TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE COQUILLE TRIBE OF INDIANS AND THE STATE OF OREGON

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TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN COQUILLE TRIBE OF INDIANS AND THE STATE OF OREGON

PREAMBLE.

This Compact is made between the State of Oregon (hereinafter "State") and the Coquille Tribe of Indians (hereinafter the "Tribe") and pertains to Class III gaming to be conducted on lands that are currently held in trust and lands that will be taken into trust for the Tribe pursuant to the Coquille Restoration Act (Public Law 101-42), 25 USC §§715-715e. The terms of this Compact are unique to this Tribe and reflect the fact that the lands that are the subject of this compact are or will be subject to the provisions of the Indian Gaming Regulatory Act of October 17, 1988 (Public Law 100-497), 25 USC §2701 et seq. ("IGRA").

SECTION 1. TITLE.

THIS Compact is entered into this 8th day of December, 1994, by and between The Coquille Tribe of Indians, a federally recognized Indian tribe, and the State of Oregon.

SECTION 2. FINDINGS.

WHEREAS, the Tribe is a federally recognized Indian Tribe, and is the beneficial owner of, and exercises governmental power over, the trust lands of the Tribe located in the State of Oregon;

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

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

AND WHEREAS, the tribal public policy, as reflected in the Tribe's Constitution and ordinances adopted by the Tribe, is to exercise and retain its rights to regulate gaming activities upon its lands and reservation for the purposes of encouraging Tribal employment, economic and social development and funding of Tribal services while insuring the fair and lawful operation of gaming and the prevention of corrupt and criminal influences;

AND WHEREAS, the United States Congress has enacted IGRA which declares federal policy and provides a statutory basis for operation of gaming by the Tribe as a means of promoting tribal economic development, self-sufficiency, and strong tribal government;

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

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

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

AND WHEREAS, IGRA establishes a system of agreements between Indian Tribes and States for the regulation of Class III gaming as defined in that Act;

AND WHEREAS, IGRA provides that Class III gaming activities are lawful on Tribal lands only if such activities are (1) located in a state that permits such gaming for any purpose by any person, organization or entity, (2) authorized by tribal ordinance, and (3) conducted in accordance with a Tribal-State Compact;

AND WHEREAS, the Congressional intent in passing IGRA was to reaffirm a long and well-established principle of federal Indian law as expressed in the United States Constitution, reflected in federal statutes and articulated in decisions of the United States Supreme Court that unless authorized by an act of Congress, the jurisdiction of State governments does not extend to Tribal lands;

AND WHEREAS, IGRA does not extend State jurisdiction or the application of State laws for any purpose other than jurisdiction and application of State laws to gaming conducted on Tribal land as set forth in this Compact;

AND WHEREAS, Congress recognized a role for State public policy and State law in the regulation of Class III Gaming;

AND WHEREAS, nothing in the Tribal-State Compact shall be construed to extend to any other activities or as an abrogation of other reserved rights of the Tribe or of the Tribe's sovereignty;

AND WHEREAS, IGRA is intended to expressly preempt the field in the governance of gaming activities on Tribal lands;

AND WHEREAS, the Tribe is authorized to act through Resolutions adopted by its Tribal Council;

AND WHEREAS, the State of Oregon is authorized to act through the Governor of the State;

NOW THEREFORE, in consideration of the mutual undertakings and agreements herein set forth, the Tribe and the State enter into the following Compact:

SECTION 3. DEFINITIONS.

As used in this Compact, and in its Appendices and Exhibits:

A. "Background investigation" means the security and financial history checks of an employee, licensee or applicant for Tribal contract for the operation or sale of Class III gaming devices to the Tribe.

B. "Certification" means the inspection process used by the Oregon State Lottery that assures the integrity of any computer operated Class III gaming equipment (as described in Appendix A).

C. "Class III Gaming Contract" means a contract that involves Major, Minor, or Sensitive Procurements.

D. "Class III Gaming Contractor" is any individual, business or other entity that applies for or is a party to a Class III Gaming Contract.

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

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

G. "Gaming Facility" means any building or structure in which the Tribe conducts Class III gaming under this Compact, and includes both the Permanent Gaming Facility and the Temporary Gaming Facility as those terms are defined in this Compact.

H. "Gray Machine" means any electrical or electro-mechanical device, whether or not it is in working order or some act of manipulation, repair, adjustment or modification is required to render it operational that:

1. Awards credits or contains or is readily adaptable to contain, a circuit, meter, or switch capable of removing or recording the removal of

credits earned by a player, other than removal during the course of continuous play; or

2. Plays, emulates, or simulates a casino game, bingo, or keno. A device is no less a gray machine because, apart from its use or adaptability as such, it may also sell or deliver something of value on the basis other than chance.

"Gray Machine" does not include any device operated under the authority of State law or under the terms of this Compact.

I. "High Security Employee" means any person with responsibility for the management or operation of the Class III gaming activities or access to gaming terminals or cash.

J. "Key Employee" means any officer or any person who can affect the course of business, make decisions, or is in a sensitive position.

K. "Low Security Employee" means any person employed to work in a gaming area with no responsibility for management or operation of the Class III gaming activities and no access to inside gaming terminals or cash.

L. "Major Procurement" means any procurement action or contract for:

1. The printing of tickets used in any Class III gaming;

2. Any goods or services involving the receiving or recording of number selections in any Class III gaming;

3. Any goods, services, or products involving the determination of winners in any Class III gaming; or

4. Video devices.

M. "Minor Procurement" means any procurement action or contract related to Class III gaming that is neither a Major Procurement nor a Sensitive Procurement. A typical example of this class of procurement is a contract to change the external appearance of a video terminal.

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

O. "Permanent Gaming Facility" means that portion that is designated as Phase I of the building known as the "Mill Site," proposed to be constructed or remodeled as of the date of execution of this Compact, by the Tribe on Tribal trust lands at North Bend, Oregon. Phase I is more specifically described in Exhibit I to this Compact. If the size of the Permanent Gaming Facility is expanded as otherwise provided in this Compact, the term "Permanent Gaming Facility" shall thereafter refer to the expanded facility.

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

1. Is designated as having management responsibility for any part of a Management Contract for any Class III gaming within the Tribal Gaming Operation;

2. Has authority --

a. to hire and fire employees involved with Class III gaming activities; or

b. to set or otherwise establish working policy for Class III gaming activities; or

3. Is the chief financial officer or other person who has financial management responsibility for the Class III Tribal Gaming Operations.

Q. "Sensitive Procurement" means any procurement action or contract for goods or services, other than a "Major Procurement," that may either directly or indirectly affect the integrity, security, honesty, and fairness of the operation and administration of Class III gaming. A typical example of this class of procurement is the acquisition of security systems required to protect the security and integrity of the Class III gaming.

R. "Temporary Gaming Facility" means the building proposed to be constructed as of the date of execution of this Compact, by the Tribe on Tribal trust lands in Coos County, Oregon, as more specifically described in Exhibit II to this Compact.

S. "Tribal Gaming Operation" means each economic entity that is licensed by the Tribe, operates games, receives the revenues, issues the prizes, and pays the expenses of a gaming operation permitted under this Compact.

T. "Video Lottery Terminal" or "Terminal" means an electrical or electro-mechanical device, component, or terminal that displays a ticket or share for a game authorized under Appendix A of this Compact through the use of a video

display screen, and that is available for consumer play upon payment of any consideration, with winners determined by the application of the element of chance and the amount won determined by the possible prizes displayed on the device.

SECTION 4. AUTHORIZED CLASS III GAMING.

A. Only Compact Between the Tribe and the State. This Compact shall be the only Compact between the Tribe and State and any and all Class III gaming conducted in the Gaming Facility shall be pursuant to this Compact. To the extent that elements of this Compact need to be altered to incorporate changes to the agreements between the parties (including to permit additional Class III gaming) the parties shall provide such changes in accordance with Subsection 12.D. of this Compact. The Tribal Gaming Operation and the Gaming Facility shall be owned by the Tribe and may be operated directly by the Tribe or pursuant to a Management Contract entered into pursuant to Section 7 of this Compact.

B. Authorized Games.

1. Subject to the provisions of this Compact, the Tribe may engage in only the following Class III games: Video lottery games of chance as described in Appendix A, keno as described in Appendix B and, in the Permanent Gaming Facility only, off-race course mutuel wagering as described in Appendix C.

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

C. Gaming Locations. Gaming authorized under this Compact shall be conducted only in the Gaming Facility. If another Oregon Tribe is authorized to operate a gaming facility on non-Tribal lands, the Tribe does not hereby abrogate any rights it may have under Section 20 of IGRA.

1. The Permanent Gaming Facility authorized by this Compact shall be located on the Tribe's land at North Bend, Oregon, on land held in trust for the Tribe by the United States, and more fully described in Exhibit I to this Compact.

2. The Temporary Gaming Facility authorized under this Compact shall be located on the Tribe's land in Coos County, Oregon, on land held in

trust for the Tribe by the United States, and more fully described in Exhibit II to this Compact.

D. Number of Video Terminals. The number of Class III video lottery terminals authorized by this Compact for the Permanent Gaming Facility shall not exceed the number of such terminals that would occupy 15 percent (15%) of the total square footage of the gaming area and related portions of the Permanent Gaming Facility under customary industry spacing. The gaming area is that area described as Phase I as delineated in Exhibit I to this Compact. The video lottery terminals shall be spaced according to approximate industry standards. The parties acknowledge that the Permanent Gaming Facility is a mixed use facility. The parties agree that the size of that part of the Permanent Gaming Facility to be devoted to Class III video lottery terminals is determined by the area of those parts of the facility that are appropriately related to the gaming activities conducted therein (the "gaming area"). The parties also agree that, in combination, the gaming area of the facility and the spacing of video lottery terminals customary in the industry limit the number of video lottery terminals on the gaming floor to no more than 800. The Tribe anticipates development of the Mill Site in more than one phase. Up to 600 video lottery terminals may be included in Phase I of the development, as particularly described in Exhibit I. Up to an additional 200 video lottery terminals may be added to the Permanent Gaming Facility when construction of either the theatre or the retail mezzanine portion of the development is completed and all parts of that portion of the Nill Site are fully operational and open to the public for business. Subject to other terms of this agreement, the Tribe may determine in its discretion the location and spacing of video lottery terminals within the Permanent Gaming Facility.

