

**GRAY ADMINISTRATION—ACTS OF DEFIANCE
TIMELINE
OSAGE NATION GOVERNMENT
ACT #1**

**Price Tag: Seven (7) Million One hundred Thirteen Thousand, seven hundred forty-nine dollars & 89/100
(Plus Interest & Attorney Fees)**

DATES	CONTRACT DISPUTE – GAMING
2001, October 22	The 30 th Council of the Osage Tribe entered into an Exclusivity Agreement with K & D Enterprises to find financing for the Tulsa Casino and then to develop the project.
2002, June	Jim Gray was elected Principal Chief of the 31 st Osage Tribal Council.
2002, June	Jim Gray and the newly elected 31 st Council attempted to consider developers other than K&D which was contrary to the agreement made between the 30 th Council and K&D on October 2001. K&D objected to the 31 st Council's attempt. After five months of meetings, Gray and the 31 st Council concluded that they were legally obligated to work with K&D under the 2001 Exclusivity Agreement.
2003, July 16	Terry Mason Moore, Osage Tribal Council Attorney concluded that new agreements with K&D were valid and binding, were enforceable against the tribe did not need to be approved by the National Indian Gaming Commission and were not management contracts. Under these new agreements made by the 31 st Council, K&D was to develop two casinos for the tribe in Sand Springs and North Tulsa. The Sand Springs casino was to be developed first.
2004, March 19	Wilson Pipestem, the new Osage Tribal Council Attorney issued an opinion that the North Tulsa agreements were valid and binding agreements, enforceable against the Nation and did not need to be approved by the National Indian Gaming Commission and were not management contracts.
2004, May 13	Penny Coleman, National Indian Gaming Commission's Acting General Counsel wrote a letter to Pipestem and the 31 st Council with concerns about the Agreements. Ms. Coleman was concerned that too much control over gaming operations had been given to Mega Bingo and K&D. Ms. Coleman also was concerned about whether the tribe possessed sole proprietary interest in the gaming operation.
2004, July	Substantial revisions were made to the Agreements due to Ms. Coleman's letter. Prior to the execution of revised agreements, the 31 st Council enacted Tribal Council Resolution 31-385. This resolution certified that no other tribal entity or individual was required to approve or consent to the Agreements.
2004, July 21	Sand Springs Casino opens. Revised Agreements signed by Osage Tribal Council, Mega Bingo and

	K&D were executed the same day. These Amended and Restated Consulting and Development Agreements with the tribe are known as the “2004 Agreements”.
2004, July 23	Wilson Pipestem, Tribal Council Attorney delivered the following opinion on the Agreements: <ul style="list-style-type: none"> • The 2004 Agreements constituted valid and binding agreements of the Nation, enforceable against the Nation and in accordance with their terms; • All authorizations, approvals, consents of any state, federal or tribal governmental authority that were required in connection with the “execution, delivery, performance or enforcement of the [Agreements] ha[d] been obtained”, • None of the Agreements, “individually, or in any combination, constitutes a ‘management contract’ or an agreement that is a ‘collateral agreement’ to a management contract relating to a gaming activity regulated by IRGA.”
2004, November	Ms. Coleman of the National Indian Gaming Commission wrote a letter stating that she couldn’t say that the contracts didn’t constitute management contracts and she was concerned about the sole-proprietary interest requirement.
2005, August 3	North Tulsa Casino opens
2005 August 11	31 st Tribal Council & K & D received notice that the National Indian Gaming Commission had commenced an investigation into the management of the tribe’s Hominy, Pawhuska, Sand Springs and Tulsa Casinos. Numerous documents were requested from both the tribe and K&D.
2006, May 8	Gray and the Chairman of the Gaming Enterprise Board sent K&D a letter stating that the Tribal Gaming Commission concluded that the 2004 Agreements were management contracts and violated the sole-proprietary-interest requirement. The Commission’s decision also: <ul style="list-style-type: none"> • Ordered that the Gaming Enterprise Board, the entity to which the Nation delegated responsibility for running the casinos provide a copy of its determination to the National Indian Gaming Commission; • Ordered that the agreements giving K&D a “Proprietary interest” in the Nation’s gaming facilities “be held in abeyance pending concurrence in this determination by the NIGC.”
2006, July 17	K&D Terminated the 2004 Development Agreement when it did not receive their April 2006 payment from the tribe. K&D then argued that the development fee was now due and payable.
2006, July 18	K&D commenced proceedings.
2007	Conclusion – The Osage Tribe was ordered to pay K&D \$7,113,749.89 in damages plus statutory interest in accordance with Okla.Stat.Tit 12§727.1. and K&D’s attorney’s fees.