

5. As used in this section

- a. "Oregon Gaming Tribes" means the federally recognized Indian Tribes in Oregon engaged in Class III gaming pursuant to a Tribal-State Compact.
- b. "Direct Service Hours" means the actual time spent by Oregon State Police personnel in performing employee background checks, performing background checks on Class III Gaming Contractors or other gaming vendors (unless paid by the Class III Gaming Contractor or other gaming vendor), performing Compact monitoring functions (including the annual comprehensive compact compliance review), conducting an investigation, and traveling to and from the Gaming facility or the site of a Class III Gaming Contractor background investigation, for a particular Tribal Gaming Operation. The Oregon State Police shall keep direct service hour billing records setting forth the date work is performed, a brief description of the work performed and the amount of time spent.

B. If the Tribal Gaming Commission disputes the amount of the assessment under this section, the Tribal Gaming Commission shall timely pay the undisputed amount and within thirty (30) days of billing shall notify OSP in writing of the specific nature of the dispute. If the parties have not resolved the dispute within fifteen (15) days, the Tribal Gaming Commission shall pay the disputed amount into an off-reservation escrow, mutually agreeable to the parties, with escrow instructions providing that the funds are to be released only upon authorization by both the Tribal Gaming Commission and the Oregon State Police. The parties shall share the reasonable costs of the escrow. The dispute shall then be resolved pursuant to the procedures set forth in § 6(B)(3) and (4) of this Compact.

If the Tribal Gaming Commission fails to timely pay the disputed amount into escrow or timely pay the undisputed amount, the Oregon State Police may suspend any background checks that are in process or withhold authorization for the shipment of equipment, and/or pursue other remedies for Compact violations available under this Compact or IGRA.

C. Creation and Maintenance of Community Benefit Fund.

1. Joint Recognitions.

- a. The Tribes and the State recognize that there may be both positive and negative impacts or the perception of negative

impacts to the local community as a result of the Tribes' gaming operation, some of which may be difficult or impossible to quantify.

- b. The Tribes and the State recognize that a formal process for collaborative decision-making regarding contributions to charitable causes fosters the goals of both governments to improve the general welfare of the community and is a way to ameliorate negative impacts, if any, from the Tribal Gaming Operation.
    - c. The Tribes and the State recognize that a formal community benefit fund allows specific benefits from this Compact to be identified by the community at large as stemming from the gaming operations conducted pursuant to this Compact.
  2. Establishment of Fund. The Tribes agrees to establish a Fund, which it shall name, within ninety (90) days of engaging in any of the games listed in § 4(B)(1)(d)-(k) or (2) ("new games"). Beginning in the first calendar quarter after the Tribes implements any of the new games described in § 4(B) of this Compact, the Tribes will contribute to the Fund, an amount calculated as provided in § 10(C)(5) below. The Tribes, in its discretion, may choose to make its contributions quarterly or annually.
  3. Fund Administration.
    - a. The assets of the Fund shall be expended for the benefit of the public primarily within Coos, Curry, Lane, Douglas and Lincoln Counties and secondarily elsewhere within the State of Oregon. Grants from the Fund may be made to charitable organizations in the above counties, or to local government bodies within the county or counties within whose boundaries the Tribes' reservation is located for any of the following purposes: education; health; public safety; gambling addiction prevention, education and treatment; the arts; the environment; cultural activities; historic preservation and such other charitable purposes as may be provided in the by-laws of the Fund.
    - b. The Fund will be administered by a board of eight (8) trustees. Each trustee shall have an equal vote on actions of the board.

- c. The trustees of the Fund shall establish by-laws governing the conduct and discharge of their responsibilities not inconsistent with the terms of this subsection.
- d. The Tribes shall submit proposals for grants from the Fund to the trustees, who shall make the final determination of the proposals to be funded in accordance with the by-laws. Grants shall be made on the basis of merit. The trustees may reserve a portion of the Fund in a single year to fund a multi-year grant or grants.