E. Expansion of Gaming Area. If the Tribe expands the square footage of the Permanent Gaming Facility, the limit on the number of video lottery terminals established in subsection D. of this section shall be increased by the number of video lottery terminals that would occupy 15 percent (15%) of the total square footage of the expansion that is devoted to Class II and Class III gaming and related activities, given customary industry spacing of video lottery terminals. The parties shall enter into an addendum to this Compact in which the precise number of additional video lottery terminals shall be established.

F. Off-Track Mutuel Wagering. The Tribe may conduct, at the Permanent Gaming Facility only, off-track mutuel wagering on races held at race courses within or outside the State. Any off-track mutuel wagering on races held at race courses outside the State shall be conducted in compliance with the applicable requirements of the Interstate Horseracing Act of 1978, as amended, (15 U.S.C. §3001 to 3007). All off-track mutuel wagering at the Permanent

Gaming Facility shall be conducted in person and no wagers may be accepted by telephone or other electronic medium.

G. Temporary Gaming Facility. This subsection applies only to the Temporary Gaming Facility. This subsection shall expire and have no further effect once the Permanent Gaming Facility is opened to the public.

1. Authority for Temporary Gaming Facility. The Tribe is authorized to develop a Temporary Gaming Facility as provided in this subsection. It is the Tribe's intention to use its best efforts to have the land at North Bend, Oregon, taken into trust, and to complete and open to the public the Permanent Gaming Facility at the Mill Site. At no time will more than one Gaming Facility be open to the general public under this Compact. The Tribe's intent is to use the Temporary Gaming Facility to generate revenue and to train tribal gaming employees while the approval process for taking the Mill Site into trust and the construction of the Permanent Gaming Facility are being completed.

2. Location of Temporary Gaming Facility. The Temporary Gaming Facility will be located on the site that is commonly known as the twenty acres at the east end of Wisconsin Avenue, in Coos County, Oregon. The Site is more specifically described in Exhibit II to this Compact. The Temporary Gaming Facility may be relocated to the Mill Site, in the Tribe's discretion, after the Mill Site is taken into trust and the Department of Interior has taken all action that the Department considers necessary for gaming to be conducted at the Mill Site.

3. Type and Layout of Facility. The Temporary Gaming Facility will consist of a sprung tent structure, also known as a relocatable aircraft facility. The total square footage of the Temporary Gaming Facility whill not exceed 14,625 square feet. A diagram of the alignment of the structure and its proposed floor plan are attached as Exhibit III to this Compact.

4. Class III Gaming. The Temporary Gaming Facility will be used to train employees for all Class II games the Tribe will offer in either Gaming Facility, and for those Class III Games authorized under this Compact. The only Class III Games that will be conducted in the Temporary Gaming Facility will be video lottery terminals and keno, as described in Appendices A and B of this Compact. The Tribe may install up to 250 video lottery terminals in the Temporary Gaming Facility.

5. Duration of the Temporary Gaming Facility Operation; Extension. Class III Gaming in the Temporary Gaming Facility shall be for a period of no more than one year, commencing no earlier than the date of publication of the approval of this Compact in the Federal Register. In no event may the Temporary Gaming Facility be operated once the Permanent Gaming Facility is open to the public. The State agrees to negotiate in good faith under IGRA for an extension of the one year period, if the Tribe requests such negotiations in writing at least sixty days before the end of the one year period.

6. Access to the Temporary Gaming Facility. Access to the Temporary Gaming Facility shall be provided subject to the conditions imposed in Section 11.B of this Compact. The Tribe shall consult with the Oregon Department of Transportation and appropriate local officials so that access from State Highway 240 will meet appropriate standards. The Tribe is responsible to provide adequate parking off State Highway 240 for patrons of the Temporary Gaming Facility.

7. Alcohol Policy. Alcohol may be served in the Temporary Gaming Facility only pursuant to a memorandum of understanding entered into pursuant to section 8.G. of this Compact.

8. National Indian Gaming Commission Approval. The Tribe shall not operate the Temporary Gaming Facility without all necessary consent or approval of the National Indian Gaming Commission.

9. Security. The Tribe shall consult with the Oregon State Police to assure that the security requirements of the Compact are fully satisfied before the opening of the Temporary Gaming Facility.

10. Applicability of Compact Requirements. Except as explicitly provided in this subsection, all terms of this Compact shall apply to the Temporary Gaming Facility.

SECTION 5. JURISDICTION.

A. Criminal Jurisdiction.

1. The State shall have criminal jurisdiction over offenses committed by or against Indians and non-Indians within the Gaming Facility and on Tribal trust land; the criminal laws of the State shall have the same force and effect at the Gaming Facility as they have on non-Tribal lands within the State.

2. If the Tribe authorizes the Tribal Court to hear criminal cases arising on the Tribal lands, the Tribe and the State shall have concurrent criminal jurisdiction over offenses committed by Indians within the Gaming Facility and on the Tribal lands. The criminal laws of the State shall have the same force and effect on the Tribal lands as they have on non-Tribal lands within the State.

3. Once a tribal police force is in operation on the Tribal lands, the enforcement of criminal laws at the Gaming Facility shall be established pursuant to and by a Memorandum of Understanding to be executed by the Tribe and the Oregon State Police.

4. Except as provided in a Memorandum of Understanding executed in accordance with the foregoing paragraph 5.A.3., law enforcement officers of the State of Oregon, or officers designated by the State, shall have free access to anywhere within the Gaming Facility and on Tribal trust land for the purpose of maintaining public order and public safety, conducting investigations related to possible criminal activity and enforcing applicable laws of the State. Action taken by the State, pursuant to this section shall be conducted in good faith to minimize any interruption of the day-to-day operations of the Gaming Facility. The Tribe, or individuals acting on its behalf, shall provide State law enforcement officers or officers designated by the State access to locked and secure areas of the Gaming Facility in accordance with the regulations for the operation and management of the Tribal Gaming Operation. Tribal officials may accompany State officers during inspection of locked or secure areas of the Gaming Facility.

5. Nothing contained herein shall be deemed to modify or limit existing federal criminal jurisdiction on Indian lands.

B. State Officers at Gaming Facility. The State may station one or more officers at the Gaming Facility by mutual agreement with the Tribe.

C. Effect on Public Law 280. Nothing in this agreement shall be construed to affect the civil or criminal jurisdiction of the State under Public Law 280, or to affect the Tribe's right to seek retrocession of jurisdiction as provided for in applicable provisions of the Coquille Tribal Restoration Act (25 USC §715(d)).

SECTION 6. PRINCIPLES GOVERNING GAMING OPERATIONS DECISIONS

A. The Tribe and the State agree that maintaining the honesty, integrity, fairness and security of the Tribe's gaming operation is essential both to the success of

the enterprise, and to satisfy the interests of the State and of the Tribe. Accordingly, all decisions by the Tribe concerning operation of their Gaming Facility, including those decisions expressly placed within the Tribe's discretion under the terms of this Compact, shall be consistent with each of the following principles:

1. Any and all of the Tribe's decisions concerning operation of the Tribal gaming enterprise shall reflect the particularly sensitive nature of a gaming operation.

2. In order to maintain the honesty, integrity, fairness and security of the Tribe's gaming operation, the Tribe shall work diligently and take all reasonably necessary affirmative steps to prevent cheating and theft, and to protect the gaming operations from the influence or control by any form of criminal activity or organization.

3. The honesty, integrity, fairness and security of the Tribe's gaming operation shall be of paramount consideration in awarding contracts, licensing and hiring employees, and in making other business decisions concerning the operation of the gaming enterprise. The Tribe shall make no decisions that compromise the honesty, integrity, fairness or security of the gaming operation.

4. Regulation and operation of the Tribe's gaming activities shall be, at a minimum, consistent with generally accepted industry standards and practices, in order to maintain the honesty, integrity, fairness and security of the Tribe's gaming operation.

B. Procedure for Resolving Disputes Concerning Operational Decisions.

1. If the State, in good faith, believes that any decision by the Tribe relating to the employment or licensing of any employee, awarding of any contract or operation of the gaming enterprise is inconsistent with the principles set forth in subsection A of this section, or any other requirement of this section, the State may give written notice to the Tribe. The written notice shall describe the factual basis for the State's concern.

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

3. a. If the State's concern is not resolved informally, either party may initiate non-binding arbitration within 45 days after the service of the written notice.

b. An arbitrator shall be selected in the following manner:

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

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

c. Upon agreement by both parties, the arbitration proceeding shall be binding.

d. The parties shall divide the cost of the arbitration proceeding equally between them.

4. Upon conclusion of the arbitration proceeding, if the parties have not elected to be bound by that result, either party may initiate an action in the United States District Court for the District of Oregon as provided in section 16 of this Compact.

5. Expedited Procedure.

a. If the State, in good faith, believes that there is an immediate threat to the honesty, integrity, fairness and security of the Tribal gaming operations, and believes that substantial harm will result during the time that would pass if the procedure established in paragraphs 1 to 3 of this subsection is followed, the State may give written notice to the Tribe. The written notice shall describe the factual basis for the State's concern.

b. The parties shall confer within 5 days after the Tribe receive the notice.

c. If the State's concern is not resolved informally, the state may initiate an action in the United States District Court for the District of Oregon as provided in section 16 of this Compact.

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

(1) A criminal indictment is filed against any contractor, or owner or key employee of a contractor;

(2) A criminal organization or members of a criminal organization have obtained an ownership interest in a contractor, or a member of a criminal organization has become a key employee of a contractor;

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

6. The provisions of this section, shall provide the exclusive method for resolving disputes as to the Tribe's decisions concerning hiring or contracting under section 7 of this Compact, or concerning operation of the Gaming Facility.

SECTION 7. LICENSING AND CONTRACTING.

A. Licensing of Gaming Employees.

1. All Primary Management Officials and High Security Employees to be employed in the Gaming Facility shall be licensed by the Tribe in accordance with the provisions of this Compact.

2. All prospective employees -- Primary Management Officials, High Security Employees and Low Security Employees -- shall provide to the Tribe any required application fees and the following information:

a. Full name, including any aliases by which the applicant has been known;

b. Social security number;

c. Date and place of birth;

d. Residential addresses for the past five years;

e. Employment history for the past five years;

f. Driver's license number;

g. All licenses issued and disciplinary actions taken by any State agency or Tribal gaming agency;

h. All criminal proceedings, except for minor traffic offenses, to which the applicant has been a party;

i. A current photograph;

j. Any other information required by the Tribe.

