United States mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as either party shall hereinafter inform the other party by written notice:

Tribe: Coeur d'Alene Tribe
Attn: Tribal Chairman
Tribal Headquarters
Plummer, ID 83851

State: Office of the Governor
Attn: Governor
Statehouse
Boise, ID 83720

ARTICLE 25. SUCCESSORS

This Compact shall bind and inure to the benefit of the respective successors of the parties.

ARTICLE 26. ENTIRE AGREEMENT

This Compact, including the attached Appendices "A," "B" and "C" which are fully incorporated into this Compact by this reference, constitute the entire agreement between the parties, subject only to the contingencies set out in Article 6. Neither party is relying on any prior or other written or oral representation in entering into this Compact.

ARTICLE 27. MULTIPLE ORIGINALS

This Compact is executed in triplicate. Each of the three (3) Compacts with an original signature of each party shall be an original.

ARTICLE 28. GOVERNING LAW

This Compact is, in all respects, to be governed by the laws of the United States of America, the Tribe or the State, as applicable.

ARTICLE 29. DURATION AND RENEGOTIATION

The State or the Tribe may, by appropriate and lawful means, request negotiations to amend or replace this Compact. In the event of a request for renegotiation, this Compact shall remain in effect until renegotiated or replaced. Such requests 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 governmental office.

ARTICLE 30. EFFECTIVE DATE

This Compact shall become effective upon signature by both parties, approval by the Secretary and publication of that approval in the Federal Register in accordance with the Act. This Compact is entered pursuant to the Act, State law, and Tribal law.

Ernest F. Stensgar
ERNEST STENSGAR
Chairman
Coeur d'Alene Tribe

12-18-92
Date

Cecil D. Andrus
CECIL ANDRUS
Governor
State of Idaho

12-11-92
Date

Assistant Secretary - Indian Affairs

2-5-93
Date

APPENDIX A

COEUR D'ALENE TRIBE/STATE OF IDAHO

CLASS III GAMING COMPACT

SECURITY AND SURVEILLANCE REQUIREMENTS

1. The Board shall ensure that the gaming operation and manager will:

   A. Comply with all relevant laws;

   B. Provide for the physical safety of personnel employed by the gaming operation;

   C. Provide for the physical safety of patrons in the gaming facility;

   D. Provide for the physical safeguarding of assets transported to and from the gaming facility and cashier's cage department; and

   E. Provide for the protection of the patrons and the gaming facility's property from illegal activity.

2. Identification Cards. The Board shall require all gaming employees to wear identification cards issued by the Board which shall include the employee's photograph, first name, employee number, Tribal seal or signature, and a date of expiration.

3. Inspections. The Board shall retain qualified inspectors or agents under the authority of the Board as needed. Said inspectors or agents shall be independent of the gaming operation and shall be supervised and accountable only to the Board.

4. Closed Circuit Television. The Tribe shall ensure that every gaming facility shall have installed, and shall maintain and operate a closed circuit television system according to the specifications set forth in this Appendix. The Commission shall have access to the system or its signal at all times.

5. At all times during the conduct of Class III gaming the following surveillance shall be required in gaming facilities:

   A. Video cameras capable of providing pan, tilt and zoom surveillance of all Class III games open to the public for play;

   B. Domes that completely enclose each video camera required under this paragraph and conceal such camera's actions yet accommodate clear, unobstructed camera views;

   C. At least one employee or a management official monitoring the video surveillance feed on closed circuit video monitors during all hours of Class III gaming; and

   D. Video recording of video surveillance camera feed.

6. Required Surveillance. The Tribe shall ensure that every gaming facility shall conduct and record surveillance which allows clear, unobstructed views of key areas of the gaming facility, including at a minimum:

   A. The surveillance of areas required by paragraph 5 of this Appendix; and

B. All counting rooms, cashier cages and slot cages.

7. Equipment in Commission Surveillance Offices. Gaming facilities shall be equipped with a minimum of two 12-inch monochrome video monitors with control capability of any video source in the surveillance system.

8. Lighting. Adequate lighting shall be present in all areas of the gaming facility to enable clear video reproduction.

9. Surveillance Room. There shall be provided in each gaming facility a room or rooms specifically utilized to monitor and record activities in gaming areas, count room, cashier cages and slot cages, if any. These rooms shall have a trained surveillance person present during facility operation hours.