4. Qualifications, Term and Selection of Trustees.

- a. The membership of the board of trustees shall be:
  - (1) Three (3) members of the Tribal Council of the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians, appointed by the Tribal Council;
  - (2) One (1) representative of the Tribal Gaming Operation, appointed by the Tribal Council;
  - (3) Three (3) members from the public at large, who are not affiliated with the Tribes, appointed by the Tribes from a list of candidates nominated by the Tribal Council in consultation with the Governor.
  - (4) One (1) member of the public at large, appointed by the Governor of the State.
- b. Except for the initial board, trustees shall serve two-year terms and may be removed before the end of their terms only for causes by the appointing authority. The following members of the initial board shall serve one year terms: one of the three members appointed by the Tribal Council pursuant to § 10(C)(4)(a)(1), one of the three members from the public at large appointed pursuant to § 10(C)(4)(a)(3), and the member of the public at large appointed pursuant to § 10(C)(4)(a)(4). Trustees may be reappointed. Vacancies on the board of trustees shall be filled within thirty (30) days by the appropriate appointing authority. Any trustee whose term has expired shall continue to serve until a successor has been appointed.

5. Calculation of Fund Contribution. The Tribes' annual contribution to the Fund shall be based upon the Gaming Facility Net Income as

shown in the audited financial statement of the Gaming Facility for the calendar year ending before the contribution is made. The contribution shall be calculated as follows:

- a. The Tribes' annual charitable contribution amount will be calculated by multiplying the Gaming Facility Net Income for each calendar year by six percent (6%). However, that amount shall be calculated initially as follows:
    - (1) two percent (2%) for each of the first two (2) years of the Fund's operation, and
    - (2) four percent (4%) for each of the next two (2) years of the Fund's operation.
  - b. For purposes of determining the Gaming Facility Net Income from Class III gaming as described in § 10(C)(5)(a) above, the Tribal Gaming Operation will obtain an unqualified audit opinion that the financial statement fairly reflects the Gaming Facility's financial position from an independent public accounting firm. The firm must have recent casino experience with at least one other casino, must have at least one client with revenues in excess of \$50,000,000, and must have received an unqualified report on its most recent peer review.
  - c. The determination of the Gaming Facility Net Income is subject to review by the State at its own expense. For purposes of this § 10(C)(5), the State may act through the Oregon State Police or through an official designated as provided in § 14 of this Compact. In the event the Gaming Operation has a qualified audit opinion, the State and the Tribes will confer on the materiality of the qualification.
  - d. Funds identified for charitable contribution under this section will be deposited in a segregated account or accounts. Any and all interest earned on such funds or increase in assets of the fund will be allocated to future charitable contributions as set out in this section.
6. Termination or Modification of Fund Contributions. The Tribes' contributions to the community benefit fund, established as described in § 10(C), may be discontinued if the Oregon Constitution is amended to remove the prohibition of casinos in the State. The Tribes and the State agree that if the Tribes are prohibited for any reason from offering blackjack or any of the

Class III games listed in § 4(B)(1) or (2) of this Compact, the parties shall enter into negotiations to establish how the community benefit fund contribution provided for in this subsection shall be adjusted to reflect the impact of the discontinuation of those games on the Tribal Gaming Operations Net Income.

7. Annual Fund Report. The Tribes shall provide a report to the Governor and the Oregon State Police detailing the amount contributed to the Fund for the calendar year, the grantees of the Fund and amounts of the grants. The Tribes shall provide the report within ninety (90) days of the end of the calendar year.

The State may at its discretion and expense perform an audit of the calculation of the contribution to the Fund.

## SECTION 11. APPLICATION OF STATE REGULATORY STANDARDS

### A. Health, Safety and Environmental Standards.

1. The Tribes agrees to adopt, and the Tribal Gaming Commission shall enforce, ordinances and regulations governing health, safety and environmental standards applicable to the Gaming Facility that are at least as rigorous as comparable standards imposed by the laws and regulations of the State. The Tribes agrees to cooperate with any State or local agency generally responsible for enforcement of such health, safety and environmental standards outside Indian lands in order to assure compliance with such standards within the Gaming Facility. However, the Tribes shall have the exclusive regulatory jurisdiction over the enforcement of health, safety and environmental standards applicable to the Gaming Facility. The Tribes shall use its regulatory jurisdiction to assure that health, safety and environmental standards are met and maintained. Tribal ordinances and regulations governing water discharges from the Gaming Facility shall be at least as rigorous as standards generally imposed by the laws and regulations of the State relating to public facilities; provided, however, that to the extent that federal water discharge standards specifically applicable to the Gaming Facility would preempt such State standards, then such federal standards shall govern.
2. Upon request by the State, the Tribal Gaming Commission agrees to provide evidence satisfactory to the State that any new construction, renovation or alteration of the Gaming Facility performed after the effective date of this Compact satisfies applicable Tribal health, safety and environmental standards. The