3. In addition to the requirements of paragraph 2 of this subsection, prospective High Security Employees and Primary Management Officials shall provide a set of fingerprints.

4. a. The Tribe shall forward the applicant information to the State, along with the State required portion of the application fee as described in subsection C of this section.
The Oregon State Police shall conduct a background investigation on all prospective Primary Management Officials and High Security Employees, and provide a written report to the Tribal Gaming Commission within a reasonable period of time, but in no event shall such background checks exceed thirty (30) days without notice to and consent of the Tribe.

b. The Tribe may request the State to perform a background investigation on any prospective Low Security Employee. Upon such request, the Oregon State Police shall conduct a background check as provided in subparagraph a. of this paragraph.

5. a. The Tribe shall deny a gaming license to any prospective High Security Employee or Primary Management Official who has committed any of the following crimes under the law of any jurisdiction, or is the subject of a civil judgment in any jurisdiction that is based upon facts that constitute the elements of any of the following crimes:

(1) Aggravated murder; murder in the first degree
(2) Assault (in the first or second degree)
(3) Kidnapping in the first degree
(4) Rape in the first degree
(5) Sodomy in the first or second degree
(6) Unlawful sexual penetration in the first degree
(7) Sexual abuse in the first or second degree
(8) Any crime related to child pornography
(9) Forgery in the first degree
(10) Possession of a forgery device
(11) Unlawful factoring of a credit card transaction
(12) Falsifying business records
(13) Sports bribery or receiving a sports bribe
(14) Making a false financial statement

(15) Obtaining execution of a document by deception
(16) Theft by extortion
(17) Arson in the first degree
(18) Computer crime
(19) Robbery in the first or second degree
(20. Bribery
(21) Bribing a witness
(22) Perjury
(23) Any theft accomplished by manipulation of records; e.g., embezzlement
(24) Promotion of unlawful gambling
(25) Conviction of any crime if the original charge was promotion of unlawful gambling, and a lesser charge was plea-bargained.
(26) Tax evasion

b. The Tribe shall deny a gaming license to any prospective High Security Employee or Primary Management Official who has associated in a business relationship, whether as a partner, joint venturer or employer, with any other person who has been convicted of one of the crimes listed in subparagraph a. of this paragraph. The Tribe shall deny a gaming license to any prospective High Security Employee or Primary Management Official who was employed by any other person who has been convicted of one of the crimes listed in subparagraph a. of this paragraph, if the prospective employee or official was in any way involved in or aware of the criminal activity as it occurred.

c. The Tribe shall deny a gaming license to any prospective High Security Employee or Primary Management Official if:

(1) The applicant fails to disclose any material fact to the Tribe or the State or their authorized agents during a background or security investigation; or

(2) The applicant misstates or falsifies a material fact to the Tribe or the State during a background or security investigation.

d. The Tribe may deny a gaming license to any prospective High Security Employee or Primary Management Official for any reason the Tribe deems sufficient. Such decisions to grant or deny a gaming license shall be consistent with the principles set forth in subsection A of section 6 of this Compact. In

determining whether to deny a gaming license to any prospective High Security Employee or Primary Management Official, the factors to be considered by the Tribe shall include, but need not be limited to, the following:

(1) The applicant has been convicted of any crime (other than a crime listed in subparagraph a. of this paragraph) in any jurisdiction;

(2) The applicant has associated with persons or businesses of known criminal background, or persons of disreputable character, that may adversely affect the general credibility, honesty, integrity, security, fairness or reputation of the Tribe's gaming operation; or

(3) There is any aspect of the applicant's past conduct that the Tribe determines would adversely affect the honesty, integrity, security or fairness of Tribal gaming operation.

e. The Tribe shall deny employment to any prospective Low Security Employee who does not meet the criteria established in sub-subparagraphs (1) to (5) of this subparagraph. The Tribe may deny employment to any Low Security Employee applicant who does not meet the criteria established in sub-subparagraphs (6) to (26) of this subparagraph or in subparagraphs c. or d. of this paragraph. Decisions to grant or deny employment shall be consistent with the principles set forth in subsection A of section 6 of this Compact.

f. The Tribe may reject an application if the applicant has not provided all of the information requested in the application.

6. Denial of employment or a license by the Tribe is final.

7. Waiver of Disqualifying Criteria.

a. If a prospective Primary Management Official, High Security Employee or Low Security Employee is disqualified for licensing or employment under the provisions of paragraph 5. above, and the Tribe believes that there are mitigating circumstances that justify waiver of the disqualifying factor, the Tribe may give written notice to the State asking to meet and confer concerning waiver of the disqualification. The Tribe and the State shall meet within 15 days after written notice is given.

b. In order to waive disqualification of licensing or employment of any prospective Primary Management Official, High Security Employee or Low Security Employee, both the Tribe and the State must agree on the waiver.

c. Waiver of disqualification of licensing or employment may be based on one or more of the following circumstances:

(1) Passage of time since conviction of a crime;

(2) The applicant's age at the time of conviction;

(3) The severity of the offense committed;

(4) The overall criminal record of the applicant;

(5) The applicant's present reputation and standing in the community;

(6) The nature of the position for which the application is made.

8. Temporary Licensing of Employees.

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

b. The Tribe may employ Low Security Employees on probation upon submission of the application to the state police. Any Low Security Employee shall be subject to immediate termination during probation if the Tribe determines that the employee does not meet the criteria established in sub-subparagraphs 7.A.5.a.(1) to (5) above.

9. Background Investigation During Employment. The Tribe may request the State to conduct additional background investigations of any gaming employee at any time during the term of employment. The State shall report to the Tribe any cause for the dismissal of any employee under the criteria established in paragraph 5 of subsection A above, and furnish the Tribe with copies of all relevant information. The Tribe shall review the State's report and supporting materials and if the Tribe

concludes that good cause for dismissal is shown under the criteria established in paragraph 5 of subsection A above, the subject employee may be dismissed. An employee shall be dismissed if the Tribe would have been required to deny employment to that employee under the provisions of paragraph 5 of subsection A above.

10. Duration of License and Renewal. Any employee license shall be effective for not more than three (3) years from the date of issue except that a licensed employee who has applied for renewal may continue to be employed under the expired license until final action is taken on the renewal application in accordance with the provisions of paragraphs 2 to 5 of subsection A above. Applicants for renewal shall provide a renewal fee and updated information to the Tribe but will not be required to resubmit historical data already provided.

11. Revocation of License. The Tribe may revoke the license of any employee pursuant to policies determined by the Tribe. The Tribe shall revoke the license of any employee upon determination by the Tribe or the State that an event has occurred that would have prohibited the Tribe from hiring the employee under the criteria described in paragraph 5 of subsection A above.

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

B. Contracts with Manufacturers and Suppliers.

1. The Tribe shall contract with all managers, manufacturers or suppliers of goods or services related to the play of Class III games authorized by this Compact before conducting any business related to Class III games.

2. The Tribe shall submit any proposed Class III Gaming Contract to the State for review and comment, and for a background investigation of the contract applicant.

3. A background investigation may be conducted by the State on all Class III Gaming Contract applicants or contractors. The level of investigation will be determined by whether the individual procurement is classified as a Major Procurement, Minor Procurement or Sensitive Procurement. The level of investigation for a Major Procurement and Sensitive Procurement shall be more intense than that for a Minor Procurement.

4. All Class III Gaming Contract applicants, and any owner or key employee of an applicant, shall provide all personal and business information required by the State to conduct its background investigation.

5. The Tribe shall not enter into any Class III Gaming Contract that does not grant the State or the Tribe access to the contractor's business and financial records.

6. Criteria for Denial of Contract Application.

   a. The Tribe shall deny a Class III Gaming Contract application for a Major or Sensitive Procurement if the applicant, or any owner or key employee of the applicant has been convicted of a crime described in subparagraph 7.A.5.a. above, or is the subject of a civil judgment based upon facts that constitute the elements of a crime described in subparagraph 7.A.5.a. above.

   b. The Tribe shall deny a Class III Gaming Contract application for a Major or Sensitive Procurement if the applicant, or any owner or Key employee of the applicant, has associated in a business relationship, whether as a partner, joint venturer or employer, with any other person who has been convicted of one of the crimes listed in subparagraph a of paragraph 5 of subsection A above. The Tribe shall deny a Class III Gaming Contract for a Major or Sensitive Procurement if the applicant, or any owner or Key employee of the applicant, was employed by any other person who has been convicted of one of the crimes listed in subparagraph a of paragraph 5 of subsection A of this section, if the applicant, owner or Key employee was in any way involved in or aware of the criminal activity as it occurred.

   c. The Tribe shall deny a Class III Gaming Contract application for a Minor Procurement if the applicant, or any owner or Key employee of the applicant, has been convicted of a crime described in sub-subparagraphs (1) to (5) of subparagraph a of paragraph 5 of subsection A of this section, or is the subject of a civil judgment based upon facts that constitute the elements of a crime described in sub-subparagraphs (1) to (5) of subparagraph a of paragraph 5 of subsection A of this section.

d. The Tribe shall deny a Class III Gaming Contract application if:

(1) The applicant fails to disclose any material fact to the Tribe or the State or their authorized agents during a background or security investigation; or

(2) The applicant misstates or falsifies a material fact to the Tribe or the State during a background or security investigation.

e. The Tribe may deny any Class III Gaming Contract application for any reason the Tribe deems sufficient. Such decisions to deny a Class III Gaming Contract application shall be consistent with the principles set forth in subsection A of section 6 of this Compact. In determining whether to deny a Class III Gaming Contract application, the factors to be considered by the Tribe shall include, but need not be limited to the reasons described in subparagraph d of paragraph 5 of subsection A of this section.

f. The Tribe may deny any Class III Gaming Contract application if:

(1) A person who is unqualified or disqualified to be a Class III Gaming Contractor owns, is an agent of or has any other interest in the applicant, regardless of the qualifications of the person who seeks approval as a contractor;

(2) The applicant demonstrates inadequate financing for the business proposed under the type of contract for which application is made. In determining whether financing is adequate, the Tribe shall consider whether financing is from a source that meets the qualifications of paragraph 5 of subsection A of this section, or paragraph 6 of subsection B of this section and whether that financing is in an amount to ensure the likelihood of success in the performance of the contractor's duties and responsibilities; or

(3) The applicant or its employees fail to demonstrate business ability and experience to establish, operate, and maintain the business for the type of contract for which application is made.

g. In evaluating whether to deny a contract related to Class III gaming based on subparagraph e or f of paragraph 6 of subsection B of this section, the Tribe may consider the following factors:

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

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

(3) The number of offenses or crimes; and

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

h. (1) No Primary Management Official or their employee or any other person applying for a Class III Gaming Contract shall own, manufacture, possess, operate, own an interest in, or gain income or reimbursement in any manner from gaming devices in any jurisdiction unless the devices are approved and certified by another state lottery, gambling or gaming control agency, Indian Tribe, National Indian Gaming Commission, or foreign country, that has jurisdiction to approve that activity, and such ownership, manufacture, possession, operation, or income is disclosed to the Tribe.