10. Playback Station. An area is required to be provided within the commission offices that will include, but is not limited to, a video monitor and a video recorder with the capability of producing first-generation videotape copies.

11. Changes in game location. The operator may change the location of games and/or gaming devices. The surveillance system must also be adjusted, if necessary, to provide the coverage required by these rules. The Board shall approve the change in the surveillance system before the relocated games or other gaming devices may be placed into operation. The operator must submit any change to the surveillance system showing the change in the location of games, other gaming devices and related security and surveillance

equipment within seven (7) days in advance of the proposed changes to the Board.

APPENDIX B

COEUR D'ALENE TRIBE/STATE OF IDAHO

CLASS III GAMING

OPERATING REQUIREMENTS

1. Law Enforcement and Security. Each operator shall be required to employ a reasonably adequate security force and shall submit a security plan to the Board for its approval. The operator shall file a written report with the Board detailing any incident in which an employee or patron or other person is suspected of violating a provision of regulations, the Gaming Code, this Compact or applicable laws within twenty-four (24) hours of the occurrence of the incident.

2. Disciplinary Measures. The Board shall implement disciplinary measures upon the finding of a violation of the Gaming Code, regulations, this Compact or applicable laws. The Board shall honor the suspension of an occupational license of any person currently under suspension or in bad standing in any other United States gaming jurisdiction.

3. Prohibition on Attendance of Minors. No person under eighteen (18) years of age shall be allowed in a gaming area of the gaming facility while gaming activities are being conducted, unless Tribal or State liquor regulations require otherwise. No such minors shall be permitted, personally or through an agent, to play or place wagers at or collect winnings from any game.

4. Prohibition on Employment of Minors. No person under the age of eighteen (18) shall be employed as a gaming employee, unless Tribal or State regulations require otherwise.

5. First Aid Facilities. The operator shall be required to equip and maintain reasonably adequate first aid facilities.

6. Firearms Prohibited. The possession of firearms shall be prohibited at all times within the gaming area and adjacent facilities except for security officers on duty and law enforcement officers on duty.

7. Check Cashing and Credit Card Transactions. The Tribe may offer check cashing and credit card transactions, including cash advances, as routinely offered by other businesses in the State. This provision shall not be construed as allowing credit to be offered by the Tribe or the management contractor or any other person or entity other than through a bona fide credit card company.

8. Internal Control System. In addition to compliance with the ordinance, regulations and the provisions of this Compact, the gaming facility shall be operated pursuant to an internal control system approved by the Board. The internal control system shall be designated to reasonably assure that:

   A. Assets are safeguarded;

   B. Financial records are accurate and reliable;

   C. Transactions are performed only in accordance with the management's specific authorization;

D. Access to assets is permitted only in accordance with management's specific authorization;

E. Recorded accountability for assets is compared with actual assets at reasonable intervals and appropriate action is taken with respect to any discrepancies; and

F. Function, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

APPENDIX C

COEUR D'ALENE TRIBE/STATE OF IDAHO

CLASS III GAMING COMPACT

ACCOUNTING AND CASH CONTROL

1. Financial Statements. The Board shall require the filing of monthly and annual financial statements covering all of the financial activities of the gaming operation. At a minimum, the financial statements shall be prepared in accordance with generally accepted accounting principles and shall include the following items in detail: all gaming revenues by category of gaming activity; net revenues of complimentary services; total costs and expenses; income before extraordinary items; and net income.

2. Internal Control System. Operators shall implement an internal control system that meets the following minimum standards:

   A. Administrative controls. Administrative controls which include, but are not limited to, the plan of organization and the procedures and records which reflect the decision process leading to management's level of authorization of transactions.

   B. Accounting controls. Accounting controls which include the plan of organization and the procedures and records intended to safeguard assets and ensure the reliability of financial records and are consequently designed to provide reasonable assurance that:

i) Transactions are executed in accordance with management's general and specific authorization.

ii) Transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain accountability for assets.

iii) Access to assets is permitted only in accordance with management authorization.

iv) Recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

3. Personnel control. The internal control system shall ensure that personnel are honest and competent and adequately trained in the applicable procedures. Employee functions shall be segregated to ensure that no employee is in a position to perpetrate or conceal errors or irregularities in the normal course of his or her duties.