Tribal Gaming Commission can demonstrate that it has satisfied this section by providing a certificate or other evidence of compliance from the appropriate state, local or tribal official responsible for enforcement of comparable state standards.

3. As used in this subsection, "health, safety and environmental standards" include but are not limited to structural standards, fire and life safety standards, water quality and discharge standards, food handling standards, and any other standards that are generally applicable under state or federal law to a non-Tribal facility that is open to the public for purposes of protecting the public within the facility. "Health, safety and environmental standards" do not include land use regulations or zoning laws.
4. After the State has notified the Tribal Gaming Commission, the State may have state or local inspectors verify compliance with this subsection. If the State asserts that the Tribes is in breach of this subsection, and that the breach creates an immediate and substantial threat to the health or safety of the patrons or employees of the Gaming Facility, the Tribes agrees to take such steps as are necessary to protect the public or employees until the breach is remedied. Resolution of any dispute as to what steps are necessary shall be conducted in the same manner as and under the principles and procedures established for resolution of operating disputes in § 6 of this Compact.

B. Transportation Issues.

1. The Tribes shall provide a traffic impact study, prepared by a qualified traffic engineer registered in the State of Oregon. The study shall evaluate the effect of the proposed Gaming Facility, and any related development proposed by the Tribes as part of the same site, on the state highway system and any city street or county road that may be used by customers as access to the Gaming Facility. The traffic impact study shall determine the impacts of the proposed Gaming Facility and related development on the level of service of the affected highway(s), road(s) or street(s).
2. A determination whether the Gaming Facility shall be served directly by a state highway or by a city street or county road shall be made by the State and appropriate local officials in consultation with the Tribes on a consistent basis with other proposed developments.

- a. If the Gaming Facility is to be served directly by a state highway, the Tribes shall apply for and obtain a road approach permit under Oregon Administrative Rules, Chapter 734, Division 5, and shall construct the approach and any other necessary improvements in accordance with that permit. A road approach permit shall not be denied because of the proposed use of the Tribes' land. The Tribes shall provide and maintain access from its Gaming Facility onto the highway that is adequate to meet standards of the Oregon Department of Transportation, or shall enter into agreements with the Oregon Department of Transportation for the provision of such access by the State. The allocation of costs shall be as provided in Oregon Administrative Rule 734-051-0270, which provides that the costs of constructing the road approach shall be borne by the permit applicant.
  - b. If the Gaming Facility is to be served directly by a city street or county road, and indirectly by a state highway, the Tribes shall comply with applicable city or county street or road improvement requirements and satisfying any requirements the State imposes on the county or city relating to access to a state highway.
3. If the Tribes plans additional development of the Gaming Facility site, the Tribes shall advise the appropriate state or local transportation planning officials of the planned development by submitting a master plan. In planning street, road or highway improvements, the Tribes, state and local transportation planning officials shall plan for improvements using the master plan. Construction of street, road or highway improvements may be completed in phases if practicable.
4. Traffic improvements shall be those necessary to maintain the level of service of the affected highway(s), road(s) or street(s), and to provide safe access to and from the Gaming Facility. The Tribes shall not be responsible for improvements to affected highways, roads or streets unless the improvements are necessary to correct traffic impacts attributable to the Gaming Facility. For state highways, traffic improvements shall be consistent with the requirements of the State Highway Plan, including improvements necessary to mitigate traffic congestion, and to conform to the Oregon Department of Transportation access management policies. If the Oregon Department of Transportation determines that highway improvements are necessary, the department shall confer

MAINTENANCE

with the Tribes concerning the planning, design and construction of those improvements.