(2) No person applying for a Class III Gaming Contract shall own, operate, own an interest in, or gain income or reimbursement in any manner from off-track pari-mutuel wagering in any jurisdiction unless that activity is approved and certified by another state racing regulatory body, gambling or gaming control agency, Indian Tribe, National Indian Gaming Commission, or foreign country, that has jurisdiction to approve that activity, and such ownership, operation, or income is disclosed to the Tribe.

i. The Tribe may reject an application if the applicant has not provided all of the information requested in the application.

7. Contractor Reporting Requirements.

a. All contractors shall submit to the Tribe and the State any financial and operating data requested by the Tribe or the State.

b. The Tribe and the State each may specify the frequency and a uniform format for the submission of such data.

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

C. Fees for Approval of Employment Licenses and Contracts.

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

2. The fees for State approval of licenses and contracts shall be set pursuant to a Memorandum of Understanding between the parties to be negotiated annually.

3. Should actual costs incurred by the State exceed the fees agreed to by the parties in the annual Memorandum of Understanding, the State will assess those additional costs to the applicants during or after the investigation. The applicant is required to pay the investigation fee in full prior to issuance of the contract or license except that interim contracts or licenses shall be issued for the period of time that a dispute is pending as contemplated at paragraph 4 of this subsection.

4. Should the State and the Tribe fail to agree to fees in the Memorandum of Understanding, the dispute shall be resolved pursuant to section 6 of this Compact.

D. Management Contracts.

1. The Primary Management Official shall provide the State at all times with a current copy of any management agreement with the Tribe that allows it to conduct Class III gaming on the Tribal trust land.

2. The Primary Management Official shall furnish to the Tribe and the State complete information pertaining to any transfer of controlling interest in the management company at least 30 days before such change; or, if the Primary Management Official is not a party to the transaction effecting such change of ownership or interests, imme-

diately upon acquiring knowledge of such change or any contemplated change.

SECTION 8. REGULATIONS FOR OPERATION AND MANAGEMENT OF CLASS III GAMES.

A. Video Lottery Games and Terminals. The acquisition, use and operation of all video lottery terminals and keno authorized under this Compact shall be in accordance with the rules and regulations set forth in Appendices A and B. Appendices A and B are hereby incorporated into and made a part of this Compact.

B. Pari-Mutuel Wagering. The operation of off-race course mutuel wagering authorized under this Compact shall be in accordance with the rules and regulations set forth in Appendix C. Appendix C is hereby incorporated into and made part of this Compact.

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

D. No Credit Extended. All gaming shall be conducted on a cash basis. Except as provided herein, no person shall be extended credit for gaming nor shall the Tribe permit any person or organization to offer such credit for a fee. This restriction shall not apply to credits won by players who activate play on video games of chance after inserting coins or currency into the games. This section shall not restrict the right of the Tribe or any other person to offer check cashing or install and accept bank card or credit card transactions in the same manner as is permitted at any retail business in the State.

E. Prohibition on Attendance and Play of Minors. No person under the age of twenty one (21) shall be allowed to play any video lottery game operated under this Compact. If any person under the age of twenty one (21) plays and otherwise qualifies to win any video lottery prize or compensation, the prize or compensation shall not be paid. No person under the age of eighteen (18) shall be allowed to play any other Class III games authorized by this Compact. If any person under the age of eighteen (18) plays and otherwise qualifies to win any other Class III gaming prize or compensation, the prize or compensation shall not be paid.

F. Prohibition of Firearms. With the exception of federal, state, county or Tribal law enforcement agents or officers, the Tribe will use its best efforts to ensure that no person shall possess firearms within the Gaming Facility.

G. Service of Alcohol. No alcohol shall be served in the gaming areas unless authorized by the Tribe as permitted by federal law. Currently the Coquille Tribe does not legally permit the sale of alcohol on its trust lands. If the sale of alcohol is authorized by the Tribe at the Gaming Facility, the Tribe shall notify the State. The Tribe and the State shall enter into a memorandum of understanding that will establish which State laws and Oregon Liquor Control Commission licensing regulations shall be applied to the sale or service of alcoholic beverages at the Gaming Facility. If any other Tribe that serves or sells alcoholic beverages at a Gaming Facility under another Class III Gaming Compact in this State, is granted an exemption from any such law or regulation, the Coquille Tribe shall be granted the same exemption. Nothing in this subsection shall permit the State to impose taxes on the sale of alcoholic beverages by the Tribe. If alcohol is served in the Gaming Facility, no alcoholic beverages may be served free or at a reduced price to any patron of the Gaming Facility as an inducement to participate in any gaming.

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

SECTION 9. INSPECTION AND ENFORCEMENT OF GAMING REGULATIONS.

A. Purposes of Regulation. The regulatory provisions of this Compact are intended to:

1. Insure the fair and honest operation of the Tribal gaming operations;

2. Maintain the integrity of all activities conducted in connection with the Tribal gaming operation;

3. Prevent unsavory and unsuitable persons from having any direct or indirect involvement with gaming activities at any time or in any capacity;

4. Establish and maintain responsible accounting practices and procedures;

5. Maintain effective control over the financial practices related to gaming activities, including establishing minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues and reliable record-keeping;

6. Prevent cheating and fraudulent practices; and

7. Protect the health, welfare and safety of the citizens of the Tribe and the State.

B. Tribal Gaming Commission.

1. Oversight. The Tribal Gaming Commission shall have primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this Compact, and for the enforcement of this Compact on Tribal Lands. The Tribal Gaming Commission's role shall include the following functions:

(1) Ensure compliance with all relevant laws;

(2) Ensure the physical safety of patrons in, and of personnel employed by, the establishment;

(3) Safeguard the assets transported to and from the gaming facility and cashier's cage department;

(4) Protect patrons and property from illegal activity;

(5) Detain persons suspected of crimes for the purpose of notifying the law enforcement authorities;

(6) Record any and all unusual occurrences within the gaming facility in indelible ink in a bound notebook from which pages cannot be removed, and each side of each page of which is sequentially numbered, as follows:

(a) The assigned sequential number of the incident;

(b) The date;

(c) The time;

(d) The nature of the incident;

(e) The person involved in the incident; and

(f) The security employee assigned;

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

(8) Establish and maintain an updated list of persons barred from the gaming facility either because of their criminal history or because their association with career offenders or career offender organizations poses a threat to the honesty, security and integrity of gaming operations, and furnish that list to the State;

(9) Obtain an annual audit by a Certified Public Accountant;

(10) Maintain a closed circuit television system in the cash room of the gaming facility and provide copies of floor plan and TV system to the State;

(11) Maintain a cashier's cage in accordance with industry standards for security;

(12) Employ and train sufficient security personnel;

(13) Subject to State review and approval, establish a method for resolving disputes with players;

(14) Consistent with the provisions of this Compact, establish rules, regulations and procedures for the conduct of the activities allowed under this Compact; and

(15) Subject to the State's right to inspect computer operated Class III gaming equipment, establish the games to be played on the video lottery terminals.

2. Reporting of Violations. A Tribal game inspector shall inspect the Gaming Facility at random during all hours of gaming operation, and shall have immediate access to any and all areas of the gaming operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal ordinances. Any violations of the provisions of this Compact, or of Tribal ordinances by the Tribal gaming

operation, a gaming employee, or any person on the premises whether or not associated with the Tribal gaming operation, shall be reported immediately to the Tribal Gaming Commission and reported to the State within seventy-two (72) hours of the time the violation was noted.

3. Investigations and Sanctions. The Tribal Gaming Commission shall investigate any reported violation of the Compact provisions and shall require the Tribal gaming operation to correct the violation upon such terms and conditions as the Tribal Gaming Commission determines to be necessary. The Tribal Gaming Commission shall be empowered by Tribal ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against the Tribal Gaming Operation, its employees, or any other person directly or indirectly involved in, or benefiting from, the gaming operation.

4. Reporting to State. The Tribal Gaming Commission shall forward copies of all completed investigation reports and final dispositions to the State on a continuing basis. If requested by the Tribal Gaming Commission, the State shall assist in any investigation initiated by the Tribal Gaming Commission, and provide other requested services to ensure proper compliance with the provisions of this Compact, Tribal ordinances and regulations or applicable laws of the State.

C. State Enforcement of Compact Provisions.

1. Monitoring. The State is authorized hereby to monitor the Tribal gaming operation to ensure that the operation is conducted in compliance with the provisions of this Compact. The Tribe may request removal of a State law enforcement officer or monitor on the basis of malfeasance, abuse of authority, or conduct disrespectful of tribal institutions or culture. Effective performance of the officer's or monitor's duties shall not be a basis for disapproval. The State shall have free and unrestricted access to all areas of the Gaming Facility during normal operating hours without giving prior notice to the Tribal gaming operation.

2. Access to Records. The State is authorized hereby to review and copy, during normal business hours, and upon reasonable notice, all records maintained by the Tribal gaming operation; provided, that any copy thereof and any information derived therefrom, shall be deemed confidential and proprietary financial information of the Tribe to the extent provided under ORS 192.410 to 192.505. Any records or copies removed from the premises shall be returned to the Tribe after use. Nothing in this subsection precludes the State or the Tribe from

disclosing information subject to the Rules of Civil Procedure or Evidence in connection with litigation, a prosecution or a criminal investigation.

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

SECTION 10. STATE ASSESSMENT OF COSTS FOR OVERSIGHT.

A. Imposition of Assessment for State Law Enforcement and Regulatory Expenditures. The State shall make annually an assessment sufficient to compensate the State for the reasonable and necessary costs of regulating gaming operations and conducting state law enforcement investigations pursuant to this Compact. The State shall assess only those costs related to gaming. The State acknowledges expressly herein that the extent of oversight is related directly to the size and scope of gaming. Such assessment shall include any costs of fringe benefits for personnel. Fees received with respect to the submission of gaming licenses and contracts pursuant to subsection 7.C. of this Compact shall be subtracted from the amount of the assessment.

B. Procedure for Assessments. The procedure for assessments shall be determined and agreed upon annually in a Memorandum of Understanding between the parties to this Compact. Such agreement shall include provisions for adjustments of excess assessments and underpayment of costs. The Tribe may request and obtain documentation of assessed costs from the State. No fees with respect to civil disputes involving the Tribe that are presented to the courts of the State for resolution shall be assessed hereunder.

C. Resolution of Disputes. If the parties fail to agree to the assessments under this section, such dispute shall be resolved pursuant to Section 16 of this Compact.

SECTION 11. APPLICATION OF STATE REGULATORY STANDARDS.

A. Health, Environmental and Safety Standards. Tribal ordinances and regulations governing health, environmental and safety standards applicable to the Gaming Facility shall be at least as rigorous as standards imposed by the laws and regulations of the State. The Tribe agrees to cooperate with any State agency generally responsible for enforcement of such health, environmental and safety standards in order to assure compliance with such standards. However, the Tribe shall have the exclusive regulatory jurisdiction over the enforcement of health, environmental and safety standards applicable

to the Gaming Facility. The Tribe shall use its regulatory jurisdiction to assure that health, environmental and safety standards are met.

B. Transportation Issues.

1. The Tribe shall provide a traffic impact study, prepared by a qualified traffic engineer registered in the State of Oregon. The study shall evaluate the effect of the proposed Gaming Facility, and any related development proposed by the Tribe as part of the same site, on the state highway system and any city street or county road that may be used by customers as access to the Gaming Facility. The traffic impact study shall determine the impacts of the proposed Gaming Facility and related development on the level of service of the affected highway(s), road(s) or street(s).

2. A determination whether the Gaming Facility shall be served directly by a state highway or by a city street or county road shall be made by the State and appropriate local officials on a consistent basis with other proposed developments.

   a. If the Gaming Facility is to be served directly by a state highway, the Tribe shall apply for and obtain a road approach permit under Oregon Administrative Rules, Chapter 734, Division 50, and shall construct the approach and any other necessary improvements in accordance with that permit. A road approach permit shall not be denied because of the proposed use of the Tribe's land. The Tribe shall provide and maintain access from its Gaming Facility onto the highway that is adequate to meet standards of the Oregon Department of Transportation, or shall enter into agreements with the Oregon Department of Transportation for the provision of such access by the State. The allocation of costs shall be as provided in Oregon Administrative Rule 734-50-020(1), which provides that the costs of constructing the road approach shall be borne by the permit applicant.

   b. If the Gaming Facility is to be served directly by a city street or county road, and indirectly by a state highway, the Tribe shall comply with applicable city or county street or road improvement requirements and satisfying any requirements the State imposes on the county or city relating to access to a state highway.

3. If the Tribe plans additional development of the Gaming Facility site, the Tribe shall advise the appropriate state or local transportation planning officials of the planned development by submitting a master

plan. In planning street, road or highway improvements, the Tribe, state and local transportation planning officials shall plan for improvements using the master plan. Construction of street, road or highway improvements may be completed in phases if practicable.

4. Traffic improvements shall be those necessary to maintain the level of service of the affected highway(s), road(s) or street(s), and to provide safe access to and from the Gaming Facility. For state highways, traffic improvements shall be consistent with the requirements of the State Highway Plan, including improvements necessary to mitigate traffic congestion, and to conform to the Oregon Department of Transportation access management policies. If the Oregon Department of Transportation determines that highway improvements are necessary, the department shall confer with the Tribe concerning the planning, design and construction of those improvements.

5. The Tribe shall pay the cost of street, road or highway improvements determined to be necessary on the basis of the traffic impact study and Oregon Department of Transportation requirements.

6. Any disputes arising under this subsection shall be resolved through the dispute resolution procedure established under section 16 of this Compact.

C. Tax Reporting of Gambling Winnings. The Tribe shall report to the Oregon Department of Revenue gambling winnings paid to any person subject to Oregon Personal Income Tax on those winnings whenever the Tribe would be required to report those winnings to the Internal Revenue Service. The information shall be reported in the manner required by the Oregon Department of Revenue.

SECTION 12. EFFECTIVE DATE; TERMINATION; AMENDMENTS.

A. Effective Date. This Compact shall become effective upon execution by the State and by the Tribe and appropriate federal approval.

B. Termination.

This Compact shall remain in effect until such time as:

1. This Compact is terminated by written agreement of both parties;

2. The State amends its Constitution or laws to criminally prohibit for all purposes and for all persons, organizations, governments or other

entities within the State conduct of all of the Class III gaming authorized by this Compact;

3. A court of competent authority makes a final determination, not subject to any further appeal, that all of the Class III games authorized by this Compact are criminally prohibited under the law of the State for all purposes and for all persons, organizations governments or other entities, and the determination has become final and enforceable;

4. The federal government amends or repeals IGRA so that a Compact is no longer required for the Tribe's exercise of Class III gaming; or

5. Either party materially breaches this Compact; but only after the dispute resolution process set forth in Section 16 of this Compact has been exhausted, and the breach has continued for a period of 60 days after written notice following the conclusion of the dispute resolution process.

C. Automatic Amendment.

1. If a type of Class III game authorized under Section 4 of this Compact is criminally prohibited for all purposes and for all persons, governments or other entities, by an amendment to State statute or Constitution, this Compact shall no longer authorize the Tribe to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect.

2. If a court of competent authority makes a final determination not subject to further appeal that a Class III game authorized under this Compact is criminally prohibited for all purposes and for all persons, organizations, governments or other entities, this Compact shall no longer authorize the Tribe to engage in that type of Class III game, and any provisions in this Compact authorizing such gaming shall be void and of no effect, but the Tribe shall be required to cease operating that Class III game only if and under the same circumstances and conditions as the State or any other affected person must cease operating the corresponding game under the court's decision.

3. If the Tribe expands the floor space of the Gaming Facility, this Compact shall be amended as provided in subsection E. of section 4. of this Compact.

D. Amendments.

1. Except as provided in subsection 12.C. above, this Compact shall not be amended unless one of the following conditions occur:

   a. The State becomes a party to another Tribal-State Compact that authorizes a tribe other than the Coquille Tribe of Indians to engage in any Class III gaming activity or scope of gaming activity not permitted under the terms of this Compact;

   b. The earlier of the date that is three years after the effective date of this Compact or the date that is one year after construction of Phase I of the Gaming Facility, as described in Exhibit I to this Compact, is completed and all parts of Phase I are fully operational and open to the public for business;

   c. The State amends State statute or Constitution to expand the type of Class III gaming permitted in the State for any purpose by any person, organization, or entity;

   d. The State amends any rule or regulation that corresponds specifically to Appendices A, B or C of this Compact, but in such case this Compact shall be subject to amendment only to the extent of the specific rule or regulation.

   e. The Tribe notifies the State that the fee-to-trust process will not be completed before October 31, 1995, as provided in Section 13.F. Any negotiation under this subparagraph shall be limited to extension of the date for completion of the fee-to-trust process.

   f. The Tribe 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 subject to this Compact. Any negotiation under this subparagraph shall be limited to issues concerning how the relationship between the tribes will affect management or operation of the gaming activity, and shall not include the scope of gaming under Section 4.

2. Paragraph 1. of this subsection does not require the State to renegotiate those terms of this Compact that apply to the forms of gaming authorized by Section 4 of this Compact, except to the extent that the State voluntarily consents to such renegotiation or as is otherwise provided for in this Compact, including, without limitation, paragraph 3 of this subsection.

3. Pursuant to paragraph 1. of this subsection, the State or the Tribe may by appropriate and lawful means, request negotiations to amend, replace or repeal this Compact. In the event of a request for renegotiation or the negotiation of a new agreement, this Compact shall remain in effect until renegotiated or replaced, unless sooner terminated under subsection 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 Tribe at the appropriate office identified at Section 14 below. If a request is made by the Tribe, it shall be treated as a request to negotiate pursuant to IGRA. All procedures and remedies available under IGRA shall thereafter apply with the exception that the 180-day period for negotiation set forth at 25 U.S.C. 2710(d) shall be 100 days.

SECTION 13. DISCLAIMERS AND WAIVERS.

A. Gaming at Another Location or Facility. Except as expressly provided in this Compact, the Tribe hereby waives any right it may have under IGRA to negotiate a Compact for Class III gaming at any other location or facility in this State for a period of three (3) years from the effective date of this Compact.

B. Status of Class II Gaming. Nothing in this Compact shall be deemed to affect the operation by the Tribe of any Class II gaming as defined in the Act or to confer upon the State any jurisdiction over such Class II gaming conducted by the Tribe.

C. Prohibition on Taxation by the State. Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe or any Tribal gaming operation except for charges expressly authorized in accordance with this Compact.

D. Preservation of Tribal Self-Government. Nothing in this Compact shall be deemed to authorize the State to regulate in any manner the government of the Tribe, including the Tribal Gaming Commission, or to interfere in any manner with the Tribe's selection of its governmental officers including members of the Tribal Gaming Commission. No licensing or registration requirement contemplated by this Compact shall be applicable to such officers with respect to their capacity as officers of the Tribe.

E. No Rights in Third Parties. This Compact is exclusively for the benefit of and governs only the respective authorities of and the relations between the Tribe and the State. Nothing in this Compact shall be construed as creating or granting any rights to any third party, or as establishing any objection or defense for any third party to any charge, offense or prosecution.

F. Location Eligible for Class III Gaming.

1. The State has negotiated and executed this Compact pursuant to the process established under 25 USC §2710(d)(3), with knowledge that the Gaming Location identified in Exhibit I is not currently held in trust by the United States for the benefit of the Tribe. This Compact is effective only at the time the United States takes the land described in Exhibit I to this Compact into trust for the Tribe. Operation of this Compact is dependent upon the described land being taken into trust as a result of the fee-to-trust process commenced by the Tribe's application to the Area Director of the Bureau of Indian Affairs in August 1993. Operation of this Compact is further dependent upon the described land being taken into trust no later than October 31, 1995.