5. The Tribes shall pay the reasonable cost of necessary street, road or highway improvements determined to be necessary on the basis of the traffic impact study and Oregon Department of Transportation requirements. If the Tribes disputes the amount of costs to be paid by the Tribes, the Tribes may initiate the dispute resolution procedure established under § 16 of this Compact.
  6. The Tribes agrees to consult and cooperate with the Oregon Department of Transportation regarding any traffic issues arising out of the Gaming Operation and vehicles that patronize the Gaming Facility. To the extent the Gaming Facility directly contributes to any traffic impacts on surrounding city, county or state roads, the Tribes agrees to fund an appropriate proportion of improvements necessary to mitigate or reduce such impacts.
- C. The Tribes shall report to the Oregon Department of Revenue gambling winnings paid to any person subject to Oregon Personal Income Tax on those winnings whenever the Tribes would be required to report those winnings to the Internal Revenue Service by copy of the form provided the Internal Revenue Service, or other mutually agreeable form. The Tribes agrees that the management of the Gaming Facility will withhold and remit personal income taxes from employee wages to the Oregon Department of Revenue in the manner prescribed by the Department of Revenue.
- D. Public Safety Issues. If local government officials believe that an off-Indian land public safety problem has been created by the existence of the Gaming Facility, the Tribes, or its designated representative, shall agree to meet with the mayor or county commission of the affected government to develop mutually agreeable measures to alleviate the problem. The burden shall be on the local government officials to meet with the Tribes and to demonstrate through credible expert opinion that the public safety problem is directly attributable to the existence of the Gaming Facility. If an off-Indian land public safety problem has been created by the existence of the Gaming Facility, the Tribes shall undertake to perform any mutually agreeable and reasonable measures to alleviate the problem. If the Tribes and local government officials are unable to agree on measures to alleviate the problem, the State may initiate the dispute resolution process established in § 16 of this Compact.

## SECTION 12. EFFECTIVE DATE; TERMINATION; AMENDMENTS

- A. Effective Date. This amended Compact shall become effective upon execution by the State and by the Tribes and appropriate federal approval.
- B. Termination. This Compact shall remain in effect until such time as:
1. This Compact is terminated by written agreement of both parties;
  2. The State amends its Constitution or laws to criminally prohibit within the State conduct of all of the Class III gaming authorized by this Compact, whether for profit or not for profit;
  3. A court of competent authority makes a final determination that all of the Class III games authorized by this Compact are criminally prohibited under the law of the State, and the determination has become final and enforceable;
  4. The federal government amends or repeals IGRA so that a Compact is no longer required for the Tribes' exercise of Class III gaming; or
  5. Either party materially breaches this Compact; but only after the dispute resolution process set forth in § 16 of this Compact has been exhausted, and the breach has continued for a period of sixty (60) days after written notice following the conclusion of the dispute resolution process.
- C. Automatic Amendment.
1. If a type of Class III game authorized under § 4 of this Compact is criminally prohibited by an amendment to state statute or Constitution, this Compact shall no longer authorize the Tribes to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect.
  2. If a court decides that a Class III game authorized under this Compact is criminally prohibited, this Compact shall no longer authorize the Tribes to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect.
  3. If a type of Class III game authorized is criminally prohibited as provided § 12(C)(1) or (2), the Tribes shall be required to cease operating that Class III game only if and under the same circum-

stances and conditions as the State or any other affected person must cease operating the corresponding game.

D. Amendments.

1. This Compact may be amended if one of the following conditions occur:
  - a. One (1) year elapses after the date this amended Compact is approved by the Secretary of the Interior.
  - b. The Tribes notifies the State that it has entered into an agreement with another Indian tribe for joint operation, management or interest in the Gaming Facility or the gaming activities under this Compact.
  - c. The State amends state statute or Constitution to expand the type of Class III gaming permitted in the State for any purpose by any person, organization, or entity, in which event, upon the Tribes' request, the State shall negotiate the terms and conditions under which the Tribes may offer such gaming.
  - d. The State becomes a party to another Tribal-State Compact that authorizes a Tribes other than the Confederated Tribes of the Coos, Lower Umpqua and Siuslaw to engage in any Class III gaming activity or scope of gaming activity not permitted under the terms of this Compact, in which event, upon the Tribes' request, the State shall negotiate the terms and conditions under which the Tribes may offer such gaming.
2. Section 12(D)(1) above does not authorize the Tribes to renegotiate the terms of this Compact applicable to forms of gaming authorized by § 4 of this Compact, except to the extent that the State voluntarily consents to such renegotiation or as is otherwise provided for in this Compact.
3. Pursuant to § 12(D)(1), the State or the Tribes may by appropriate and lawful means, request negotiations to amend, replace or repeal this Compact. In the event of a request for renegotiation or the negotiation of a new agreement, this Compact shall remain in effect until renegotiated or replaced, unless sooner terminated under § 12(B). Such request to renegotiate shall be in writing and shall be sent by certified mail to the Governor of the State or the Chair of the Tribes at the appropriate office identified at § 14

below. If a request is made by the Tribes, it shall be treated as a request to negotiate pursuant to IGRA. All procedures and remedies available under IGRA shall thereafter apply with the exception that the 180-day period for negotiation set forth at 25 U.S.C. 2710(d) shall be one hundred (100) days.

4. No amendment pursuant to this § 12(D) shall be in effect prior to approval of the Department of the Interior or as otherwise deemed approved under IGRA.

### SECTION 13. DISCLAIMERS AND WAIVERS

- A. Gaming at Another Location or Facility. The Tribes hereby waives any right it may have under IGRA to negotiate a Compact for Class III gaming at any different or additional location or facility, unless another tribe that is operating a gaming facility in this State, signs a Compact that authorizes that tribe to operate more than one gaming facility simultaneously, or is otherwise authorized to operate more than one gaming facility simultaneously, or unless a physical calamity occurs that makes operation at the existing location unfeasible.
- B. Status of Class II Gaming. Nothing in this Compact shall be deemed to affect the operation by the Tribes of any Class II gaming as defined in IGRA or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribes.
- 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 Tribes or any Tribal Gaming Operation, except for charges expressly authorized in accordance with this Compact.
- D. Preservation of Tribal Self-Government. Except as provided in § 9(A)(1), nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribes, including the Tribal Gaming Commission, or to interfere in any manner with the Tribes' selection of its governmental officers, including members of the Tribal Gaming Commission. No licensing or registration requirement contemplated by this Compact shall be applicable to such officers with respect to their capacity as officers of the Tribes.
- E. This Compact is exclusively for the benefit of and governs only the respective authorities of and the relations between the Tribes and the State. Nothing in this Compact shall be construed as creating or granting any rights to any third party, or as establishing any objection or defense for any third party to any charge, offense or prosecution.

- F. The Tribes and the State agree that any activities that must be performed under this amended Compact to prepare for implementation of any new games authorized under § 4 may be undertaken before the Secretary of the Interior approves this amended Compact.
- G. Change in Federal Law. The Tribes reserves the right to take advantage of any change in federal law that permits additional gaming to be conducted by the Tribes without the need for a Compact, but only after the Tribes has provided thirty (30) days written notice of its intent to offer a game under this provision. Nothing herein shall be interpreted to prevent the State from objecting to the form of gaming pursuant to the dispute resolution provisions of this Compact. This Compact shall not be construed as a surrender by the Tribes of those rights.

#### SECTION 14. NOTICES

All notices required or authorized to be served to the Oregon State Police shall be served by first class mail at the following address:

Captain  
Oregon State Police  
Gaming Enforcement Division  
400 Public Service Building  
Salem, OR 97310

All other notices required or authorized to be served shall be served by first class mail at the following addresses:

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

Chair of the Tribal Council  
Confederated Tribes of Coos,  
Lower Umpqua and Siuslaw Indians  
1245 Fulton Avenue  
Coos Bay, OR 97420

#### SECTION 15. SEVERABILITY

In the event that any section or provision of this Compact is held invalid, or its application to any particular activity is held invalid, it is the intent of the parties that the remaining sections of the Compact and the remaining applications of such section or provision shall continue in full force and effect.