2. Operation of this Compact is further dependent upon a determination by the Secretary of the Interior, in connection with review and approval of this Compact, that the Gaming Location is eligible to be used by the Tribe for the purpose of gaming as described in 25 USC §2719. If at any time it is determined by the Secretary, or a court of competent jurisdiction makes a final determine not subject to further review, that the Gaming Location is not eligible to be used by the Tribe for the purpose of gaming as described in 25 USC §2719, this Compact shall no longer authorize gaming at that location.

3. The parties acknowledge that the Secretary of the Interior can approve Class III Gaming Compacts only for lands that are eligible under IGRA, or will become eligible under 25 USC §2719, to be used by the Tribe for gaming purposes. Nothing in this Compact shall be construed to impose additional obligations on the Secretary beyond those imposed under applicable federal law.

G. Governing Law. This Compact shall be governed by and construed in accordance with the laws of the State of Oregon and of the United States.

H. Change in Federal Law. The Tribe reserves the right to take advantage of any change in federal law that permits additional gaming to be conducted by the Tribe without the need for a Compact. This Compact shall not be construed as a surrender by the Tribe of those rights.

I. Other Tribal Activities. Nothing in this Compact affects the Tribe's right to seek a license to manufacture gaming devices in accordance with applicable provisions of state law, under the same terms and conditions as any other citizen of the State.

J. Previously Executed Contracts. The State acknowledges that the Tribe executed several agreements with Full House Resorts, Inc., before the effective date of this Compact. The fact that those contracts were executed before the effective date of this Compact shall not constitute breach of this Compact, so long as all requirements of the Compact that are related to those contracts are satisfied within a reasonable period of time after this Compact becomes effective.

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:

Lieutenant
Oregon State Police
Lottery Security Section
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 Coquille
Tribal Gaming Commission
P.O. Box 1435
Coos Bay, OR 97420

President
Coquille Economic Development Company
3201 Tremont
North Bend, OR 97459

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 section 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 Tribe shall thereafter meet within thirty (30) days in an effort to resolve the dispute.

2. a. 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 non-binding arbitration.

b. An arbitrator shall be selected in the following manner:

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

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

c. Upon agreement by both parties, the arbitration proceeding shall be binding.

d. The parties shall divide the cost of the arbitration proceeding equally between them.

3. In the event the controversy cannot be resolved by arbitration, either party may initiate an action against the other party in the United States District Court for the District of Oregon to interpret or enforce the provisions of this Compact. In the event that the Federal court declines jurisdiction, an action can be filed in a State court of competent jurisdiction to interpret or enforce the provisions of this Compact.

B. Nothing in subsection A. of this section shall be construed to waive, limit or restrict any remedy that is otherwise available to either party to enforce the

provisions of this Compact or limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution.

C. With respect to gaming not authorized by this Compact, nothing in this Compact shall be construed to limit the authority of the State or the federal government to take immediate action to enforce and prosecute the gambling laws of the State and the United States pursuant to 18 USC §1166 (Section 23 of IGRA).

D. Tribal and State Sovereignty. This Compact shall not be construed to waive or diminish the sovereignty of the Tribe or the State, except as specifically provided herein. The State specifically and expressly waives any defense of sovereign immunity which it may otherwise have against the remedial provisions of this Compact, including its immunity from suit in federal court under Article XI of the United States Constitution. The Tribe specifically and expressly waives any immunity from suit it may have deriving from its status as a sovereign tribal government.

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

Barbara Roberts, Governor

Date: Dec. 8, 1994

COQUILLE TRIBE OF INDIANS

Edward L. Metcalf, Tribal Chairman

Date: 12/8/94, 1994

APPROVED BY THE ASSISTANT SECRETARY - INDIAN AFFAIRS

By: Ada E. Deer

ADA E. DEER

Date: FEB - 1 1995

Tribal-State Compact for Regulation of Class III Gaming
Coquille Tribe Indians
and the State of Oregon

Appendix A

I. VIDEO LOTTERY GAMES

APPLICATION FOR CERTIFICATION OF A VIDEO LOTTERY TERMINAL

Section 177-100-070

(1) A manufacturer shall not distribute a video lottery terminal for placement at the Gaming Facility unless the manufacturer has been approved and the terminal has been certified by the State of Oregon. Only approved manufacturers may apply for certification of a video lottery terminal. Any manufacturer approved for Oregon State Lottery shall automatically be approved for the Tribe's gaming enterprise.

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

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

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

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

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

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

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

TRIBAL GAMING INVENTORY DECAL

Section 177-100-080

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

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

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

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

EXTERNAL TERMINAL SPECIFICATIONS

Section 177-100-090

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

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

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

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

PROCUREMENT OF TERMINALS

Section 177-100-095

(1) Terminals to be located and operated within the State of Oregon shall be procured only by the Tribe, or a duly authorized representative of the Tribe that is an entity wholly owned by the Tribe.

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

LOCATION OF AND ACCESS TO TERMINALS

Section 177-100-100

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

DUTIES OF PRIMARY MANAGEMENT OFFICIAL

Section 177-100-110

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

(2) The Primary Management Official shall not provide any form of financial assistance, or grant credit to enable players to play video lottery games, in accordance with section 8.D. of the Compact.

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

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

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

DUTIES OF MANUFACTURERS

Section 177-100-130

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

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

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

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

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

Section 177-100-160

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

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

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

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

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

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

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

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

II. GENERAL VIDEO LOTTERY GAME RULES

AUTHORIZED VIDEO LOTTERY GAMES

Section 177-200-000

(1) Video lottery terminals may offer any video lottery game that satisfies the elements of prize, chance and consideration as described in Op. Atty. Gen. No. 6336, September 25, 1989 as determined by the Tribal Gaming Commission. Video lottery games may include video bingo, keno or any other video form of a casino game.

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

GAME REQUIREMENTS

Section 177-200-010

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

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

TICKET PRICE

Section 177-200-015

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

PAYMENT OF PRIZES

Section 177-200-020

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

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

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

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

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

METHOD OF PAYMENT

Section 177-200-030

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

REQUIREMENTS FOR RANDOMNESS TESTING

Section 177-200-050

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

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

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

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

(4) Each card position, symbol position, or number position is independently chosen without reference to the same card or number position in the previous game. This test is the "serial correlation test." Each card or number position

is considered random if it meets the 99 percent confidence level using standard serial correlation analysis.

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

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Appendix B

KENO DESCRIPTION

DEFINITIONS

Section 177-99-000

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

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

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

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

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

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

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

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

GAME DESCRIPTION

Section 177-99-010

A Keno ticket has the numbers 1 through 80 on it. For each game a player may select from 1 to 20 numbers or spots. Twenty numbers are selected or drawn randomly. Prizes are awarded based on the total amount of winning numbers matched by a player for the number of spots played for that game.

PLAY RULES

Section 177-99-020

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

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

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

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

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

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

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

CANCELLATION OF TICKETS

Section 177-99-030

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

DETERMINATION OF WINNERS

Section 177-99-040

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

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

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

PRIZE STRUCTURE

Section 177-99-050

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

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

TICKET VALIDATION REQUIREMENTS

Section 177-99-060

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

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

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Appendix C

I. PARI-MUTUEL RULES - IN GENERAL

OPERATION OF PART-MUTUEL DEPARTMENT

Section 462-50-040

The Tribal Gaming Commission shall require a Primary Management Official to maintain separate oversight of pari-mutuel activities within the Gaming Facility.

PROHIBITIONS AGAINST WAGERS BY MINORS AND EMPLOYEES

Section 462-50-140

(1) No person under the age of 18 years shall be allowed to place or collect a wager at the off-track wagering facility.

(2) No employee of the off-track wagering facility shall be allowed to place or collect a wager at the off-track wagering facility while on duty.

UNCLAIMED WINNINGS

Section 462-50-210

(1) The Tribal Gaming Commission shall require the pari-mutuel wagering facility to maintain, or provide for, an unclaimed winnings account for each race meet in which wagers are accepted.

(2) The Commission shall require that any person claiming to be entitled to any part of the winnings from a mutuel wagering system operated by the Tribe who fails to claim the money due the person prior to completion of the race meet for which a mutuel ticket was purchased, may file a claim for payment of winnings within 90 days after the close of the race meet. After 90 days from the close of a race meet, all tickets may be deemed void.

(3) After 120 days after the close of a race meet, unclaimed winnings in the account may revert to the Tribe.

RECORDS

Section 462-50-240

The Tribal Gaming Commission shall assure that sufficient records of wagering are maintained by the pari-mutuel wagering facility to allow review of the opening line, odds fluctuations and the amount of wagers at each window or station.

PARI-MUTUEL TICKETS

Section 462-50-250

(1) A pari-mutuel ticket is evidence of a contribution to the pari-mutuel pool in which the Tribe are participating, and is evidence of the obligation of the operator of the pool to pay to the holder thereof such portion of the distributable amount of the pari-mutuel pool as is represented by such valid pari-mutuel ticket. The Tribe shall cash all valid winning tickets when such are presented for payment during the course of the race meeting for which the tickets were sold, and for 90 days after the last day of the race meeting.

(2) To be deemed a valid pari-mutuel ticket, such ticket shall have been issued by a pari-mutuel ticket machine operated by the Tribe and recorded as a ticket entitled to a share of the pari-mutuel pool, and contain imprinted information as to:

(a) The name of the Tribe and of the association operating the race meeting;

(b) A unique identifying number or code;

(c) Identification of the terminal at which the ticket was issued;

(d) A designation of the performance for which the wagering transaction was issued;

(e) The contest number for which the pool is conducted;

(f) The type or types of wagers represented;

(g) The number or numbers representing the betting interests for which the wager is recorded;

(h) The amount or amounts of the contributions to the pari-mutuel pool or pools for which the ticket is evidence.

(3) The Tribe may withhold payment and refuse to cash any pari-mutuel ticket deemed not valid. A ticket is not valid if it has been recorded or reported as previously paid, canceled or non-existent.

PARI-MUTUEL TICKET SALES

Section 462-50-260

(1) Pari-mutuel tickets shall not be sold by anyone other than the Tribe or a licensed employee of the Tribe.