## SECTION 16. DISPUTE RESOLUTION

- A. At the discretion of either party, in the event either party believes that the other party has failed to comply with any requirement of the Compact, that party may invoke the following dispute resolution procedure in order to foster cooperation and avoid the costs of litigation:
1. The party asserting noncompliance shall serve written notice on the other party in the manner provided in § 14. The notice shall identify the specific provision of the Compact alleged to have been violated and shall specify the factual basis for the alleged noncompliance. The State and the Tribes shall thereafter meet within thirty (30) days in an effort to resolve the dispute.
  2. In the event the dispute is not resolved to the satisfaction of the parties within ninety (90) days after service of notice, either party may initiate an action against the other party in the United States District Court for the District of Oregon to interpret or enforce the provisions of this Compact. In the event that the Federal court declines jurisdiction, an action can be filed in a State court of competent jurisdiction to interpret or enforce the provisions of this Compact. The Oregon legislature has waived the State's sovereign immunity to such a suit pursuant to ORS 30.320, and the Tribes hereby waives its immunity to suit in state court for the limited purpose of enforcing this Compact according to the terms of this § 16.
- B. Nothing in § 16(A) shall be construed to waive, limit or restrict any remedy that is otherwise available to either party to enforce the provisions of this Compact or limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution.
- C. With respect to gaming not authorized by this Compact, nothing in this Compact shall be construed to limit the authority of the State or the federal government to take immediate action to enforce and prosecute the gambling laws of the State and the United States pursuant to 18 U.S.C. § 1166 (§ 23 of IGRA).

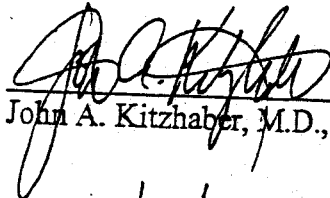
**SECTION 17. INTEGRATION**

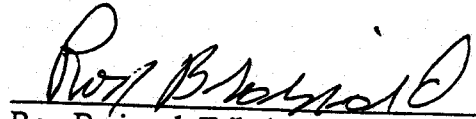
This compact is the complete and exclusive expression of the parties' intent.

**EXECUTED** as of the date and year above-written.

**STATE OF OREGON**

**CONFEDERATED TRIBES OF THE  
COOS, LOWER UMPQUA AND  
SIUSLAW INDIANS**


  
\_\_\_\_\_  
John A. Kitzhaber, M.D., Governor

  
\_\_\_\_\_  
Ron Brainard, Tribal Chair

Date: 1/7/03, 2003

Date: 1/6/03, 2003

**APPROVED FOR LEGAL SUFFICIENCY:**

By:   
Stephanie L. Striffler  
Special Counsel to the Attorney General

Date: 1/6, 2003

**APPROVED BY THE SECRETARY OF THE INTERIOR**

By: \_\_\_\_\_

Date: \_\_\_\_\_, 2003

AGS11577

**Amended Tribal-State Compact for Regulation of Class III Gaming  
Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians  
and the State of Oregon**

**EXHIBIT I**

That certain real property in Lane County conveyed by Warranty Deed to the United States of America in trust for the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians on January 28, 1998 and recorded under Recording number 980544.

**Amended Tribal-State Compact for Regulation of Class III Gaming  
Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians  
and the State of Oregon**

**EXHIBIT II**

That tract of land conveyed to Confederated Tribes of Coos, Lower Umpqua and Siuslaw by Quit Claim deed recorded January 22, 1985, bearing Microfilm Reel No. 85-1-1243, Records of Coos County, Oregon and platted by BLM Cadastral Surveyor Harvey E. Wofford on metes and bounds survey to Parcel A in Section 20, Township 25 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, approved March 7, 1986, and further described as follows:

Beginning at a 3/4 inch diameter iron pipe in the A.N. Foley Donation Land Claim No. 38 in Section 20, Township 25 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, from which point the corner of Sections 20, 21, 28 and 29 in said Township and Range bears South 23 degrees 21' East 3756.72 feet; thence South 45 degrees 06' West 733.72 feet to a stainless steel post with brass cap; thence North zero degrees 29' West a distance of 933.57 feet to a stainless steel post with brass cap; thence North 89 degrees 32' East a distance of 94.97 feet to a stainless steel post with brass cap; thence South 46 degrees 05' East a distance of 600.40 feet to the point of beginning.