(2) No pari-mutuel ticket may be sold on a contest for which wagering has already been closed and the Tribe shall not be responsible for ticket sales entered into but not completed by issuance of a ticket before wagering is closed on that contest.

(3) Claims relating to a mistake on an issued or unissued ticket must be made by the bettor before leaving the seller's window. Once a bettor has left the window all bets are final, except as provided by rule of the Tribal Gaming Commission.

(4) Payment on winning pari-mutuel wagers shall be made on the basis of the order of finish as posted and declared "official." Any subsequent change in the order of finish or award of purse money as may result from a subsequent ruling by race stewards or the regulatory body governing the race meet shall in no way affect the pari-mutuel payoff.

(5) The Tribe is not required to satisfy claims on lost, mutilated or altered pari-mutuel tickets, except as provided in rules of the Tribal Gaming Commission.

(6) The Tribe is not obligated to enter a wager into a betting pool if unable to do so due to an equipment failure.

CLAIMS FOR PAYMENT FROM PARI-MUTUEL POOL

Section 462-50-280

(1) At a designated location, a written, verified claim for payment from a pari-mutuel pool shall be accepted by the Tribe in any case in which the Tribe have withheld payment or have refused to cash a pari-mutuel wager. The claim shall be made in the manner and on such form as prescribed by the Tribal Gaming Commission.

(2) In the case of a claim made for payment of a mutilated pari-mutuel ticket that does not contain the total imprinted elements required in section 462-50-250, the manager of the pari-mutuel department shall make a recommendation to accompany the claim to the Tribal Gaming Commission as to whether or not the mutilated ticket has sufficient elements to be positively identified as a winning ticket.

(3) In the case of a claim made for payment on a pari-mutuel wager, the Commission shall adjudicate the claim and order payment, deny the claim or make such other order as it may deem proper.

PAYMENT FOR ERRORS

Section 462-50-290

If an error occurs in the payment amounts for pari-mutuel wagers that are cashed or entitled to be cashed; and as a result of the error the pari-mutuel pool involved in the error is not correctly distributed among winning ticket holders, the following shall apply, unless otherwise provided in the rules governing any interstate pari-mutuel pool in which the Tribe participate:

(1) The Tribe shall verify that the amount of the commission, the amount of breakage and the amount of payoffs is equal to the total gross pool. If the amount of the pool is more than the amount used to calculate the payoff, the underpayment shall revert to the Tribe.

(2) If the error results in an overpayment to winning wagers, the Tribe shall be responsible for such payment.

COMPLAINTS CONCERNING PARI-MUTUEL OPERATIONS

Section 462-50-350

(1) When a patron makes a complaint concerning the pari-mutuel department to the Tribe or the Primary Management Official, a complaint report shall be prepared. The report shall contain the following information:

(a) The name of the complainant;

(b) The nature of the complaint;

(c) The name of the person(s), if any, against whom the complaint was made;

(d) The date of the complaint;

(e) The action taken or proposed to be taken, if any, by the Tribe or Primary Management Official.

(2) The complaint report shall be submitted to the Tribal Gaming Commission as required by the Commission.

II. OFF-TRACK PARIMUTUEL WAGERING

DEFINITIONS

Section 462-50-400

The following definitions shall apply to these rules unless the text otherwise requires.

(1) "Authorized User" means a person authorized by the Tribe to receive, to decode and to use for legal purposes the encrypted simulcast signal of racing events.

(2) "Combined Pari-Mutuel Pools," or "Combined Pools" means the pari-mutuel wagers at one or more off-track wagering facilities being contributed into the pari-mutuel pools of a host association.

(3) "Commission" means the Tribal Gaming Commission.

(4) "Host," "Host Association," or "Host Track" means the race track conducting a licensed race meet that is being simulcast.

(5) "Intrastate Wagering" means pari-mutuel wagering at an off-track wagering facility on Oregon racing events being run at an Oregon host association.

(6) "Off-Track Wagering" means pari-mutuel wagering conducted on a race at a location other than the race course where the race is actually held.

(7) "Off-Track Wagering Facility," "Intrastate Wagering Facility" or "Extended Wagering Facility" means physical premises, utilized for the conduct of pari-mutuel wagering on racing events being run elsewhere.

(8) "Simulcast" or "simulcasting" means live audiovisual electronic signals emanating from a race meeting and transmitted simultaneously with the running of the racing events at that meeting, and includes the transmission of pari-mutuel wagering odds, amounts wagered and payoff on such events, and other racing programming relating to the race animals or participants.

INTRA-STATE WAGERING

Section 462-50-420

(1) No person, partnership, corporation or other entity shall be allowed to operate an off-track wagering facility under this Compact except according to the rules of the Tribal Gaming Commission. No change in the plan of operation of an off-track wagering facility may occur until the change to the plan is approved by the Commission.

APPROVAL OF OFF-TRACK WAGERING FACILITIES

Section 462-50-430

The Commission's rules shall require an off-track wagering facility to:

(1) Provide security measures adequate to assure personal safety of patrons and employees, safeguard transmission of simulcast signals, secure money used for pari-mutuel wagering activity and to control the transmission of wagering data to effectuate common wagering pools.

(2) Use data processing, communication and transmission equipment that will at all times assure accurate and secure transmission of wagers, take outs and surcharges; program information, weight changes, over weights, tip sheets, scratches, and all other information that is usually made available to patrons at a race track.

(3) Use adequate transmitting and receiving equipment of acceptable broadcast quality.

(4) Assure that all equipment is in proper working order, and that sufficient back up equipment is available to prevent foreseeable interruptions in operations due to breakdowns or malfunctions of data, transmission or communications equipment.

(5) Use a system of accounts that will maintain a separate record of pari-mutuel revenues collected by the simulcast facility, the distribution of those revenues (take out, breakage and return to the public) and account for costs of the simulcast operation.

(6) Provide, or obtain access to, the necessary totalizator equipment to conduct simulcast wagering, and assure that the integrity of the tote system used by the off-track wagering facility is maintained.

(7) Ensure correct payment of the distributable amounts of parimutuel pools held by the Tribe pursuant to the rules applicable to the combined pools in which the off-track wagering facility is participating, and rules of the Commission.

(8) Ensure that patrons of the off-track wagering facility receive accurate information as to the rules for wagering and distribution of winnings that apply to each race.

(9) Ensure that personnel employed in the off-track wagering facility are sufficiently trained in the areas of money handling, operation of tote and ticket generating equipment and communications equipment.

(10) Provide for continuous viewing and continuous transmission of odds for the race meets on which wagers will be accepted by the off-track wagering facility.

FINANCIAL REPORTS

Section 462-50-440

The Commission shall provide for the audit of the pari-mutuel operations at an off-track wagering facility. The audit shall enable review of the financial records related to each separate betting pool in which patrons of the facility participate.

GENERAL OPERATIONS

Section 462-50-460

The Commission shall provide for sufficient communications capability with the disseminator of a simulcast signal to assure accurate transmission and receipt of wagering and odds information. The Commission shall provide for immediate, uninterruptible communication by voice and by other data transmission media in order to be able to respond in a timely way to any operational problem with equipment or any problem related to the conduct of a race meet that would affect wagering at the off-track facility.

UNUSUAL SITUATIONS IN OFF-TRACK WAGERING

Section 462-50-480

The Commission shall establish procedures for responding to loss of audio or video signal at the off-track wagering facility. In the case of loss of signal, the Commission's rules shall assure that unless an alternative means of displaying odds is provided, wagering shall cease until signal can be re-established.

INTERSTATE COMMON POOL WAGERS

Section 462-50-490

(1) Pursuant to the Interstate Horseracing Act of 1978 (15 USC §3001 to 3007), the Tribal Gaming Commission shall obtain consent from the Oregon Racing Commission in order to participate in interstate common pools.

(2) The Tribal Gaming Commission shall require any wagers in interstate common pools to be accounted for separately other than for purposes of computing odds and calculating payoffs and breakage.

GUEST STATE PARTICIPATION IN INTERSTATE COMMON POOLS

Section 462-50-500

The Tribal Gaming Commission shall provide rules for the combination of pari-mutuel wagering pools with corresponding pools in multiple jurisdictions. Those rules shall govern the adjustment of takeout rates and merging of bets placed in an interstate common pool.

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EXHIBIT I

DESCRIPTION OF PERMANENT GAMING LOCATION

Beginning at a point on the Easterly boundary of the Southern Pacific Railroad right-of-way, from which the City monument located at the intersection of the centerline of Sherman Avenue and the South line of Ohio Avenue, said monument being the initial point of Coos Bay Plat "B" (amended), North Bend, Oregon, bears North 55 degrees 55'11" West 1557.24 feet, more or less; thence North 17 degrees 43'30" East 110.42 feet to a 3-inch galvanized iron pipe fence corner; thence South 83 degrees 04'37" East 73.85 feet (formerly South 83 degrees 08'40" East) along the existing cyclone fence to a 3-inch galvanized iron pipe fence corner; thence North 09 degrees 35'53" East 172.13 feet (formerly North 09 degrees 31'50" East) along the existing cyclone fence to a 3-inch galvanized iron pipe fence corner; thence North 25 degrees 49'09" East 15.75 feet (formerly North 25 degrees 45'06" East) to a steel I-beam guard post; thence North 41 degrees 26'29" East 59.00 feet (formerly North 41 degrees 22'26" East) to a steel I-beam piping support post; thence South 80 degrees 18'00" East 111.42 feet along a line parallel to the North line of vacated Lombard Street; thence North 09 degrees 42'00" East 14.53 feet; thence South 80 degrees 18'00" East 194.58 feet, more or less, to the United States Harbor line; thence South 02 degrees 41'46" West 14.81 feet along said U.S. Harbor line; thence continuing along said U.S. Harbor line South 12 degrees 11'14" West 1427.66 feet, more or less, to the intersection of said U.S. Harbor line and an Easterly projection of the North line of Newmark Street; thence North 80 degrees 18'00" West 115.63 feet along said projected line of Newmark Street to the Southeast corner of Lot 9, Block 6, Coos Bay Plat "B", North Bend, Oregon; thence North 80 degrees 18'00" West 50.00 feet along the South line of said Lot 9, Block 6; thence North 09 degrees 42'00" East 99.82 feet to the North line of Lot 6, Block 6; thence North 80 degrees 15'43" West 190.00 feet to the East line of Tremont Street (also being the Easterly line of the Southern Pacific Railroad right-of-way), said point also being the Northwest corner of Lot 6, Block 19, Coos Bay Plat "B", North Bend, Oregon; thence North 09 degrees 42'00" East 861.46 feet along said Eastern boundary of Tremont Street (also being the Easterly line of the Southern Pacific Railroad right-of-way); thence leaving said Eastern line of Tremont Street, and continuing along said Easterly line of the Southern Pacific Railroad right-of-way 115.77 feet along a 739.72 foot radius curve left through a central angle of 08 degrees 58'02" (the long chord of which bears North 02 degrees 29'46" East 115.65 feet) to the point of beginning.

Said above described tract of land contains 11.88 acres, more or less.

DESCRIPTION OF PERMANENT GAMING FACILITY

The Gaming Facility is a building of approximately 340,000 square feet, consisting of more than one development phase.

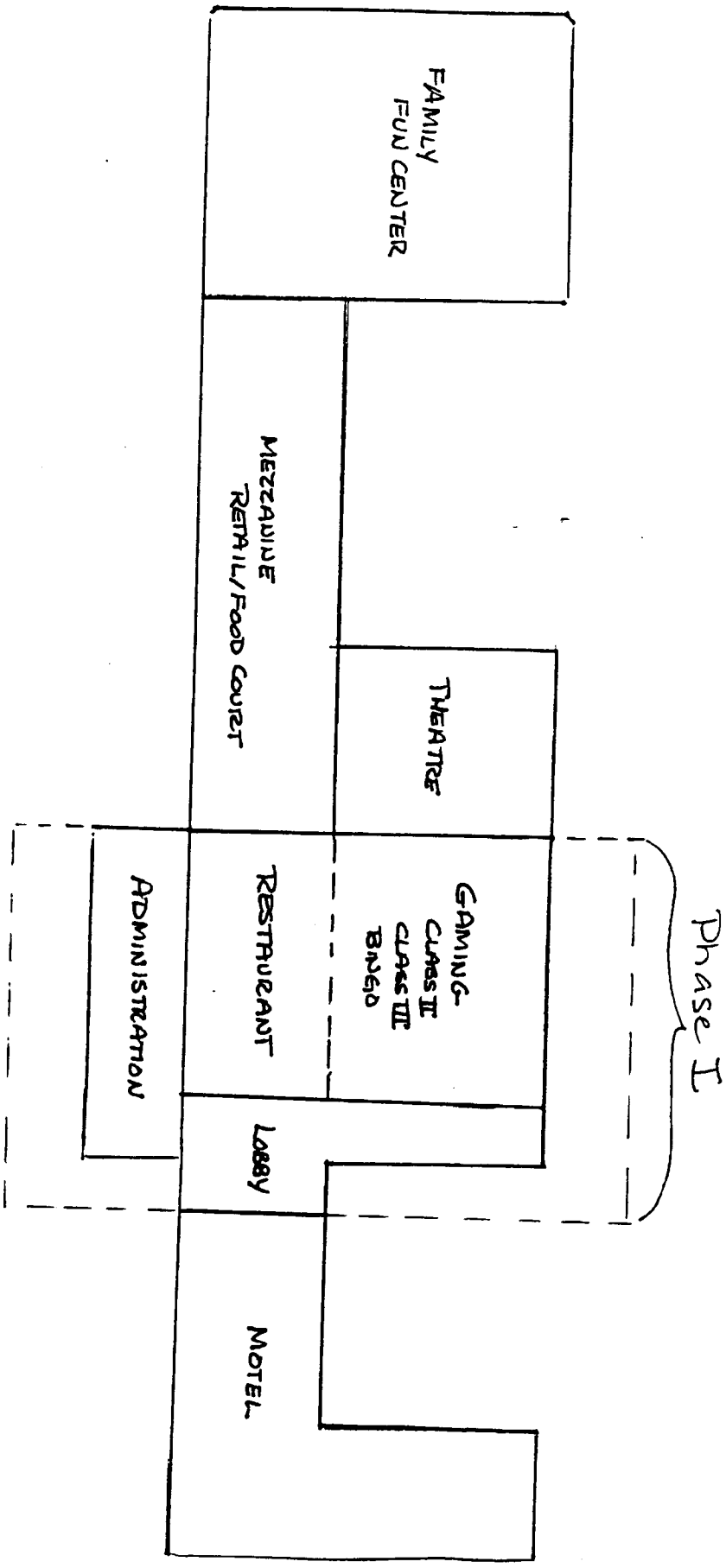
Phase I of the development consists of the following major areas: Lobby of at least 8,000 square feet; Bingo Hall of at least 20,000 square feet; Class II Game Room (other than Bingo) of at least 10,000 square feet; Class III Game Room of at least 12,000 square feet; Kitchen and Food Service of at least 9,000 square feet; Restrooms of at least 1,000 square feet and Administrative Area of at least 8,000 square feet; for a total area of at least 68,000 square feet.

Other phases of the Gaming Facility may include a motel of approximately 120,000 square feet; a theatre of approximately 20,000 square feet; a mezzanine area containing retail shops and a food court of approximately 52,000 square feet; and a family fun center of approximately 50,000 square feet.

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

EXHIBIT I

"MILL SITE"



Tribal-State Compact for Regulation of Class III Gaming
Coquille Tribe of Indians
and the State of Oregon

EXHIBIT II

DESCRIPTION OF TEMPORARY GAMING LOCATION

A parcel located in the Northwest Quarter (NW 1/4) of the Northwest Quarter (NW 1/4) of Section 29 and the Southwest Quarter (SW 1/4) of the Southwest Quarter (SW 1/4) of Section 20, Township 25 South Range 13 West of the Willamette Meridian, Coos County, Oregon; and being a portion of that parcel described in Microfilm Reel #93-06-0005, Deed Records of said Coos County, more specifically described as follows:

Beginning at a 2" brass cap iron pipe, the Section corner common to Section 19. 20, 29 and 30, said Township 25 South, Range 13 West; thence North 701.30 feet to a point on the Southerly right-of-way of Kentucky Avenue, Plat of First Addition to Empire, said Coos County; thence South 66 degrees 26'00" East 506.69 feet, more or less, to a 5/8" iron rod at the Northwest corner of Block 116, said Plat of First Addition to Empire; thence South 23 degrees 34'00" West 260.00 feet along said Block 116 and its Southerly extension to a 5/8" iron rod at the Northwest corner of Lot 9, Block 125, said Plat of First Addition to Empire; thence South 66 degrees 26'00" East 364.23 feet along the North boundary of said Block 125 to a 5/8" iron rod at the Northeast corner of said Block 125 and on the Westerly right-of-way of vacated Jefferson Street, said Plat of First Addition to Empire; thence South 0 degrees 57'00" West 23.29 feet along said vacated right-of-way to a 5/8" iron rod, 60 feet West of the Northwest corner of Lot 11, Block 124, said First Addition to Empire; thence North 89 degrees 07'00" East 334.65 feet along the North line of said Block 124; thence Due South 956.21 feet; thence Due West 1000.00 feet to the Northeast corner of Wingert Way, a County Road and a point on the Section line common to said Section 29 and 30; thence North 1 degree 53'30" West 23 feet, more or less, to an iron pipe at the Southwest corner of that property served in right-of-way agreement recorded in Microfilm Reel #88-7-0193, said Deed Records; thence North 88 degrees 06'30" East 280.00 feet to an iron pipe at the Southwest corner of said property; thence North 1 degree 53'30" West 400.00 feet to an iron pipe at the Northeast corner of said property; thence North 66 degrees 26'00" West 276.43 feet; thence North 23 degrees 34'00" East 274.17 feet; thence North 66 degrees 26'00" West 164.39 feet to the point of beginning.

The above described parcel contains 24.04 acres, more or less, and is based on a portion of that survey recorded in Plat Book 11-159, Survey Records of said Coos County.

Tribal-State Compact for Regulation of Class III Gaming
Coquille Tribe of Indians
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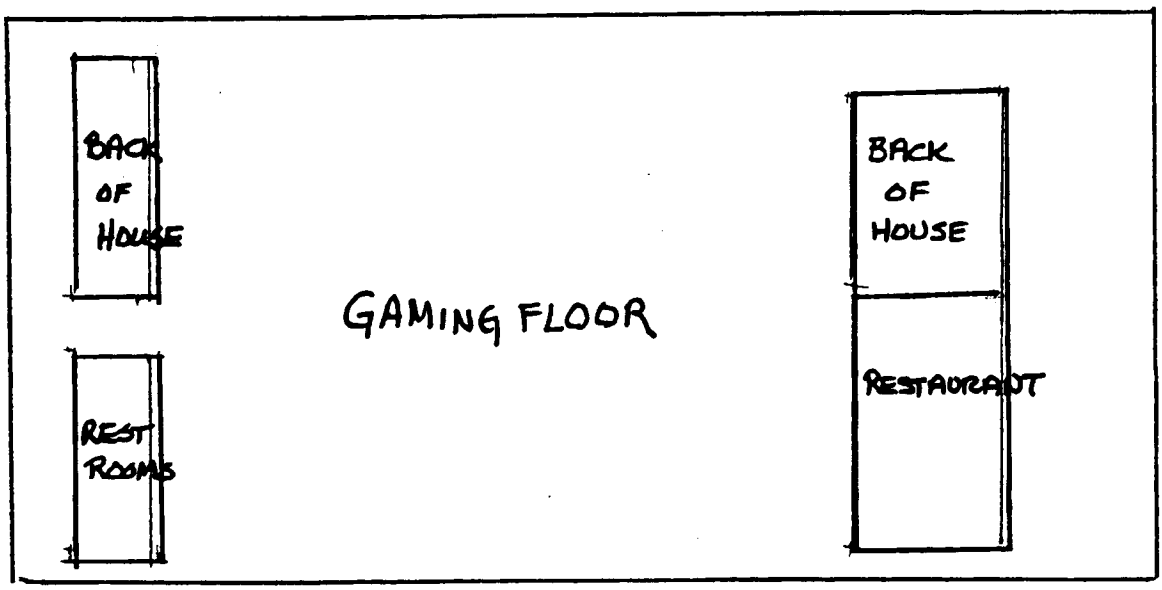
EXHIBIT III

FLOOR PLAN OF TEMPORARY GAMING FACILITY